# HOUSE OF COMMONS DEBATES

## OFFICIAL REPORT

FIRST SESSION—THIRTY-THIRD PARLIAMENT

34-35 Elizabeth II

**VOLUME VII, 1986**

COMPRISING THE PERIOD FROM THE THIRTEENTH DAY OF JANUARY, 1986
TO THE TWENTY-EIGHTH DAY OF FEBRUARY, 1986

INDEX ISSUED IN A SEPARATE VOLUME

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

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

# HOUSE OF COMMONS

**Monday, January 13, 1986**

The House met at 11 a.m.

[*English*]

## BUSINESS OF THE HOUSE

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, there have been consultations between the Opposition House Leaders and myself with respect to the business for today. As Your Honour will appreciate, we are to be honoured today by an address to a joint sitting of the Senate and the House of Commons by the Prime Minister of Japan, Mr. Nakasone. Accordingly, I believe you will find that there is a disposition to accept the passage of the following draft order, by unanimous consent, without debate:

That, notwithstanding any Standing or Special Order of this House, in relation to this day's proceedings, the House shall immediately proceed to "Statements by Members pursuant to Standing Order 22" and at 11.15 o'clock a.m. the House shall proceed to the Oral Question Period, provided that at 12.00 o'clock noon the Speaker shall adjourn the House until the next sitting day;

That the address of His Excellency the Prime Minister of Japan to be delivered in the House Chamber later this day, before Members of the Senate and the House of Commons, together with all introductory and related remarks, be printed as an appendix to the *House of Commons Debates* of this day so that they form part of the record of this House; and

[*Translation*]

and

That His Excellency's address, together with all introductory and related remarks, be made available to the media for transmission in the usual way by the House of Commons Broadcasting System.

[*English*]

**Mr. Speaker:** The House has heard the terms of the order. Is there unanimous consent for its adoption?

**Some Hon. Members:** Agreed.

Motion agreed to.

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# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

### NORTHERN NATIVE BROADCASTING POLICY

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I commend the Canadian Radio-television and Telecommunications Commission for its northern native broadcasting policy which was announced on December 19. The purpose of this policy is to ensure that native broadcasters have fair access to a reasonable amount of quality broadcast time in order to foster the maintenance and development of native cultures and languages in Canada.

The CBC was mentioned in the CRTC report as having a role to play in providing improved access for native broadcasting. In that report the CRTC indicated its awareness of the concerns raised with respect to the cancellation of the CBC radio program *Our Native Land*. The CRTC stated in its report that this issue will be taken up with the CBC at its next licence renewal hearing. I interpret this to mean that Mr. Juneau and the CBC have been given a black eye for cancelling *Our Native Land*—and never has a shiner been so well deserved.

* * *

## THE ECONOMY

### ADMINISTRATION'S RECORD

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, the Prime Minister (Mr. Mulroney) is obviously puzzled by his Government's drastic decline in public support, yet he need look no further than the thrust of the explanations offered by his former Minister of State for Transport when she complained that Quebec's needs were not adequately considered in the Government's decision-making process.

The same must be said for the regions of Canada for which the Government's job creation record is somewhat abysmal. When it comes to jobs, the Government has focused on southern Ontario at the expense of the other regions of Canada. The Prime Minister has admitted his regional development programs have been less than successful, and on the weekend the Minsiter of Finance (Mr. Wilson) admitted that the regions had fared rather poorly in previous months.

This is hardly surprising when the three most senior economic Ministers, the Minister of Finance, the Minister of Regional and Economic Expansion (Mr. Stevens), and the Minister of Employment and Immigration (Miss MacDonald) are drawn from southern Ontario.

In vast areas of Canada a return to economic prosperity still seems a long way off. In fact many areas are still struggling in the depths of a recession. Many Canadians feel they have been ignored by the Government and that their interests and concerns have received little attention.

In the upcoming Cabinet shuffle of the Prime Minister I hope he would endeavour to appoint economic Ministers who know, understand, and are sensitive to Canada's regions. This will demonstrate for all to see that the Prime Minister's vision

of Canada extends beyond southern Ontario and does in fact encompass the remaining 94 per cent of our fine country.

* * *

## ENVIRONMENTAL AFFAIRS

REPORT SUBMITTED BY CANADIAN AND UNITED STATES ENVOYS

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, the report furnished by the acid rain envoys representing Canada and the United States is realistic and timely. Although most of us on this side of the border would have preferred to see a tougher stance on some issues, we must not ignore the prevailing political winds blowing to the south.

For the first time in the history of our countries it is agreed that acid precipitation is a serious trans-boundary problem. Bill Davis and Drew Lewis realized that a report filled with idealism and ultimatums would have negated the entire process of negotiation. Instead, it appears Mr. Lewis has given the President a report which stands a good chance of acceptance.

The envoys' report would almost certainly be hidden on a back shelf if it contained unrealistic recommendations. The envoys were not appointed to look for a quick fix where none exists. Bill Davis and Drew Lewis are to be congratulated by the people of Canada and the United States for doing a fine job in the face of adversity. Hopefully their efforts will bring our countries closer to an agreement on long-range air pollutants. The envoys' report may serve to nudge the U.S. executive branch in the right direction.

* * *

[*Translation*]

## EMPLOYMENT

GOVERNMENT'S PERFORMANCE

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, Statistics Canada recently published its latest figures on unemployment in Canada, and they showed that unemployment in this country dropped to 10 per cent in December 1985, the lowest level since 1982. Some 372,000 new jobs were created in Canada in 1985, bringing to 450,000 the number of new jobs created by our Government since its election.

In Quebec, Mr. Speaker, 118,000 new jobs were created in 1985, the best performance since 1980, bringing to 136,000 the number of new jobs created in Quebec since the election of our Government. The encouraging aspect is that most of those jobs went to young Canadians aged 15 to 24. Interestingly enough, in Quebec alone the unemployment rate dropped from 12.8 to 11.7 per cent between September 1984 and December 1985, a decline of 1.1 per cent.

In my own region of Abitibi-Témiscamingue, Mr. Speaker, unemployment went from 19 to 14 per cent, a remarkable 5 per cent decrease.

Mr. Speaker, job creation was the main objective of this Government during the election campaign, and we are clearly showing Canadians that we respect and honour our election promises.

* * *

[*English*]

## ENVIRONMENTAL AFFAIRS

ACID RAIN—CALL FOR ACTION BY UNITED STATES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, Canadians across the country are asking the question: "What next in the acid rain saga?" The ball is back where it was a year ago. The report of the envoys on acid rain unfortunately contains no control program, no target dates, no percentage cuts in emissions and where to apply them in a manner most favourable to Canada, no $5 billion program if industry shows no interest, no reference to the cost of inaction, and no effort to build on the memorandum of intent signed in 1980. The report shows that the authors were mesmerised by the cost of action and ignored the cost of inaction. In 1981 Tom Crocker of the University of Wyoming estimated that cost at $5.5 billion per year. The report ignores the fact that U.S. legislation exists to permit immediate action if the political will is there.

• (1110)

The Prime Minister of Canada (Mr. Mulroney) is in the impossible position of having to rely on U.S. industry and, to make it worse, voluntary action on their part. The Prime Minister has been given a report that favours research over action. He must act to regain the confidence of Canadians in his ability to tackle acid rain. We cannot wait when our lakes, forests, and fish are dying. We must have action in the U.S. now.

* * *

## EMPLOYMENT

INCREASED JOB CREATION

**Mr. Alan Redway (York East):** Mr. Speaker, figures released last Friday by StatsCan reveal that 36,000 new jobs were created in Canada during the month of December. This puts the total new job creation at 311,000 for 1985, and 450,000 for the first 15 months of the Progressive Conservative Government.

**Some Hon. Members:** Hear, hear!

**Mr. Redway:** In addition, the unemployment rate has fallen to 10 per cent, its lowest level in years.

These results contrast dramatically with the job creation record of the previous Liberal Government. We know, as do

Canadians generally, that more permanent jobs have been created during this Government's first full year in office than the Liberals and NDP ever thought possible. In fact the gloomsters and doomsters and the know-it-alls in the Opposition were predicting that jobs would be lost under our Government. Well, once again they were wrong, and they will continue to be wrong when they refuse to believe in the ability of the private sector to create wealth and prosperity for working men and women across Canada. Canadian entrepreneurs and business people are among the best in the world, and when they have a Government which provides leadership they respond wholeheartedly. This Government will continue to give leadership and the private sector will continue to create even more jobs.

* * *

## SOCIAL SECURITY

FAMILY ALLOWANCES—FULL INDEXATION ADVOCATED

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I am sure the Government wants to make a fresh start in 1986. Government Members want to regain the confidence and trust of the Canadian public. I appeal to the Government through you, Mr. Speaker. Why not start off by making children and families a top priority? Let Government Members show they really care by reindexing family allowances to the real cost of living. Show that they will fulfil their promises to protect universal social programs and help those in greatest need. Show that they really listen to social policy groups, all of whom strongly oppose the 3 per cent reduction in the indexation of family allowances. Show that they understood women's groups who said that an attack on family allowances is an attack on women and children.

Let them show that they heard the hurt of poverty groups who told them from life experience how important a fully indexed family allowance is to their survival. Respond to over 50,000 petitioners from all parts of Canada who ask the Government to rescind Bill C-70.

They promised to restore cuts to social programs as the economy improved. They promised social justice and compassion for those in need. Fulfil these promises. Rescind Bill C-70. Restore confidence in your Government by fully reindexing family allowances. Start the year right. Do it now!

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## APARTHEID

TRIBUTE TO THE LATE MOLLY BLACKBURN

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I take the floor today to lay special emphasis on the tragic death of Molly Blackburn, a South African militant against apartheid.



Mrs. Blackburn died in a car accident in late December. She was the leader of a local section of the Black Sash group of women opposing apartheid and was an opposition party member on the Cape regional council.

Mrs. Blackburn was jailed several times for unauthorized entry into black ghettos, as she was white.

The struggles of Mrs. Blackburn underscore the importance of human rights, and more particularly the need to end the apartheid regime which denies basic human rights, based as it is on the political exclusion of the black majority, the racist operations of the police system, and the over-exploitation of male and female workers through the migrant work scheme. Molly Blackburn fought to put an end to it.

We shall remember her as a staunch defender of the rights of South African Blacks.

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# ORAL QUESTION PERIOD

[*Translation*]

## INDUSTRY

INQUIRY WHY GOVERNMENT DID NOT FOLLOW COMMITTEE'S ADVICE PERTAINING TO CLOSURE OF GULF REFINERY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, who has made a number of decisions that are detrimental to Quebec.

In the case of the Gulf Refinery, why did the Minister not act on the advice of the Picard Advisory Committee set up by the Government to help the workers in east-end Montreal?

And why did he not consider the unanimous resolution in favour of opening the refinery, adopted by the Quebec National Assembly? Why did he ignore or reject the advice of these two committees and the advice of the members of the Quebec National Assembly?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, as Chairman of the Departmental Committee on the Economic Development of Montreal, I can inform the House that we expect to receive the first report of the Advisory Committee chaired by Mr. Picard by January 31. We shall, of course, be considering the committee's recommendations very carefully.

GOVERNMENT POSITION ON INTERESTS OF MULTINATIONAL COMPANIES VERSUS INTERESTS OF QUEBEC WORKERS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I would like to direct my supplementary to the responsible Minister.

Did the Minister of Regional Industrial Expansion receive the O'Farrell Report referred to by the Minister of Consumer and Corporate Affairs in December? Doesn't this report prove that the Government has set the interests of a multinational corporation above those of Quebec workers and Canadian consumers?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, my answer to this question is simply that the Director responsible for compliance with the Combines Investigation Act submitted his report and his comments, and that I examined this information. I said what his public conclusions were, and there was the matter of under-capacity and surplus capacity. In this connection, I mentioned that it was a very complex question, with regional variations, and that the Restrictive Trade Practices Commission that was examining the petroleum industry would be submitting its report very shortly and would cover this problem in its comments.

[*English*]

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, perhaps the Minister of Consumer and Corporate Affairs could advise his colleague on what is in that report because his colleague, the Minister of Regional Industrial Expansion, does not seem to be up to date on that report.

Mr. Speaker, I would like to ask a third question relating to Montreal. The dossier of the Minister on the Gulf matter has not been brilliant nor, for that matter, has it been on de Havilland.

[*Translation*]

PROPOSED SALE OF CANADAIR—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** I would like to get back to the dossier of Canadair, another Crown corporation.

Does the Minister intend to give Canadians and Quebecers the assurance that, in the event of Canadair's being sold, all documentation will be made public and that he will protect the interests of Quebec workers and Canadian technology and, above all, will try to have a joint arrangement so that this company will remain under Canadian control?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in responding to the last question of the Leader of the Opposition I am most anxious to make clear that our consideration with respect to the selling of any Crown corporation is always very much with respect to the on-going employment of the employees of the Crown corporation and the retention of technology in Canada. We followed that pattern with de Havilland and, naturally, intend to follow it with Canadair. The Leader of the Opposition has my assurance that those two aspects of any sale will be very much borne in mind by the Government of Canada.

[*Translation*]

REQUEST THAT REPORT BE PUBLISHED

**Hon. André Ouellet (Papineau):** Mr. Speaker, it is quite surprising to hear the Minister claim that he is putting the emphasis on job creation. This is certainly something he overlooked when he caused a great many workers to lose their jobs at the Gulf refinery in east-end Montreal.

My question is directed to the Minister of Consumer and Corporate Affairs who was quite confusing in his reply to the Leader of the Official Opposition. Is he going to make public the O'Farrell report, as he has promised? The Minister of State for Small Businesses also said publicly that the O'Farrell report would be made public. We are waiting for this report. Where is it?

• (1120)

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I suggest that members of the Opposition themselves are the source of this confusion to which my colleague has just referred, considering the great many jobs which have been created in Canada since September 1984, over 450,000, including 136,000 in the province of Quebec.

I should also like to remind a number of our honourable colleagues opposite that in September or February 1983, they kept quiet when the possible closing of refineries was being discussed.

[*English*]

**Mr. Speaker:** Order, please. Let us start the new year right.

[*Translation*]

REQUEST THAT CONSUMER INTERESTS BE DEFENDED

**Hon. André Ouellet (Papineau):** Mr. Speaker, the Minister did not answer my question. I will put it to him once more. Will he have the guts to defend the interests of Canadian consumers? Will he make sure that the Restrictive Trade Practices Commission will look into the very shady business of the Gulf-Ultramar deal which will result in the bankruptcy of many small independent oil dealers in Montreal and the closing of a refinery in east-end Montreal?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** To reply more specifically to this question, Mr. Speaker, I can assure my honourable colleague that, as I mentioned earlier, the Restrictive Trade Practices Commission is currently looking into the oil industry as a whole. I have no control over the studies or recommendations of this quasi-judicial commission, and I shall read them as soon as the report is tabled, some time, I am told, in the early part of 1986.

**An Hon. Member:** You told us five months ago that you had read it.

PRODUCTION CAPACITY OF MONTREAL REFINERIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the same Minister. Can he confirm that, as shown in the O'Farrell Report, because of the shutdown of three Montreal refineries by the previous Government, there is now a reduced production capacity of almost 50 per cent and that such a reduced capacity cannot cope with Quebec's consumption? If so, why is the Government pursuing a policy of shutting down the refinery in east-end Montreal?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member is misinformed in this area. The shut-down of the Gulf refinery will not in any way jeopardize the supply position in Quebec. The supply and demand position in Quebec is in balance. There is still surplus capacity in that province and it is expected to grow. Demand for oil in Quebec—

**Some Hon. Members:** Oh, oh!

**Mr. Ouellet:** Table your report.

**Miss Carney:** I am sorry that the Hon. Members who raised this issue are unwilling to listen to the reply. The demand for oil in Quebec has dropped by 40 per cent in the last five years, 8 per cent in the last year alone. That will add to the surplus capacity.

The reason for this decline has been the $800 million invested by the previous Liberal administration in projects such as natural gas pipelines, electricity projects and conservation projects. This has caused a decline in the demand for oil. The result of all of that is that there have been closures of refineries in Quebec, triggered by the actions of the Liberal Government then in power, and there is now adequate surplus capacity to meet the demands of Quebec for the foreseeable future.

I can also add that under the new regime of deregulation, Quebec is—

**Mr. Speaker:** Order please. That is a long response.

**Mr. Broadbent:** Since the Minister has decided to answer rather than the Minister of Consumer and Corporate Affairs, I want to say that the Government cannot have it both ways. She has just said that there is a surplus of capacity in Quebec. The Minister who spoke about it two weeks ago said that there is a shortage of capacity. There is a complete contradiction.

REQUEST FOR PRODUCTION OF REPORT ON REFINING CAPACITY IN QUEBEC

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, since the Minister of Consumer and Corporate Affairs indicated that the O'Farrell Report suggested there was a lack of capacity in terms of meeting the needs of the Province of Quebec, will the Government do the right and honest thing and produce that report for the House of Commons?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, just to follow up on the question, as the Minister responsible has indicated, it is a quasi-judicial board and its report will be dealt with in the appropriate manner.

**Mr. Broadbent:** What does that mean?

**Miss Carney:** My own Department's figures—and I am the Minister responsible for Energy, Mines and Resources—

**Some Hon. Members:** Oh, oh!

**Miss Carney:** —shows that there is a surplus capacity existing in Quebec, that there is imbalance and that, with the deregulation programs which this Government has introduced, Quebec is in the healthy position of being able to get oil and oil products from anywhere in the world at competitive prices. Right now the Gaspé region of Quebec is supplied from the Maritimes. Also the Abitibi region of Quebec is supplied from Ontario. There are all sorts of sources of supply for Quebec and I believe this issue is being raised in order to jeopardize the concerns of Quebecers.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Mr. Speaker, I say to the Minister that the people of the Province of Quebec would like to meet their own needs with jobs in the Province of Quebec which were there before, before this Government shut down the refinery.

FUTURE OF GULF REFINERY

**Hon. Edward Broadbent (Oshawa):** I have a question for the Minister of Regional Economic Expansion. Does he agree with the Minister who has just told the House that there is a surplus capacity in Quebec, or does he agree with the Minister of Consumer and Corporate Affairs that there is a shortage of capacity?

Finally, will the Minister take the steps necessary to keep that refinery open in the Province of Quebec now?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member from Oshawa, I hope that he realizes when he is talking about the loss of jobs with respect to the closure of the Gulf refinery, or the possible closure of that refinery, the Ultramar committed investment of $125 million is going to create, in itself, 4,500 person years of jobs in the Province of Quebec.

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:** I find it most remarkable that the two opposition Parties are putting the Gulf situation, which is the fourth refinery to be closed—the other three under the previous

Government—into the context they are, totally ignoring that the Government has created 40,000 more jobs in the City of Montreal since taking power.

• (1130)

[*Translation*]

INQUIRY WHY GOVERNMENT DID NOT DELAY GULF-ULTRAMAR TRANSACTION FOR NINETY DAYS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is for the President of the Treasury Board. In her letter of resignation, the former Minister of State for Transport stated, and I quote:

> The actual influence of the Ministers from Quebec in the decision process within Cabinet is in my view inadequate.

The answers we get are evidence of that Government's incompetence and inefficiency.

Here is my question to the Minister: Will the Minister explain why the ministerial committee for the Montreal area failed to recommend to the Minister of Regional Industrial Expansion postponing by 90 days the decision on the Gulf-Ultramar issue as requested by the Quebec Government? Why did they fail to recommend that?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, in response to my colleague I would simply tell him to what extent the Ministers from Quebec are and have been concerned with the Montreal issue. The unemployment rate in Montreal is the lowest since 1981, because of steps we took to defend the interests of Montrealers, a lot better than you ever did when you were in power.

**Mr. Malépart:** Answer the question.

**Mr. Speaker:** Order, please. A supplementary.

REQUEST THAT GOVERNMENT WORK WITH ULTRAMAR TO PROTECT JOBS IN QUEBEC

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my supplementary is for the same Minister. It is really sad for Quebecers, men and women, to watch today the behaviour of their Members of Parliament and Ministers. Will the Minister at least tell us whether he endorses the representations now being made by the Bourassa Government to Ultramar before it sells the refinery in east-end Montreal to *Gaz métropolitain*, and whether he is ready to make up for his previous failure to address representations to that company in order to protect jobs in Quebec?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, speaking of behaviour I would like to ask my hon. colleague how he behaved when they closed down Esso, when they closed down BP, when they closed down Texaco, when they wiped out 1,080 jobs in east-end Montreal. How did he behave then? I say he rated zero for behaviour.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** Where were you in 1983? You were hiding.

**Mr. Speaker:** Order, please.

**Mr. de Cotret:** Mr. Speaker, where was he when the previous Government announced it was putting an end to the petro-chemical industry, to Pétromont? In a matter of weeks, we injected $15 million in Pétromont, and we have just injected another $55.8 million in Pétromont to ensure a viable petro-chemical industry in Montreal. This I call progress. This I call building on solid accomplishments.

[*English*]

REFINING CAPACITY

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Minister responsible for industry. It is also on the question of Gulf and Ultramar in Montreal. We heard, this morning, from the Minister of Energy that there is a surplus of refining capacity in the City of Montreal, in the Province of Quebec. On the other hand, the Minister of Consumer and Corporate Affairs has said that there is a shortage of refining capacity. My question is a simple one. Which Minister is correct and, second, will he table the O'Farrell Report in the House?

[*Translation*]

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I simply want to correct my colleague and say that I have not made any statement to the effect that there is a shortage of capacity. I reported the comments made by the Director of Investigations under the Combines Investigation Act. There now exists a complex problem of under-capacity or surplus capacity. I have referred this problem to the Restrictive Trade Practices Commission, which is now examining the oil industry and will report early in 1986.

INQUIRY CONCERNING DIFFERENCE BETWEEN POLICY OF PRESENT AND PREVIOUS GOVERNMENTS

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, three years ago, the previous Liberal Government allowed three Montreal refineries to close. My question is as follows: What is the difference between the policy of the present Government and that of the previous Liberal Government three years ago? What is the difference?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, there is in fact a lot of difference. In February 1983 . . . My colleague from the Trea-

sury Board mentioned earlier that this had caused the loss of 1,080 jobs in our region while we have created 40,000 in the Montreal area. That is what we should keep in mind.

REQUEST THAT JOBS BE SAFEGUARDED IF CANADAIR SOLD

**Mr. Marcel Prud'homme (Saint-Denis):** According to a confidential study carried out by the Federal Government, Mr. Speaker, Quebec accounts for 51 per cent of the aerospace industry in Canada, compared with 46 per cent for Ontario and 3 per cent for the rest of Canada.

I have a question for the Hon. Minister of Regional Industrial Expansion.

Could he assure clearly to the House this morning that should Canadair be sold, its employees will keep their jobs. Also, that the findings of the Burns Fry study concerning the possible sale of Canadair will be made public. And finally, will he promise that he will no longer open the books of Canadair to firms such as—

[*English*]

**Mr. Speaker:** Order, please, that is many questions in one.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I believe I gave a full and complete answer to the Hon. Member's first question. As far as his second and third questions are concerned, I simply reassure him that, insofar as the ongoing negotiations are concerned in respect of Canadair, the Burns report is available to the Government of Canada. We do not feel, because of certain rather confidential commercially sensitive parts of that report, that it should be opened to the public at the present time. However, I can assure the Hon. Member that if we are able to enter into a negotiation which would lead to the sale of Canadair, the material in that report, to the extent that it is not commercially sensitive, will be made available for all to see.

EFFECT OF DE HAVILLAND SALE ON CANADAIR CONTRACTS

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, I have a short supplementary question. Will the Minister give us the assurance that, in the sale of de Havilland to Boeing, none of the 500 sub-jobs being done at the moment by Canadair will be transferred to the new Boeing of Toronto?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as Hon. Members of the House will recall, before the House rose for Christmas I think we all agreed that the de Havilland matter should be considered by a committee of the House. I believe that preparations are now under way to have the hearings commence. I would suggest to the Hon. Member, if he is interested in the type of question which he has raised, that that would be the appropriate forum for him in which to ask that question. I certainly assure him that there will be an appropriate answer.

[*Translation*]

REQUEST FOR GOVERNMENT GUARANTEES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is also directed to the Minister of Regional Economic Expansion and arises from a meeting my leader and I had with workers and representatives of 5,000 workers at Canadair, who are also worried about de-industrialization in the Montreal area.

If the Government stands by its decision to privatize Canadair, does it intend to provide guarantees that a Parliamentary Committee will have full scrutiny of the conditions well before the sale, and would the Government guarantee not to sell Canadair without the specific approval of the Parliament of Canada?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, let me again assure the Hon. Member and all Hon. Members of the House that certainly we are as concerned about the ongoing jobs in respect of Canadair as any member of the Opposition. It is the Government's chief concern that Canadair be maintained, that it prosper and that it not only continue in the aerospace field but in related fields. We believe that the steps which we are taking and the negotiations which we are holding with possible buyers are the best means to ensure the viability of Canadair for the long term, and the jobs for the workers at Canadair.

PARLIAMENTARY SCRUTINY

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a supplementary question. Since it is clear that the Government mishandled the de Havilland deal by trying to do a deal behind Parliament's back, will the Minister undertake that there will be full parliamentary scrutiny of any proposed sale of Canadair, and that Parliament will be called upon to approve by a vote any sale of Canadair, so that we can ensure that those jobs are protected rather than just having to take the Government's word?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, again in reply to the Hon. Member, one of the reasons that I so welcomed the committee hearing into de Havilland is the almost enjoyment I will have watching certain members of the Opposition eat their words concerning the deal which we have struck in respect of de Havilland between the Government of Canada and Boeing. In short, it is a good deal for the workers at de Havilland and it is a good deal for the people of Canada. Again I can assure him that that is the only type of deal we will contemplate in respect of Canadair.

*Oral Questions*

## INSURANCE

MUNICIPALITIES' DIFFICULTIES IN OBTAINING LIABILITY COVERAGE

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister of State for Finance. The Minister is aware that because of recent multi-million dollar court judgments, municipalities and school boards across Canada have been unable to obtain liability insurance coverage. Will the Minister consider introducing legislation which will place a limit or a cap on claims of this sort so that municipalities such as her own and my own will be able to obtain liability insurance coverage which they have not had since the first of this year?

● (1140)

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, this is obviously a matter of some concern because there are in the industry some very profound changes under way. We have been working, as you know, since we have been in office, on strengthening the capital requirements and the solvency considerations for insurance companies. This is the best way, in the long run, to ensure that insurance is available under all enonomic circumstances at a reasonable price.

I have been in touch with the Canadian Association of Municipalities and, indeed, with other organizations which have been facing problems. In the near future we will be announcing some policy developments.

* * *

## ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES SULPHUR DIOXIDE EMISSIONS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. It has to do with acid rain. Canadians learned last week that the acid rain envoys were recommending research over action and also a voluntary program which makes the health of Canada's lakes, forests and rivers dependent on the good will of U.S. industries if they want to take any initiative.

My question, very simply, is this. What will be the next step of the Prime Minister in regaining the confidence of Canadians in this matter by ensuring that we do obtain controls on emissions of sulphur dioxide in the United States which produces some 26 million tonnes of $SO_2$ every year which comes north and destroys our environment?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, when a major committee of this House in 1981 brought down a landmark document on acid rain four or five years ago, the Prime Minister of the day refused to discuss the issue even in the House of Commons, much less in Washington with this counterpart. The President of the United States, for his part, refused to recognize that acid rain was a serious problem. In fact he attributed acid rain purely to natural phenomena, volcanoes, plants, and even ducks.

Sir, we have, in this report made a lot of progress since then.

The Hon. Member asks where are we going to take the issue from here? The envoys have recommended high level, cabinet level mechanisms. They have ensured that the issue will be on the agenda of the President and the Prime Minister at the summit conferences, not just next March but in future years. In the United States they have committed themselves to $5 billion in expenditures in the short term application of technology. We intend as a Government to act on all those recommendations, and to rush the recommendations even further.

GOVERNMENT POSITION

**Hon. Chas. L. Caccia (Davenport):** The Minister of the Environment is ducking the question. Will he admit, Mr. Speaker, that all that has been achieved so far is a one-year delay considering the fact that in 1980 we were at least ahead of this document through the memorandum of intent signed between Canada and the United States five years ago?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, when the memorandum of intent was brought down in August of 1980 not a single thing was done to act on that MOI, not a single thing, including the entire year he was Minister of the Environment.

**Some Hon. Members:** Hear, hear!

**Mr. McMillan:** I ask him to tell me, this House, and the Canadian people, during the year he was Minister of the Environment how much money did he get from the Americans for acid rain abatement?

CANADA-UNITED STATES DISCUSSIONS

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I have a question for the Minister of the Environment. Without getting into the squabble between the two Members as to who is the greatest boon to the Canadian environment, I would like to ask the Minister whether or not he can say on behalf of the Prime Minister and the Government today that they regard the recommendations of the envoy report as unacceptable? Can he say that the Prime Minister in his meeting with Mr. Reagan this spring will be pushing the President—not just to accept the recommendations of that report, but to go further and accept not the sell-out position of Mr. Davis, but the Canadian position that action is needed now, not five years from now?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, if the Hon. Member is asking me whether the Canadian Government is totally satisfied with the progress that is being made by Canada with the United States on the acid rain question, the answer is clearly no.

We don't accept the envoys' report as the last step toward acid rain abatement on both sides of the border, it is the first step.

CANADIAN POSITION

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, it is not only a first step, it is an inadequate step. I want the Minister of the Environment to reaffirm the Canadian position, and in doing so to say just how much a failure the envoy process has been. The ball is now back in the Prime Minister's court, and what is he going to be saying to Mr. Reagan when the next summit comes along?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Government of Canada and myself, in particular, accept acid rain as the number one environmental priority of the Government and of the country. The Hon. Member says that the envoys' process and report have been a total and utter failure. I disagree. In fact *The Washington Post*, which is viewed universally as a progressive newspaper, says:

> In past years the administration has stoutly resisted spending large sums on acid rain, on grounds that more research was needed. This (the envoys' report) would take it past that point, and in the least convenient of budget years.

*The Washington Post* has endorsed the envoys' report. I think the Hon. Member should have at least as much confidence in it.

**Mr. Broadbent:** Why didn't you quote the *New York Times*? It didn't say the same thing, that is why.

* * *

## NATIONAL DEFENCE

HALIFAX NAVAL DOCKYARD

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, I have a question for the Minister of National Defence concerning Canadian Forces Base Halifax. Media reports claim there is a government proposal to privatize the naval dockyard at CFB Halifax. Will the Minister advise the House whether there is, in existence, a plan to privatize the naval dockyard in Halifax?

I am sure he knows that thousands of Nova Scotians depend on the dockyard for their employment, and I think they have a right to know whether or not there is such a plan.

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, I have been unable to determine the source of that story. There is no such plan within the Department of National Defence and I am informed that the task force review, the ministerial review of programs, has not considered this at all either. So just where that story originated from, I have no idea, but it has no basis in fact.



## CROWN CORPORATIONS

SALE OF DE HAVILLAND—COMMITTEE HEARINGS

**Hon. Bob Kaplan (York Centre):** My question is directed to the Acting Prime Minister. Earlier in the Question Period the Minister of Regional Industrial Expansion said he welcomed the committee's proposed study of de Havilland, which was meant to begin today and has now been postponed. I want to ask the Acting Prime Minister for his assurances that the Government will not be putting pressure on the members of the committee about those hearings, and that the committee members will be free to decide what issues about de Havilland and Boeing and their futures to examine, which witnesses to call, and, in general, how to conduct its work.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** I am trying to be charitable, this being the first day coming back after the new year but I do not know how many times we have to say something for that hon. gentleman to understand it.

The President of the Treasury Board has been saying over and over again that the appropriate committee examination will be afforded to this transaction.

The Minister of Regional Industrial Expansion and I have repeatedly been saying the same thing The annual report of CIDC is before the committee. If the committee wants to examine it, the Minister of Regional Industrial Expansion has already volunteered to appear so the committee can start with him. Let them set their agenda and get about their work. We don't operate in this Government like that Party.

• (1150)

REQUEST FOR INFORMATION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my supplementary question is for the President of the Treasury Board and concerns exactly that openness. In the last Question Period of last year the Minister told me that all I had to do was phone and I would receive the information with respect to what commissions were being paid on that sale. I phoned and I did not receive the information. I have asked questions under access to information legislation and I have not received answers. I have written to the Minister of Regional Industrial Expansion—

**Mr. Speaker:** Order, please. Does the hon. gentleman have a supplementary question?

**Mr. Kaplan:** Given the short time which the committee is being given, will the Government give us this information now—today—so that we can prepare ourselves in order to make those committee hearings as useful as possible? The Government has already welched on its commitments in the past.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, perhaps I could help the Hon. Member for York Centre—

**Mr. Crosbie:** He is beyond help!

**Mr. Stevens:** Over the Christmas break, in anticipation of members of the committee wanting certain material such as that to which the Hon. Member refers, we took the matter up with the various parties concerned, including Rimgate, Mr. Dornier, and the Boeing people. I am pleased to be able to tell Hon. Members that we are quite willing to make relevant documents available to the committee. The commercial sensitivity in certain documents will have to be excluded. However, subject to that type of matter, the letter of intent is something which we are quite willing to make available, as well as the summary of Arthur Andersen and the Royal-Lepage document. The APS market survey summary will also be available. I have a long list of various items which will be made available.

**An Hon. Member:** Table it!

**Mr. Stevens:** I understand members of the committee may meet this afternoon. I am waiting to hear from them as to the orderly way in which they would like to have this material made available, not just to Members of the House but to the public at large.

**Some Hon. Members:** Hear, hear!

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## BANKRUPTCY ACT

### PROVISIONS AFFECTING FARMERS AND FISHERMEN

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, my question is for the Minister of Agriculture. At the First Ministers' Conference in Halifax the Prime Minister announced that he would be amending the Bankruptcy Act to meet the needs of farmers facing insolvency. The Minister of Agriculture said it would be legislation with teeth and that it would be introduced on an urgent, priority basis, certainly before Christmas. Since the urgent action has not materialized, why has the Government decided to listen to the banks instead of the three Parties of in this House who in June of 1984 agreed to set up a procedure whereby farmers and fishermen would be able to obtain a third-party review and an imposed debt reduction?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I wish to make it clear to the Hon. Member that this Government does not listen to the banks—

**Some Hon. Members:** Oh, oh!

**Mr. Wise:** —or, necessarily, to the opposition Parties. This Government listens to the farm organizations in the country, from which the best information is obtained.

I wish to set the record straight with respect to a couple of comments made by the Hon. Member. I have said it was our hope and our wish to be in a position prior to Christmas to introduce that piece of legislation. However, at the same time, being honest and frank with the farm communities across the country, I have pointed out at each and every meeting that that timeframe just might not be possible to meet.

### ROLE OF ROYAL CANADIAN MOUNTED POLICE

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, my supplementary question concerns the same issue and it is for the Solicitor General. What instructions has the Solicitor Geneal given to members of the RCMP who will accompany people posing as receivers on to farms, even though the supposed receivers have no legal documents giving them access to those farm properties? At the same time those same officers will not answer a call from a farmer who is in financial difficulty when he phones to obtain protection from people who are stalking his herds, machinery or grain. Does the Minister's Department have a policy with respect to this matter?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, if the Hon. Member has any specific case which he wishes to bring to my attention, I would be glad to have it investigated.

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## THE ECONOMY

### INTEREST RATE LEVELS

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, my question is for the Minister of Finance. On July 26, 1984, during the election campaign, the Hon. Member for Etobicoke Centre told *The Gazette* that the policy of jacking up interest rates to defend the dollar has consequences far more serious than a weakened dollar. Canadians will be surprised to know that the bank rate year-over-year in January, 1986, is higher than it was in January, 1985; January, 1984; and January, 1983. This January the bank rate is the highest January rate since 1982. Is it now the Government's policy to let interest rates go up to defend the dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the simple answer to the question is no. On September 4, 1984, the bank rate was 12.39 per cent. As the Hon. Member knows, right now it is over 2.5 percentage points lower than that. That is a clear indication of the direction of the policy of this Government.

I should draw to the Hon. Member's attention that as a former banker he should understand that interest rates fluctuate and that the key issue at which we should be looking is the results of this Government's policies. Some 450,000 jobs have been created since September 4, 1984. That is performance—something to which Canadians are responding.

**Some Hon. Members:** Hear, hear!

[*Translation*]

INTEREST RATES—GOVERNMENT POLICY

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I would have liked the Minister of Finance to have given a more direct answer to my question. The only indication he gave was: No.

I may remind the Minister that the gap between interest rates has doubled since October. How can he tell the House it is not this Government's policy to let interest rates rise, when the difference between short-term interest rates in the United States and Canada has doubled since last October?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think I answered the question fairly directly with one word—no. The policy of the Government is to try to get interest rates down as low as possible within the context of our broad economic policy. As a former banker, the Hon. Member should know that there are fluctuations within the markets that are out of the control of the Government or of the Central Bank.

**Mr. Turner (Vancouver Quadra):** Is that so?

**Mr. Wilson (Etobicoke Centre):** Yes, I say to the Right Hon. Leader of the Opposition. He was a fellow who got interest rates going up in the 1970s, at which time they reached record levels which put so many farmers and small businesses out of business. He should know. Interest rates started at 5 per cent—

**Mr. Speaker:** Order, please.

* * *

## MEDICAL CARE

FUNDING OF CANCER TREATMENT CENTRES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, my question is for the Minister of National Health and Welfare. Last week there were reports about the serious inadequacies of facilities for treating cancer patients in most parts of Canada. Given the fact that the $2 billion cut in funds from EPF, which the Government intends to impose on the provinces by 1990, will exacerbate the already serious crisis in cancer treatment centres, will the Minister urge his colleagues in Cabinet to reverse this decision to cut these grants which are so necessary if the health of Canadians is to be protected?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, first I should point out to the Hon. Member that his use of the word "cuts" is wrong. The same percentage for health care will be maintained by the federal Government. The Minister of Finance met with his counterparts prior to Christmas and indicated to them that there will be an increase in the EPF commensurate with those principles.

I think the question the Hon. Member is really asking is what other facilities and research processes should the provinces, the federal Government, and agencies such as the Canadian Cancer Society, for example, be looking at co-operatively in order to meet the challenge. That is the real issue.

MEDICAL RESEARCH

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, the Minister knows of course that the $2 billion to which I have referred is $2 billion less than the provinces would have received under the previous plan as a result of the government proposal.

Given the fact that when the Conservative Party was in opposition it pledged to increase research and development spending to 2.5 per cent of GNP—

**Mr. Speaker:** With great respect, does the Hon. Member have a supplementary question?

**Mr. Orlikow:** When will the Government reach that goal? In particular, when will it reach the goal in respect of research for life sciences?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I should tell the Hon. Member that, yes, the Government is committed to increasing the percentage of R and D relative to GNP.

● (1200)

I should point out to the Hon. Member as well that one of the very first steps this Government took was to raise the amount of money, for instance, that the Medical Research Council was to receive under the previous Government's estimates. In fact it raised it by over $30 million immediately.

Additionally, I believe the Hon. Member should be made aware of the fact that we believe that research should be driven not only by government but by private industry and the private sector as well. In fact we are very pleased to see that those kinds of communications are taking place and that there is a deep interest to see how those two efforts, both public and private, can be co-ordinated.

**Mr. Speaker:** It being 12 o'clock, pursuant to order made earlier today this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 12.02 p.m.

## APPENDIX

ADDRESS
of
YASUHIRO NAKASONE
Prime Minister of Japan
to
Both Houses of Parliament
in the
House of Commons Chamber, Ottawa
on
Monday, January 13, 1986

His Excellency, the Prime Minister of Japan, was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada, and thanked by the Honourable Martial Asselin, Speaker pro tempore of the Senate, and the Honourable John Bosley, Speaker of the House of Commons.

[*English*]

**Hon. John Bosley (Speaker of the House of Commons):** Your Excellency, we are highly honoured to have you address this joint session of the House of Commons and Senate of Canada. I think you can tell by that reception, Sir, how you and your wife are regarded by the Members of the House of Commons and the Senate.

May I now call upon the Prime Minister of Canada.

[*Translation*]

The Right Hon. the Prime Minister of Canada.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Prime Minister of Japan, Mr. Deputy Speaker of the Senate, Mr. Speaker of the House, ladies and gentlemen of the House and the Senate.

[*English*]

I have today the high honour and distinct privilege of welcoming among us today His Excellency, the Prime Minister of Japan, Mr. Nakasone. To you, Sir, and to Mrs. Nakasone we extend a warm welcome to the Parliament of Canada.

Your visit to Canada, Prime Minister, celebrates and cements the partnership between our two countries, for we have become partners in peace, partners in progress and partners in prosperity. There is infinitely more to this than commerce between our two countries, although it goes without saying that we greatly value the fact that Japan is our second largest trading partner. However, there is a common commitment to a free world and a world free from the threat of nuclear war. There is also a shared understanding that perhaps the greatest threat to the prosperity of the developed world is the poverty of the developing world. A partnership based on a mutual range of interests, our relationship has blossomed into a friendship based on mutual respect. For our part, Prime Minister, it goes even deeper, to admiration as well as respect, admiration for the real miracle of modern Japan which is to have brought about an economic transformation in harmony with its heritage.

[*Translation*]

Now, under Mr. Nakasone's vigorous leadership, Japan is moving ahead again, to a new stage in its development, from being a leader in the technological revolution of today to becoming one in the intricately interdependent world of tomorrow. During Mr. Nakasone's tenure as Prime Minister, his countrymen have increasingly come to share his view that it is not enough to have markets in the world, that it is essential to have a place in the world and indispensable to have a view of the world. As it happens, from our window on the Pacific, from our place at the summit table, our two countries have much the same global perspective.

And from our private discussions, Prime Minister, I know we have many common economic and diplomatic objectives. First among our many shared global concerns is our fundamental preoccupation with arms control, with reducing international tensions and reducing nuclear arsenals.

[*English*]

Canada and Japan begin from the premise of two countries which do not allow nuclear weapons on their soil. Japan, alone among the nations of the earth, has experienced the catastrophic devastation of nuclear weapons. It is from this uniquely tragic and poignant vantage point that Japan speaks as an advocate for nuclear sanity and for a very constructive dialogue between East and West. All manking lives in the shadow of nuclear war but Canadians live geographically and uniquely between the two superpowers, the United States and the Soviet Union. Thus, Prime Minister, we were deeply encouraged by the spirit of the Geneva Summit between President Reagan and General-Secretary Gorbachev last November. We are very heartened as well that they will be meeting again this year and next. There is no more compelling responsibility for leaders of East and West, great powers as well as small, than to encourage the pursuit of a more secure peace.

There is a new, insidious threat to stability in the world, the murderous scourge of terrorism, an international plague that knows and respects no boundaries, from which no person is safe, and to which democracies such as Canada and Japan, to name but two, are most vulnerable. Japan and Canada were linked in the horror of terrorism last year when a bomb exploded among the luggage of a Canadian commercial flight after its arrival in Tokyo. Our people have a right to expect their governments to take forceful action to rid the world of these cowardly creatures who do not recognize the bounds of decency or the dictates of reason.

As it happens, Prime Minister, we, as leaders, are not powerless to do something about this. We can encourage

support for more effective enforcement of international law, as you have done on many occasions. Under your leadership at the summit the partners may yet contemplate effective, co-ordinated action against terrorists of every origin and terrorism in every form.

[*Translation*]

I look forward to meeting you and our summit partners again in Tokyo, as I look forward to our discussions there. Canada is firmly committed to the principles and the process of the economic summit of industrialized nations. The issues may have changed since the first summit in 1975. But the challenge remains the same, the imperative of acting together.

Where previously our stability was threatened by external economic forces, we must all confront an enemy within, the growing trend towards protectionism that threatens the underpinnings of the multilateral trading system.

That is why, on behalf of my colleagues from all corners of the House and the Senate, I praise your courageous determination to open up Japanese markets to new finished foreign products, including our own, especially in the high technology and telecommunications field.

That is why we welcome your support of our trade initiative with the United States based as it is on our shared conviction that freer trade between those two partners, the world's most important trading relationship, will lead, hopefully, to trade liberalization among other partners.

That is why we share your commitment to a new round of multilateral trade negotiations, which we hope will begin this spring at the ministerial level, and we have offered Montreal as the site of the talks.

[*English*]

Our commitment to an enhanced multilateral system is a cornerstone of Canadian trade policy. That commitment extends to Asia and the entire Pacific Rim. It is a commitment that goes beyond our interest in trade to an over-riding concern for the development of the Third World and the financial stability of the entire world, for, unless ways and means are found to reduce the level of indebtedness of the nations of the South, the mountain of debt could also crush the nations of the North. I know this is a particular concern of yours in your region of the world, Prime Minister, and I can assure you that we share it in ours.

Your stay with us by no means ends here today. Tomorrow you will visit Vancouver, our jewel of a city, on what is, for you, the far Pacific shore. Your visit to Canada has strengthened the relationship between us and between our two countries. We have become friends as well as partners.

[*Translation*]

Thirty years ago, at the time of your first visit to Canada, our two countries were experiencing strikingly different economic conditions from today. Japan, now in the full flower of technological achievement, was then in the throes of reconstruction. Canada, now in a period of economic adjustment and renewal, was then in an era of unprecedented prosperity and growth.

[*English*]

Then as now, you, Prime Minister, were a member of the Japanese Parliament as, indeed, you have been since 1947. In our Parliament you would be the dean of the House of Commons. The Prime Minister has won 15 consecutive elections in his home district. That only leaves 13 more for me, Prime Minister.

I would hasten to point out to my colleagues that Prime Minister Nakasone is much more than an astute politician who has endured from one generation to the next. He is a learned statesman who, in the traditions of his country, dares to put the global questions as to the future peace and security of mankind. His enlightened perspective springs from a civilization that is both ancient and modern, and from a contemporary society that remains no less cultivated for having become so competitive. This, then, is Prime Minister Nakasone, summiteer and statesman, painter and politician, athlete and author. Esteemed colleagues and fellow citizens of Canada, I present to you the very distinguished Prime Minister of Japan.

**His Excellency Mr. Yasuhiro Nakasone (Prime Minister of Japan):**

Right Honourable Prime Minister,

Honourable Speaker of the Senate,

Honourable Speaker of the House of Commons,

Honourable Members of the Senate,

Honourable Members of the House of Commons and distinguished guests,

[*Translation*]

It is a great pleasure for me to visit Ottawa, Canada's beautiful and serene capital, and this Parliament, whose splendour is famous the world over. I am particularly honoured with this opportunity to address my dear friends in the Parliament of Canada on the very day it reconvenes in this new year, 1986. I would like to express my sincere thanks to Prime Minister Mulroney, Speaker Charbonneau, Speaker Bosley and all concerned for having given me this opportunity. I also wish to thank the Government and the people of Canada for the very warm welcome extended to me and my party since our arrival in this country.

[*English*]

As I flew into Toronto yesterday I saw vast stretches of land frozen by the bitter cold and covered by silvery-white snow. I was struck by the thought that only those who endure the rigourous challenges of nature can reap her rich rewards. Endurance is a true mark of courage. I salute and pay my deep respect to the generations of courageous Canadians who toiled to build this nation and have carried on with the task to make it what it is today.

I am further struck by the tolerance and understanding of Canadians toward multiculturalism, and their compassion and support for the handicapped. Many refugees who have unfortunately been driven out of their homelands in various parts of the world are choosing Canada as their final place to settle, and Canada is accepting them. This is testimony that the peoples of the world view Canada with respect, affection, and gratitude, as a nation with a warm heart and humanitarian spirit, which does not discriminate among human beings.

On this valued occasion of addressing the representatives of the Canadian people, I should like to speak on Japan's position and the basic elements of its policies towards the world. I should further like to state my views on how Japan and Canada can co-operate for their own progress and that of the world, as we move on to the 21st century, now only 15 years away.

The basis of Japan's world policy is to seek its peace and prosperity in the attainment of world peace and prosperity. As we put this into practice, we attach the highest importance to strengthening solidarity among the free nations of the world with whom we share common values.

After the end of World War II, the Japanese people, with deep remorse for the past, vowed to pursue peace as their national objective, and set about rebuilding their homeland, guided by the stars of freedom and democracy.

Forty years later, Japan has arrived where it is today, exceeding our expectations of ourselves. In the meantime, there have been major changes in the situation both home and abroad. The international community is asking Japan to make a contribution commensurate with the expanded influence it now exercises. For Japan which has for long enjoyed the benefits of world peace and prosperity, and of freedom and democracy, it has now become a national mission to respond positively to the call of the international community and to exert its energies toward the happiness of mankind. Japan's aspiration to work toward world peace and prosperity, on the basis of enhanced solidarity with the free nations of the world, is thus rooted in the very heart of the Japanese people.

With these thoughts in mind, let me enumerate what I consider to be the main points of Japan's world policy.

The first is the promotion of peace and disarmament. Since mankind first appeared on this earth several million years ago, history has been a constant struggle—a struggle to secure untroubled survival for mankind. It remains a fact, however, that in this age of highly developed human wisdom, the world is still torn by elements of unreason which threaten billions of lives. We owe it to our posterity to strive to eliminate these elements.

The largest single element of unreason is nuclear weapons. Except at the time of the Flood and Noah's Ark, mankind has never before been faced with such a threat of being totally and instantaneously wiped out. Whether mankind has the wisdom to eliminate by its own hand what is of its own making—this is the unprecedented test to which Clio, the Muse of History, is subjecting mankind.

As the only nation ever to have experienced the devastation of nuclear weapons, Japan has steadfastly maintained its three non-nuclear principles, and has been calling at every opportunity for the elimination of nuclear weapons. As a means of achieving this, we have advocated that the superpowers reduce these weapons drastically while maintaining a proper balance. We have also made proposals for arms control and disarmament, including a step-by-step formula for steadily reducing the size of nuclear weapons with a view to achieving a comprehensive test ban.

I have felt it essential that the leaders of the United States and the Soviet Union meet and talk in order to promote peace and disarmament, and have been calling upon President Reagan, General Secretary Gorbachev and others concerned to do so. Fortunately, the two leaders met last autumn in the first U.S.-Soviet Summit to take place in six and a half years. This meeting is only the start of a process and does not in itself warrant undue optimism. But it is true that we have seen the first ray of hope shine on these daunting problems. For my own part, I strongly hope that the two leaders respond to the ardent wishes of the peoples of the world, and continue to negotiate with sincerity and patience until they can achieve the desired results.

The regional conflicts raging in the Middle East, Asia, Africa, Central America and elsewhere should also be important matters of our concern. The conflicts not only affect the lives and safety of those who live in these areas, but also, if escalated, may trigger a major war involving nuclear weapons. Japan has thus been working hard to devise ways of creating a climate conducive to the early resolution of these conflicts, as well as to the prevention of their escalation.

The increase in the stockpile of nuclear weapons and the eruption of regional conflicts are both attributable, in the final analysis, to distrust between the parties involved.

Therefore, the key to the resolution of those issues lies in bringing the parties around, through better mutual understanding, to mutual trust. Indirect as it may seem, efforts have to be made over time to create opportunities for deeper mutual understanding to eliminate mutual distrust, gradually, and to attain mutual trust. Japan views the United Nations and other international organizations as important for such efforts, and intends to exert its efforts to revitalize the functions of these organizations.

I note that Canada, on its part, has attached great importance to the activities of these international organizations, and has been taking the lead in actively promoting them. The people of Japan have never forgotten the very great help Canada extended to Japan in the post-war years as we returned to the international community and joined these international organizations.

The second point of our world policy is to strengthen solidarity among the free nations of the world.

The global political and economic situation has undergone major changes between the end of World War II and today. However, there has been no change whatsoever in the supremacy and legitimacy of freedom and democracy and in our pursuit of these cultural and political values.

Recognizing this, Japan has established as fundamental policy the maintenance of our peaceful and stable society on the basis of political and economic co-operation and solidarity among the countries of North America, Western Europe and Japan, which share common values. Together, these three regions account for half of the world's economic production. We form the backbone of the Free World. Today, as the world is beset politically and economically with increasingly complex difficulties, it is all the more essential that we maintain our trilateral co-operation and unity among the three regions. We need this in order to cope effectively with the problems confronting us, such as, promotion of peace and disarmament, revitalization of the world economy, and meeting the problems of the developing countries.

The seven-nation summit meeting of industrialized democracies is an important forum for our trilateral co-operation. Japan is determined to continue to contribute as positively as it can to our trilateral solidarity while placing our main emphasis on the summit.

The third point of our policy concerns development and prosperity.

[*Translation*]

Since the end of the last war, world economic growth has brought considerable benefits to people the world over, starting with an increase in our collective well-being. We have a duty to consolidate and further develop this economic progress in order to help meet the growing needs of the countries of this world. To achieve this, we urgently need to defend the international system of free trade. However, the free trade system is as fragile as glass, and a recent wave of protectionism is giving increasing cause for concern. I maintain that if we let these protectionist tendencies develop any further, they may lead to a collapse of the economic order we enjoy today.

[*English*]

To defend and promote free trade, Japan has been implementing a series of programs to increase market access, including the reduction or elimination of tariffs, without seeking reciprocal action by our trading partners. These initiatives are aimed at achieving a degree of market openness unparalleled elsewhere. At the same time, we are redoubling our efforts for the promotion of a new round of multilateral trade negotiations within the GATT framework. I intend to join hands and march forward with Canada, which shares our belief in free trade, as we forcefully promote the new round.

It is argued that there is no way to avoid the pitfalls of protectionism other than to vitalize domestic industries and improve their competitiveness. Structural changes in our industrial and economic fabric would be specially conducive to defending free trade. These changes may be brought about through the promotion of scientific and technological innovations that may attract private sector vitality, and by the ensuing transfers of technology and structural adjustment. On the part of Japan, we are taking bold steps to expand domestic demand and are also in the process of tackling fundamental adjustments in our domestic economic structure in the interest of international harmony.

In the world economy as a whole, the advanced industrial countries and the developing countries are the two wheels, without either of which we cannot drive forward to achieve further development. This is why co-operation with developing countries to advance their economies and their welfare constitutes one of the important objectives of Japan's national policy. In this regard, I pay homage to the fact that Canada started its assistance to developing countries as early as 1950. For my own part, I have advocated, ever since my assumption of office as Prime Minister, that there can be no prosperity for the North without prosperity for the South, and have appealed for greater assistance toward the developing world. Japan has already planned and implemented two consecutive programs to double its Official Development Assistance, ODA. On the heels of the successful attainment of these goals, we have recently decided, despite stringent budgetary conditions, upon a new set of policy goals with the twin objectives of raising the total amount of our ODA for the seven years from 1986 through to 1992 to over $40 billion, and of making the disbursement level for 1992 double that for 1985. This new program will enable Japan to continue to expand its ODA, which today ranks in value second only to the United States among the free nations of the world.

I should add that what is noteworthy about the developing world these days is that we are increasingly required to fine-tune our assistance to meet the varying needs that reflect different conditions and stages of development in each country. Japan attaches particular importance to co-operation in human resources development, assigning priority to dispatching experts and Japan Overseas Co-operation Volunteers, and accepting trainees in Japanese companies.

Ladies and Gentlemen, with these policies of Japan in mind, I should like next to state my views on future co-operation between Japan and Canada.

Thirty years ago, in 1955, I visited Canada as a member of the Japanese Diet. I saw industrial facilities in Ontario and Quebec, as well as the innovative heavy reactor at Chalk River. I was struck and amazed by the high level of your industrial technologies, and entertained great hopes for the expansion of economic interchanges between our two countries.

Since then, Japan and Canada have succeeded in expanding the value of their two-way trade by about 100 times, due, in part, to our mutually complementary trade structure. Further, our bilateral economic interchanges have continued to intensify in a broad range of areas including investment and industrial co-operation. Today, each of us is indispensable to the other.

However, we should not be content with a relationship based merely on economic complementarity. I believe that we, the free nations of the world, should aim at building a world where nations, unfettered by the parochial interests of each or by the walls between states, exchange freely, help one another, highly respect each other's cultural values, and prosper together. That will be a world of true interdependence.

In this context, I note with keen interest Canada's unique role in the international arena. Canada has not just reacted passively to superpower politics but, taking full advantage of its self-defined role as a "middle power", is contributing actively to the building of peace as an international mediator or as a quiet but effective negotiator. This course of foreign policy chosen by Canada has amply demonstrated that any nation should and can play a valuable role appropriate to its characteristics in international politics. You have thus encouraged many nations of the world and have also made them aware of their respective responsibilities. Your contribution in this regard has indeed been immense.

Japan, for its part, is playing its own role in the international community through the world policies I have outlined and is exploring new ways of contributing. In this context, I propose that Japan and Canada consult and co-operate even more seriously on such problems as world peace and disarmament and on our policies to achieve prosperity in the developing countries.

With the Tokyo Summit in May and the expected start of the new round of multilateral trade negotiations in September, 1986 is an important year for the international community, which may determine whether we can expect a sustained growth in world trade and economy. It is also an important year in the sense that we shall see whether progress can be made toward world peace and disarmament through the second summit meeting between the leaders of the United States and the Soviet Union. For these endeavours to succeed, co-operation and unity among the free nations of the world are essential. It is indeed significant that the exchange of visits between Prime Minister Mulroney and myself is taking place in 1986, a year which may well determine our course toward the 21st century. Let us together set the basic agenda for Japan-Canada co-operation and start our joint actions on global issues, so we can develop our partnership in breadth and depth into a truly mature one.

Ladies and Gentlemen, located in a corner of the galactic system and inhabited by six billion people, our planet Earth now enjoys a most advanced material civilization. At the same time, however, our planet is exposed to the most barbaric attacks since its creation. Limited fossil resources have been exploited nearly to the point of depletion; green tracts of land are rapidly being reduced to deserts; clean air and water are being contaminated with toxic materials; and rare species of animals are being forced to the verge of extinction. Furthermore, many human beings are being driven to starvation, and tens of thousands of nuclear warheads are threatening the annihilation of all living creatures on Earth. If left unchecked, these merciless waves may doom our spaceship Earth to a lifeless wreckage.

[*Translation*]

It was with reference to this picture of the present situation on our planet that I said the following on the occasion of the fortieth anniversary of the United Nations Organization in New York last fall: "If we are to preserve this planet Earth and ensure the survival of mankind, I believe we must create a new world ethic and set up mechanisms to support that ethic."

[*English*]

We must now rid ourselves of arrogance toward Mother Nature. Japan's traditional religion teaches us that nature is the mother of all creatures and that all living things are essentially brothers and sisters in the natural universe. Such philosophy is not exclusively that of the Orient but can also be found on other continents. Needless to say, I am not suggesting that religions unique to different peoples should be united under one great Oriental theology. Instead, I submit that it is perhaps high time for us to redirect our thinking toward the basic feelings of awe, intimacy, respect and love toward nature, which mankind has had over the millenia, and to appreciate afresh what they mean to us today.

When such reorientation has started on a global scale, what I call the grand enterprise of establishing a new global ethic will have begun. The groundwork for this significant enterprise needs to be laid through promoting mutual understanding, not just among nations, but also among peoples and cultures, and through fostering mutual appreciation and respect based on such understanding. We should spare no effort in this regard.

I believe the current of history is steadily heading us in the desired direction. There are two major civilizations represented in the world today, the Occidental and the Oriental civilizations. They both emerged on the Eurasian continent. One grew and matured in the Atlantic region and has reached the eastern edge of the Pacific Ocean on the American continent. The other has already reached the stage of maturity on the western edge of the Pacific. In historical terms, it is only a matter of time until the two civilizations converge and are joined in a ring. When these two civilizations of the West and East are brought together, our planet Earth will become a full and true "globe", marking another important stage in world history and emitting an unprecedented glow. Then all living creatures on Earth will enjoy the supreme bliss of their existence.

This convergence of the different civilizations of the East and the West is no easy task. There will be difficulties and barriers in the process. But I am convinced that they will be overcome.

I believe this because history has shown that different civilizations attract each other, and come closer together, just as in physics positive electric charges repulse each other but positive and negative charges attract each other. I believe that, in the 21st century, the Pacific Ocean will be a grand and

romantic stage for enactment of the great drama of creating a new world civilization through the convergence of two civilizations.

Japan is a part of Asia and shares many common values with western civilization; Canada, which has close historical links to Europe and the United States and diverse cultures within the nation, is looking increasingly toward the Pacific in recent years. Our two nations must play out together our important roles as main actors in this drama.

Let me, in closing, express my fervent hope that the everlasting friendship and co-operation between Japan and Canada will bear abundant fruit for the future of our planet Earth.

Thank you very much.

[*Translation*]

Thank you very much.

**Hon. Martial Asselin (Speaker *pro tempore* of the Senate):** Your Excellency, we are pleased and honoured by your presence in this Chamber, where we have invited you to speak to the Canadian people. We have listened with the utmost interest to the message you have brought us from your Parliament. I trust that your address will encourage us to pursue our efforts to meet our objectives of co-operation.

When the Canadian Government decided many years ago to place particular emphasis on the development and expansion of relations between Canada and Japan, it was because it recognized the emergence of this country as a world power whose considerable interests were situated mostly, but not exclusively, in the area of international trade. Being one of the major trading nations, Japan has been playing for many years a key role in the management of the world economy. Moreover, like Canada, Japan is an industrialized country which shares our democratic ideals and wants to react efficiently to an increasingly complex economic and political situation on the international scene. It is therefore in the interest of both our countries to increase our contacts on international issues.

Moreover, Japan has a vast domestic market for Canadian goods and services as well as the means to take part in the development of Canada, for instance through needed investments in this country. We must therefore conclude that increased relations with Japan based on greater co-operation and closer ties in the political, economic, cultural, scientific and technological fields correspond to the objectives of Canada to build a healthy national economy and reduce its economic vulnerability.

[*English*]

The framework for economic co-operation and the Canada-Japan Cultural Agreement signed ten years ago embodied the principles of a new relationship in each of these areas. Since then continued co-operation between our two countries has produced significant results and progress, particularly in the trade and economic sectors. Thus trade has increased threefold. Japan is Canada's second biggest trading partner and Canada is one of Japan's major suppliers of important natural resources and energy. Three years ago the Canadian Government prepared a market development plan for Japan to assist the public and private sectors to expand business in your country. The plan identified export opportunities in targeted industrial sectors which are consistent with Canadian production capabilities. The resource, petrochemical, agricultural and manufactured products sectors were identified as a priority.

Detailed discussions will take place between yourself and the Canadian counterparts of your delegation on bilateral and multilateral issues which are of interest to both our countries. We anticipate positive results from these contacts and exchanges and I am convinced you share our expectations.

[*Translation*]

Mr. Prime Minister, there is therefore no doubt that the commercial and economic relations between our two countries will develop even more in the future.

In closing, I would like to appeal to Canadian businessmen, academics, scientists, and all those who play an important role in the Canadian society to support our efforts so that our two countries can reach the goals they have set for themselves.

[*English*]

**Mr. Speaker:** Mr. Prime Minister, on behalf of the Hon. Members of this House of Commons, I wish to thank you for sharing your eloquent vision of Japan's relationship with Canada and its successes and accomplishments as well as your expectations for the coming years. There are many ties and common interests that bind us and help us co-operate in building a peaceful and more prosperous world with institutions emphasizing the principles of fraternity and freedom exemplified in both our countries.

[*Translation*]

Throughout the years, we have consolidated and intensified our bilateral relations, not only for trade and investment, but also in the social and cultural areas, such as tourism, sports, education, theater and youth.

[*English*]

And as I am sure you know, Sir, this year represents a bit of a watershed for parliamentary relations between our two countries, as you can see the first creation of a full Canada-Japan Parliamentary Association. Sir, we hope that our increased exchange in all areas, whether political, economic, social or cultural will enhance the respect and friendship of our peoples towards one another. I think, Sir, I can say on behalf of all our Members here that you came to us with a great advanced publicity, and your speech today, Sir, has lived up to it completely. I say that, Sir, as one who was only born in 1947.

On behalf of all my Members we wish to extend to you, to your wife, to the members of your official delegation, an excellent and a fruitful visit to our country.

This House now stands adjourned until 11 a.m. tomorrow.

# HOUSE OF COMMONS

**Tuesday, January 14, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### FAMILY ALLOWANCES ACT, 1973

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-70

The House resumed, from Thursday, December 19, consideration of the motion of Mr. Epp (for the Minister of Agriculture):

That, in relation to Bill C-70, an Act to amend the Family Allowances Act, 1973, one sitting day be allotted to the consideration of the report stage of the said Bill and one further sitting day be allotted to the consideration of the Bill at the third reading stage; and

That 15 minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting days, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my speech was rudely interrupted by other things before the Christmas holidays and so here I am now concluding what I think were very germane and important thoughts. We are now in 1986. It is a brand new beginning, just the kind of beginning that the Tories should welcome, a *tabula rasa* wiped clean, a starting all over again.

**Mrs. Mailly:** You are not being germane, John.

**Mr. Rodriguez:** We now have the latest Gallup poll which shows the Tories dropping like a stone.

**Mr. Nunziata:** And the Liberals are going up.

**Mr. Rodriguez:** They had better look for a new executive. Interest rates are rising and the Tories are dropping in the polls, and one would think they would want to start a new year with a resolution that I am sure certain elements in the Cabinet would like to make, and that is, the withdrawal of Bill C-70. Withdraw it.

**Some Hon. Members:** Hear, hear!

**Mr. Rodriguez:** I would like to put that to the House. All those in favour of withdrawing the Bill say yea.

**Some Hon. Members:** Yea.

**Mr. Rodriguez:** All those opposed say nay.

**Some Hon. Members:** Nay.

**Mr. Rodriguez:** In my opinion, Mr. Speaker, the yeas have it.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Since we adjourned for the Christmas vacation, thousands and thousands of Canadians have clearly indicated by petition that they reject the partial deindexing of the family allowance. And we must not forget that the whole question of deindexation started with the Liberals in the previous Government. They started us down this rocky slope.

**Mr. Frith:** You were doing well until now.

**Mr. Rodriguez:** I know the Liberals are going to get sensitive, but I want the people of Canada to realize that the Tories did not hatch this up all on their own. All their ideas were aborning in the four years previously.

**Mrs. Mailly:** Thank you, John.

**Mr. Rodriguez:** We cannot forget, and as the Tories drop in the polls, the Liberals should be dropping as well.

**Mr. Gauthier:** But we are not. You're dropping.

**Mr. Rodriguez:** What are we really doing with this partial deindexation, Mr. Speaker? We are chiseling the children of this country. The Tories finally saw that they could not proceed with the deindexation of the old age pension. Why do they not now see that they should not proceed with the deindexing of the family allowance?

**Mr. Hnatyshyn:** Because Bob Rae says so.

**Mr. Rodriguez:** Because the Minister has the cheques already printed and the cheques reflect a cent a day per child. Oh, look at the big-hearted old Santa Clause sitting over there with the white hair, Mr. Speaker. There he is over there taking one cent a day per child. I am not pointing to the House Leader, Mr. Speaker, I want to make that clear; I am pointing to the Minister of National Health and Welfare (Mr. Epp). The Government said that if the economy improved, it would give back the full indexation. To listen to the Government, one would think the economy has improved. It now has a minimum tax, and it should be doing what is fair and just for the people of Canada, that is, fully indexing the family allowance.

I have one last point to make in the couple of seconds I have left, and that is, that the whole section on missing children is fraught with great danger, confusion and complexity. I think,

even on that score alone, the Minister should withdraw the Bill and never let it see light again.

**Mr. Speaker:** The two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 84 have expired. Accordingly, under the terms of Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

The question is on the motion standing in the name of Mr. Wise.

All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it.

*And more than five Members having risen:*

**Mr. Speaker:** Call in the Members.

The House divided on the motion (Mr. Wise), which was agreed to on the following division:

(*Division No. 166*)

YEAS

Members

Attewell
Beatty
Bernier
Bertrand
Binns
Bissonnette
Blais
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Brisco
Browes
Cadieux
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Chartrand
Clinch
Cochrane
Comeau
Cooper
Corbett
Côté
(Lac-Saint-Jean)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Della Noce
Desjardins
Desrosiers
Dick
Domm
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fraleigh
Fretz
Friesen
Gagnon
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hees
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Jourdenais
Kempling
Kilgour
Kindy
Lanthier
La Salle
Lawrence
Layton
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mailly
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McDermid
McDougall
(St. Paul's)
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Pennock
Peterson
Pietz
Plamondon
Price
Ravis
Redway
Reid
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scowen
Shields
Siddon
Sparrow
Speyer
Stevens
Stewart
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—137.

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Caccia
Cassidy
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone
Foster
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
Malépart
Manly
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rompkey
Rossi
Young—53.

**Mr. Speaker:** I declare the motion carried.

* * *

● (1140)

## BUSINESS OF THE HOUSE

**Mr. Hnatyshyn:** Mr. Speaker, I rise on a point of order. There have been consultations between the Opposition House Leaders and myself with respect to the business for today. It was proposed that we carry on consideration now of report stage of Bill C-84, an Act to amend the Income Tax Act.

You will recall, Mr. Speaker, that there was an Order of the House made prior to the Christmas recess which provided for four days of debate on this legislation to complete all stages. On the basis of discussions, it has been agreed that the deliberations today, even though we have not used a whole day on Bill C-84, would constitute one day with respect to the four days contemplated by that Order.

I would ask you, therefore, Mr. Speaker, to put the matter to the House for unanimous consent. I think you will find a disposition to receive it and accept it without debate that we do consider this as one day of the four day debate.

**Mr. Speaker:** Do I take it there is consent to the suggestion made by the Government House Leader?

**Some Hon. Members:** Agreed.

## INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-84, an Act to amend the Income Tax Act and Related Statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

**Mr. Speaker:** Order, please. As Hon. Members know, there are in the Notice Paper seven report stage motions, for which notice has been given pursuant to Standing Order 81.

Motion No. 1, standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) will be debated and voted on separately.

**Mr. Hnatyshyn:** Mr. Speaker, I wanted to address myself with respect to the procedural admissibility of certain matters. Maybe this is the appropriate time.

**Mr. Speaker:** I will hear argument if such is the intention at this time. The President of the Privy Council (Mr. Hnatyshyn).

**Mr. Hnatyshyn:** Mr. Speaker, I will try to be brief. I want to deal with Motions Nos. 1, 2 and 3 in particular.

Motion No. 1 standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) appears to be attempting to extend to corporations the method of valuation of inventory which is included in the Bill for individual artists and which was agreed to at the second reading stage. This then would expand the scope of the Bill beyond that which the House has agreed to in principle, and therefore it is contrary to our practices as outlined in Citation 773(1) of Beauchesne's Fifth Edition, which reads as follows:

An amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived.

Therefore, I would argue that Motion No. 1 is irregular and should not be put to the House.

Motion No. 2 standing in the name of the Hon. Member for Saint-Henri-Westmount appears to be offered at the wrong place in the Bill since it is offered as a subsection of the definition of "Qualified Farmed Property", whereas it appears to be offering a general definition which would apply to the capital gains exemption and is not really relevant to the definition of qualified farm property.

Therefore, it would appear that Motion No. 2 is contrary to our usual practices as outlined in Citation 773(3) of Beauchesne's Fifth Edition, which reads:

An amendment is out of order if it is offered at the wrong place in the Bill—

The substantive question of restricting the capital gains exemption to the proceeds of the sales of Canadian securities is contrary to the principle of the Bill agreed to at the second reading stage, since the capital gains exemption applied to all capital gains from the sale of any assets, and to restrict it to proceeds of the sales of Canadian securities would be contrary to the principle of providing the exemption to all capital gains.

It seems to me that our practices in such cases are clearly outlined in Citation 773(2) of Beauchesne's Fifth Edition, which reads:

An amendment must not be inconsistent with, or contradictory to, the Bill as so far agreed to by the committee—

With respect to the applicability of this citation to the report stage, I would refer the House to Citation 792.

In addition, the House will be aware of our long-standing practice of not accepting substantive amendments to Bills by means of an amendment to the interpretation clauses of such Bills. This practice is supported in Citation 773(10) of Beauchesne's Fifth Edition.

I submit that Motion No. 2 is irregular for the three reasons I outlined and ought not to be put to the House.

With respect to Motion No. 3, it would seem to be wholly dependent on the adoption of Motion No. 2 which, I believe, I have proved to be irregular.

Therefore, Mr. Speaker, I submit that Citation 773(4)(*a*) of Beauchesne's Fifth Edition applies in this case. It reads:

An amendment is inadmissible if it refers to, or is not intelligible without, subsequent amendments or schedules, or if it is otherwise incomplete.

For this reason Motion No. 3 ought not to be put to the House. I thank you, Mr. Speaker for your attention to my submission.

**Mr. Speaker:** On the same procedural argument, I recognize the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

**Mr. Johnston:** Mr. Speaker, there is only one point raised by the Government House Leader which I think merits debate. I think the other points are easily disposed of. These do not change the incidence of taxation, none of the amendments do. In Motion No. 1 there is an extension of an exemption provided for in keeping with the principle of the Bill and the deliberations before committee.

With respect to Motion No. 2, there is a typographical error in that the words in paragraph (*d*) in quotation marks should not be in quotation marks. There will be a subsequent amendment put by one of my colleagues to eliminate that. It does, however, fall in the right place in the Bill which is, as the amendment says, "after line 39 at page 90" and is precisely where that definition should fall. The only issue is that a "(*d*)" is indicated which would tie it in to the preceding paragraph. That should be eliminated.

I understand that I cannot move that motion since my name is on the main motion. The first speaker following me will do that to have it eliminated.

Again, I do not think, in terms of the principle of the Bill, that these are substantive amendments. They are, if you like, improvements to the proposal put forward by the Government to the principle inherent in this capital gains type of exemp-

tion, and I would say that they do not change the incidence of taxation and should be allowed to stand.

**Mr. Deans:** Mr. Speaker, I am a little puzzled by the interjections of my friend and colleague, the Government House Leader.

With reference to his initial dealing with Motion No. 1, I would argue that any amendment brought forward at the report stage clearly will bring about the result of changing the Bill in one way or another as it was at the time it was introduced for second reading. You cannot move an amendment to a Bill without the passage of it in one way or another altering the Bill.

Quite clearly, since you cannot move amendments at second reading, the only place amendments could be moved would be in the committee or subsequently at the report stage.

To suggest that an amendment is improper because it would in one way or another alter the Bill which was before the House at second reading, is an argument that surely could never be sustained.

**Mr. Hnatyshyn:** That is not what I argued.

**Mr. Deans:** My colleague says it is not what he argued. The problem is that it was intended only that an amendment would be considered out of order at report stage if it altered the principle of the Bill. I would contend and submit that neither of the amendments proposed by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) alter the principle of the Bill.

• (1150)

Quite frankly, there are many principles in this particular Bill; it is an omnibus Bill. However, it does not alter the principle which pertains to capital gains; it qualifies the principle. I would argue that an amendment is in order if it qualifies the principle, if it says that the principle can be applied but subject to the following. In effect, that is exactly what both the amendments of the Hon. Member for Saint Henri-Westmount do. They say: "Yes, you may do what you are saying you want to do, but it can only be done in the following way and to the following classes of property".

Therefore, I suggest that the argument of the Government House Leader, though imaginative, certainly ought not to stand.

Finally, I would agree that if Motion No. 2 were to be ruled out of order, Motion No. 3 would automatically not be put. However, I do not accept for one minute that Motions Nos. 1 and 2 should not be put to the House. I contend that they are legitimate amendments put in the proper place and follow the proper course set out for dealing with amendments.

**Mr. Gray (Windsor West):** Mr. Speaker, if I am not mistaken, this is the first time—and if it is not the first time, it is one of the very few times—that a tax Bill has been dealt with through study in a standing committee and then sent back to the House for report stage and third reading like other kinds of legislation. If that is the case, I would respectfully submit that the approach of Your Honour to the acceptability of amendments should be one in which you deal with them in a broad, flexible and generous spirit.

The idea that tax Bills would be studied in a standing committee rather than in Committee of the Whole is part of the package of parliamentary reform on which the House has been moving in recent months. It would seem that it would really make meaningless the idea that tax Bills should be given detailed study in a standing committee and then sent back to this Chamber for report stage and third reading, if the idea that amendments could be made to those tax Bills would be interpreted so narrowly that in fact no amendments would ever be receivable.

Therefore, I submit very strongly that in the context of the spirit of parliamentary reform, Mr. Speaker, you should look upon the acceptability of amendments in a broad and generous spirit and not attempt to see whether in some possible or theoretical sense they go against the principle of the Bill. If amendments were not expected to be acceptable at report stage when we are dealing with a tax Bill, then the Standing Orders should have said so. They do not say so and, therefore, that right should not be taken away through parliamentary interpretation. That is my submission.

**Mr. Speaker:** Order, please. I will be in some difficulty if we just go on and on with procedural arguments. However, I will recognize the Hon. Member for Mississauga South (Mr. Blenkarn), followed by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), and I will end it there.

**Mr. Blenkarn:** Mr. Speaker, in respect of the statement of the Opposition House Leader concerning the reference of this matter to the standing committee, may I say that it is perfectly proper that Bills be referred to the standing committees from time to time. This Bill received the same class of treatment in a standing committee as it would have in a legislative committee.

There is an amendment standing in my name; that is a procedural matter in respect of the Bill. There were amendments put in the standing committee. They were voted on and were passed. There were a number of changes made in the Bill, and the amendments are marked in the Bill for report stage debate.

The argument here is that the particular amendments of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) materially change the nature of the tax imposed and, therefore, are not proper amendments because they go against the principle of the Bill. The principle of the Bill deals with a number of important tax connotations, but they were voted on when the Bill passed second reading stage. The connotations, to be brief, are as follows: Motion No. 1 deals with capital gains relief for individuals, not capital gains relief for every taxpayer. Consequently, the term "individual" was used rather than the term "person". My friend wants to broaden the Bill to give more people relief. He cannot do that because that changes the principle of the Bill.

**Mr. Johnston:** Mr. Speaker, I rise on a point of order. I think the Hon.Member will recognize that the provision has nothing to do with capital gains. It has to do with inventory evaluation, which might change his thinking on the subject.

**Mr. Speaker:** Could I interrupt for a second, please? I fear that we may be verging into substantive debate. Therefore, I remind the Hon. Member for Mississauga South that I am hearing procedural arguments. In fairness to him, he has stayed as close as possible to that, but at the same time he is making substantive arguments. I ask him to restrict himself to the procedural issues.

**Mr. Blenkarn:** Mr. Speaker, the nub of the argument is that the amendments put to the House in respect of a tax Bill cannot broaden the tax or broaden or change the nature of the tax imposed, without the approval of the Governor in Council or without a notice of ways and means. The fact is that these particular amendments specifically contradict the ways and means motion and specifically change the nature of the tax imposed. Therefore, the particular amendments represented by Motions Nos. 1 to 5 are out of order. For example, the clear indication in the ways and means motion was to eliminate the Registered Home Ownership Savings Plan. This amendment reinstates it. That is an entirely different subject. It is the kind of thing which might have been argued at second reading, but this is a particular ways and means motion which passed the House. The Bill must correspond to the ways and means motion.

**Mr. Speaker:** Could I be very clear, please? Is the Hon. Member for Mississauga South also telling me that he is arguing that Motions Nos. 4 and 5 are out of order?

**Mr. Blenkarn:** Yes.

**Mr. Gauthier:** Mr. Speaker, I want to talk about process; I do not want to talk about the principles of the Bill. I do not agree with the Hon. Member for Mississauga South (Mr. Blenkarn). I think we are talking about details, not about principles.

The amendments in the name of the Hon. Member for Mississauga South are dated January 13, 1986, that is, yesterday. I understood that the rules of the House required 24-hour notice before we could debate such amendments. Could it be explained to those of us on this side why these motions, which were most likely tabled yesterday evening, are debatable today? I am referring to Motion No. 6 and Motion No. 7, standing in the name of the Hon. Member for Mississauga South.

**Mr. Speaker:** Perhaps I could answer that. They were received yesterday. That is the normal practice.

**Mr. Blenkarn:** Mr. Speaker, they were not received yesterday. Yesterday was the date on which the House was opened. They were produced and received on December 20, but they were not published until yesterday. As you know, Sir, the House was not sitting on December 23 and December 24, but the motions were in fact tabled on December 20 and they were printed on the first conceivable time for printing.

**Mr. Speaker:** Let me start with Motions Nos. 4 and 5 which are clearly in order. It is simple. Any Member may move to delete a clause. That is how the matter gets on the floor for discussion. Therefore, a motion to delete is clearly in order.

The arguments with regard to Motions Nos. 1, 2 and 3 have been made at a technical level by the President of the Privy Council (Mr. Hnatyshyn). Therefore I think I must reserve to consider those technical implications. I suggest at this point that I will rule Motions Nos. 4 and 5 as being in order for debate, for procedural admissibility at least. These motions to be debated and voted on separately, and Motions Nos. 6 and 7, in the name of the Hon. Member for Mississauga South, will be combined for debate but voted on separately. I will come back to the House, as quickly as I can, with a ruling on Motions Nos. 1, 2 and 3, but I suggest that for the moment we begin with Motion No. 4, standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

• (1200)

**Hon. Donald J. Johnston (Saint-Henri-Westmount)** moved:

Motion No. 4

That Bill C-84, be amended by deleting Clause 65.

He said: Mr. Speaker, I will address myself then to Motion No. 4, and I trust that in your deliberations on the questions raised you will take into account my other reference to the amendments that will be made with respect to Motions Nos. 2 and 3.

The motion that we have before us for consideration provides that Clause 65 of Bill C-84 be deleted. The intention of Clause 65 is to restrict the indexation in the Act with respect to tax brackets and with respect to exemptions.

In so doing, Mr. Speaker, the provision in the Act that has served Canadians so well since the early 1970s is being done away with at great cost to individual Canadian taxpayers. If we refer back to the Government's own estimate of the amount of additional taxation that this change would bring we find, Mr. Speaker, that in 1985-1986, the current fiscal year, some $80 million will accrue to the public Treasury by virtue of this modification to indexation.

In 1986-1987, the amount is $570 million—half a billion dollars. We do not have the estimates for the years immediately following 1986 and 1987, but we can assume that they will increase at an exponential rate. We see that by the year 1990, 1991, Mr. Speaker, there will be additional revenues to the federal Government in the amount of $4.3 billion, all of this simply through the application of Clause 65 of Bill C-84 which removes indexation. When I say it removes indexation, Mr. Speaker, I mean it provides that there will not be any indexation except when the Consumer Price Index exceeds 3 per cent. That means that the Government will be taxing the first 3 per cent of inflationary income realized by Canadians.

Now I emphasize that point, that it is inflationary income, not real income. In other words, with no real increase in

income whatsoever, but with an inflation rate of, say, only 3 per cent, the Government of Canada will, in fact, be reaching into the pockets of Canadians and transferring assets of private individual Canadians to the federal Government in the amount of $4.3 billion in the year 1991. It is inflationary increases only, Mr. Speaker.

I am not sure that any of us in the course of the debate in this House have seized adequately upon that point, but this is going directly into the savings of Canadians because it is a tax, if you like, on imaginary increases because they are not real, they are brought about by inflation. Of course, that is the very reason that this provision was introduced in the first instance. It was to say to Canadian working men and women and others who receive income from property and other sources, "Your basic income will be protected, we will not tax you on imaginary, fictional income, which is the result of the play of inflationary a forces only."

I come back again to that point, that $4.3 billion is being transferred from the private sector—that this Government and its supporters pretend to hold so dear—to the public sector by virtue of this provision in Clause 65. That will be in 1990-1991. The cumulative impact over many years, of course, is inestimable at this point in time.

[*Translation*]

There was a second reason for bringing in indexation some twelve years ago I believe it was in 1974 and that was to put restraints on the public sector and oblige the Government to watch its own spending, while recognizing that revenue would be limited by the indexation granted taxpayers. It was to prevent the Government from doing what it is trying to do with Clause 65, in other words, from transferring $4.3 billion and I quoted this amount for one year only, namely 1990-91 from the taxpayers of this country to the federal government.

[*English*]

Mr. Speaker, there were many reasons, as I said, for this kind of indexation, but one of the principal ones was to inhibit, to discourage the Government from spending inflationary dollars transferred to it by the people of Canada by virtue of the Income Tax Act. That is a very important point, Mr. Speaker, especially during this period when the Government tells us about all its spending restraints and how it is going to attack the deficit. One of the best ways of restricting Government spending is to not give Government the money to spend. The whole purpose of indexation was to leave the real purchasing power in the hands of individual Canadian men and women.

[*Translation*]

And now we see the exact opposite happening, namely a desire to transfer these inflationary amounts to the federal Government without putting any restrictions on Government spending.

Mr. Speaker, I would like to touch on a second aspect as well. References are often made, especially by our friends on the left, to our 6 and 5 program. It is true we put a ceiling on indexation, but we did not set our starting point at 3 per cent. We said: if we manage to reduce the rate of inflation to 6 per cent, no one will lose, and that is exactly what happened. The following year, inflation had dropped to 5.8 per cent. So, everyone was protected under this program. The year after, it was something like 4 per cent. So in our case, we always protected the purchasing power of the individual Canadian, because the program was able to bring down the inflation rate. What we have here, however, is an entirely different approach. Here we are told we will have to sacrifice 3 per cent. It is going to cost 3 per cent. There will be no capping at 3 per cent, and only after the first 3 per cent; in other words, only if the rate of inflation becomes disastrous are they going to protect you against the impact of inflation, that is, over and above 3 per cent, but you will be automatically contributing at least 3 per cent of your inflationary income to the federal Government.

Thank you, Mr. Speaker. I await with great interest the comments of our hon. friends opposite.

• (1210)

[*English*]

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I am very happy to respond to the Hon. Member, on the amendments he has proposed to make to what is essentially a very responsible Bill that would change the Income Tax Act and on the unreality with which he has dealt with in respect of the two issues contained in the amendments that are under consideration.

First, the Hon. Member spoke about Clause 65 and the indexation. He mentioned the transfer of funds from individuals to the public sector by this means. From the beginning, our approach to economic responsibility has been that the kind of profligate spending that went on before has led us into a period of enormous difficulty and that we must bring some responsibility back not only to the Government side but on behalf of individual Canadians. The inflationary cycle which was created by the former Government throughout the decade of the 1970s beginning in about 1974 hurt all Canadians. It hurt interest rates and made it difficult for people to buy houses. The former Government simply thought that by indexing Government policies, it could index the issue out of sight and out of the minds of Canadians. That is not the case.

The former Government followed a policy of introducing indexation that indexed revenues down and expenditures up and in a totally irresponsible way created a great wedge that led us into the kind of deficit situation we are in today. This Government has first faced that reality and has asked Canadians to face that reality as well.

As well, the Hon. Member discussed the increase that would transfer from individuals to the public sector without restricting Government expenditures and indicated that one way to deal with Government expenditures was not to give Government the money. That is a principle that was never followed by the former Government as long as it was in office. That too led to a rising deficit because the Government did not pay any

attention to the revenue side and simply increased expenditures year after year in a totally irresponsible way.

I find that the amendments proposed by the Hon. Member do not ring true with me and I do not think they will ring true with the people of Canada. The problems were developed over a period of many years while the former Government was in office and while the Hon. Member was in office. This Government is moving in a totally responsible way to bring back into the control of Canada and Canadians the economic future and social programs that we all desire. However, until we get some kind of financial stewardship and responsibility in place, the former Government must continue to bear some of the blame.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I am very pleased to rise to say a few words in response to the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) and the Minister of State for Finance (Mrs. McDougall). I believe we need to look at this particular amendment and Bill in a certain context. Perhaps I can best explain the context in which we should debate this amendment by recognizing that the tax Bill we are amending is a Bill that assists some Canadians and in a sense punishes others. The gap about which Canadians have always been concerned between the rich and the poor will be widened as a result of Bill C-84. That is something about which many of us have been concerned for many years.

The taxing of only half of capital gains is an issue that we debate in the House regularly. The fact that we only tax half of capital gains cost us about $440 million in lost revenue this year. That one provision that we virtually take for granted, which is that we only tax half of capital gains and would not think of taxing all of capital gains is something that we could certainly debate.

There are many other provisions such as ones which I could identify. Who will benefit from the provision that was introduced in the Budget which brought the upper limits of Registered Retirement Savings Plans to about $15,000 per year? It will benefit those who have annual incomes of $86,000. One needs that kind of income in order to even qualify for that limit. It is very clear that that provision will assist a number of Canadian families. It is very clear that it is on the Government's agenda to help those people whose incomes are in excess of $86,000 to save for their retirement years. Good grief, how anyone could actually rise to make that argument in a serious way is beyond me.

The Government went on to say that it should only tax half of capital gains to begin with but that a number of people will not be taxed at all. Those who make capital gains by selling jewellery or foreign real estate do not have to pay any taxes at all. However, we have to get that tax money from some place so the Government said that it would do something a bit different. It said it would have people pay taxes on the inflationary value of their incomes.

Amendment No. 4 will restore full indexation to tax brackets and personal exemptions. The Government now has a vested interest in inflation. As long as inflation rises by more than 3 per cent, the Government makes money. As my hon. friend has already indicated, the Government will make considerable money. In tax year 1985-86, $80 million will accrue to the federal Government as a result of this provision. In 1986-87, that figure rises to $570 million, and it will keep on rising until it reaches $1 billion, $2 billion or $3 billion. The Government is going to tax the inflationary value of incomes and is going to collect billions of dollars as a result.

I find it surprising that a Government which indicates its concern for individuals and for those folks in communities who are struggling hard to build Canada would hit those same individuals with this provision. This year, $570 million will be taken out of the pockets of individual communities and households across the country and dragged down to Ottawa to reduce the deficit or to make up for all of the other hand-outs that are being given to people through this same Bill. When the Governmnent does not tax capital gains of half a million dollars, it has to come up with that money someplace so it is getting it from individual Canadian men and women. That is only one provision of this Bill. We are going to discuss many more of them.

It is totally unfair and unheard of that the Government is going to tell ordinary Canadians that they will have to pay extra in income tax and that it will have to be paid not on the real value but on the inflated value of their incomes. Again, this indicates very clearly the agenda the Government is using. The first 3 per cent of inflation will not be protected now. This tells me very clearly that the Government does not mind having an inflation rate of 3 per cent because it will gain by it. In a few years, the Government will be bringing in billions of dollars as a result of this provision. It sets a very dangerous precedent to have Governments gaining from inflation as this particular provision will enable the Government to do. That is why this amendment has been put forward.

I must say that we as New Democrats will certainly be supporting the amendment put forward by my hon. friend. It is going to cost Canadians hundreds of millions of dollars if the particular motion which we are debating at the moment fails. It is going to cost individual Canadians, and I think that is the critical point. Individual Canadians will have hundreds of millions of dollars taken out of their pockets this tax year and, therefore, will not have that money to spend in the local stores. They will not have that money to take their families out to a restaurant once a week. The money will not be circulating in cities like Moose Jaw. This is just one provision, Mr. Speaker, and unfortunately, we will be asked on a number of occasions to stand up and identify other provisions where the same process is under way.

• (1220)

I really hope that someone in the Government says a bit more than the Minister of State for Finance in terms of being against this particular amendment. How can it be good news for Moose Jaw or Chicoutimi to take hundreds of thousands of dollars out of the pockets of individual Canadians this year as a result of this tax measure and drag it down to Ottawa to

assist in reducing the deficit or, more important, use the money to counter the vast expenditures on such provisions as the capital gains exemption?

I do hope my colleagues in the Conservative Party will stand up and indicate how it is going to help the small communities of Canada when more and more money is being taken out of their hands for the benefit of Ottawa.

**Mr. Felix Holtmann (Selkirk-Interlake):** Mr. Speaker, it gives me a great deal of pleasure to address the folly of the amendments which have been presented and how they will affect our agenda.

**Some Hon. Members:** Oh, oh!

**Mr. Holtmann:** I hear the "oh's" and "ooh's" from Hon. Members of the Liberal Party, and that is understandable. But we have to remind the Canadian public again and again about this serious situation with which we were left. That was really the downfall of the former administration. The Liberal administration never once thought or considered what it was going to do with the tremendous debt it was leaving with our children and our children's children. It is incumbent upon the elected Members of the Government to tell the Canadian people how serious the deficit is.

I think the Minister of State for Finance (Mrs. McDougall) put it correctly when she said that the Liberal Government deindexed Government revenues downward and indexed expenditures upward, and the Canadian taxpayers today will have to look somehow after that debt. We have also considered the importance of not creating additional new debt. We have considered ideas and proposals to stop the waste of taxpayers' money, the tremendous waste which was built into the system, and every time we have addressed that issue, the Liberal Party or the New Democratic Party cried foul. Those Hon. Members still have no idea how to raise revenue but they have all kinds of ideas on how to spend it. That is the kind of thinking the Canadian public must be made aware of. If every member of the Official Opposition rose in his place and told the taxpayers of Canada how they wanted to spend their money, I think it would be a long time before they would ever become the Government. I doubt it will happen in my lifetime. The Liberal Government would spend and then it would print. What it was doing was printing money, never giving consideration to where it was going to come from.

**Mr. Gormley:** What it didn't print, it borrowed.

**Mr. Holtmann:** In fact, one can look around the City of Ottawa and see where the Liberal Government has spent millions and millions of dollars, which it did not have, on both sides of the river.

**An Hon. Member:** Hundreds of millions.

**Mr. Riis:** Billions of dollars.

**Mr. Holtmann:** Hundreds of millions of dollars. Did the Liberal Government think about where the money was going to come from? Did it ever think that it would have to go to the taxpayers of Canada some day and tell them that they were going to have to pay for this? In the last election the Liberals said: "Look at what we have built for your children and your children's children. We hope they make money so that we can tax them". The Liberals never considered the ramifications, and that is why they are where they are today.

**Mr. Boudria:** Speaking of where we are, did you look at the public opinion polls?

**Mr. Holtmann:** Today they are feeling pretty high because they went up in the polls a little.

**An Hon. Member:** It's temporary.

**Mr. Holtmann:** But we are going to tell the truth in this House.

**Mr. Boudria:** Since when?

**Mr. Holtmann:** We protected our banks and the Liberals created a new hype about that being the wrong thing to do. It was wrong to look after people who had invested even their family allowance cheques. The Liberals said: "Don't protect them". Shame on the Liberals for thinking that way.

**Mr. Riis:** The banks don't get the family allowance.

**Mr. Holtmann:** The Liberals did not want to protect the small businesses which employ hundreds of people. The Liberals would not protect them if they had their way. This is the folly of the nature of their debate. Finally a Government took over that really thinks about what it is going to do about the deficit, and in a slow and fair manner we are bringing the deficit down. It is painful. It is always painful to pay your bills. And it is more painful for this country to pay its bills with no revenue.

Yes, we have to find revenue. We have to think about revenue before we think about spending. In fact, that is what the whole exercise is all about. Certainly it is painful for people to pay an element of tax beyond the inflation rate, but I would look at the positive side of things. This country is employing more and more people every month. That is the direction in which this Government is going. The goal has to be that we have full employment some day so that we can tax people less and receive more revenue. That is the goal. That is our objective, and members of the Opposition should start thinking about the objective of creating more employment instead of thinking of ways to spend more money. Until then, the Canadian people will never let that Party form another Government.

The Liberals adopted the attitude that spending will drive unemployment right down, and they felt they could get elected on that platform. But we have 400,000 more people employed in just a year and a half, and those Hon. Members should jump up and agree that that is also the direction in which they would like to go.

**Mr. Riis:** That is most of Manitoba. The best example is Manitoba.

**Mr. Holtmann:** But the Liberals should show how they would do it. We do not need their lip service. Never once since I have been in this House, Mr. Speaker, have I heard a member of the Opposition rise and describe how he could create more employment. All I have heard is: "Why don't you give more money here and more money there? We knew how to print it when we were in power". And the Liberals are prepared to do it all over again. The Canadian people have to be told what the Liberals have in their minds.

**Mr. Riis:** Howard Pawley.

**Mr. Holtmann:** Yes, Howard Pawley, you know that gentleman really well.

**Some Hon. Members:** Oh, oh!

**Mr. Holtmann:** And you had better get to know him well because he is not going to be around for a long time.

**Mr. Riis:** He has the lowest unemployment in Canada.

**Mr. Holtmann:** The Hon. Member mentions Howard Pawley, who is in fact considering selling off a Crown corporation in Manitoba. He is losing $200 million to $300 million a year and is scratching his head asking: "How long can we do that?"

**Mr. Riis:** You should stand up and praise him.

**Mr. Holtmann:** He takes the attitude of the Conservatives sometimes. We like Crown corporations, they say. On the one hand, you people over there protect them, then we have a Premier of Manitoba who says we do not know how to run them. It is starting to show. Manitoba taxpayers are sick and tired of paying for that kind of foolishness. This Government recognizes that big Government does not run big companies in the right way. Past experience involving de Havilland will prove that.

● (1230)

It is about time that the Opposition started to realize this Government's objectives and to support them. It supported the concept during the campaign. Opposition Members said we have to change direction. Now they are back in the House saying that, although we are doing so, it is not the right direction. We are having a seesaw battle back and forth on this issue.

The Hon. Member for Kamloops-Shuswap (Mr. Riis) talks about the danger of this Bill taking $4 billion from taxpayers. I would like him to stand up and say where he will find the revenue to reduce our debt. I would like to know. We put in place a minimum tax for the rich. His leader praised that. He stood up and said that that is the right direction. Everything was positive. However, now the Member says, "Oh, it is not really what we thought it was". In front of the cameras he says it is great but now it is not. His Leader campaigned for that tax. As a matter of fact, so did the Leader of the Liberal Party. We all remember how he campaigned on that. However, when it was introduced the Liberal Opposition slammed it. Liberal Members said it was no good, too little, too late. We heard the whole exercise.

**Mr. Schellenberg:** He had no option.

**Mr. Holtmann:** "We would have done it a little differently", he said. Well, they have not fooled the people of my riding with that kind of rhetoric. They thought it was a good idea. I have countless letters saying it was about time.

This Government is going in the right direction and every Member in this Party will tell the truth about what is happening to our tax revenues.

**Some Hon. Members:** More!

**The Acting Speaker (Mr. Charest):** Order, please.

**Mr. Mayer:** Let the record show that even Don Johnston clapped.

**The Acting Speaker (Mr. Charest):** Let me remind those Members who are yelling for more that we are debating Motion No. 4 to amend Bill C-84. I understand that everyone is in a good mood coming back as they do from the Christmas break, but the rule of relevancy may creep up at some time. All Members would do well to keep in mind that we are debating specific amendments.

[*Translation*]

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I wonder where the previous speaker was when the Budget was brought down on May 23 last year. Did he read the Budget Speech? Is he aware of the tax measures it contained? After listening to his speech, I really wonder whether he does know. He stands up and tells us that the reason why we should not adopt Motion No. 4 to delete Clause 65 from Bill C-84, so that income tax tables will continue to be indexed, and that the reason why this Government intended to vote against the motion, was, that it wanted to control the deficit—

How can he tell us today that it is absolutely necessary to tax individuals on the first three per cent of inflation, year after year after year, when that same Budget, that same Government, had enough financial resources, and was certainly not considering the deficit, when it decided to give the oil multinationals $2.5 billion in 1990-91 alone, and when this year, their decision to remove taxes on the oil multinationals will cost the Government twice as much in foregone revenue as the amount they want to raise through partial de-indexing of the income tax tables.

**Mr. Boudria:** Shame!

**Mr. Garneau:** Mr. Speaker, there is a very interesting point to be made here, and that is that the political philosophy of the Government opposite could be expressed as follows: tax the

middle class and give it all to the oil multi-nationals. Because that is what the Budget Speech has given us, and that is what the figures published by the Department of Finance reveal. It is not a matter of knowing whether we are for or against controlling the deficit.

Personally, I have said both inside and outside the House that it is a concern of all Canadians. Fiscal responsibility is not only the concern of those sitting on your right, Mr. Speaker, but also of those sitting on your left.

Let no one tell us that indexation of the income tax tables should be abolished in order to control the deficit, when that same Budget is going to give billions of dollars to the oil multi-nationals.

And for the information of the previous speaker, I may also add that this same Government, according to his speech, wants to bring back inflation in our income tax system to combat the deficit, while this same Bill C-84 proposes to introduce a capital gains tax exemption that will also cost billions of dollars, I believe $4.5 billion, between now and the end of the decade. And now another reason, and here I would refer to what was said by the Minister of State for Finance Mrs. McDougall. I was shocked by the Minister's speech. How smooth and at the same time how naive. And a poor knowledge of the historical facts, especially since it was her own party, it was the Leader of the Conservative Party who first suggested indexing income tax tables!

Is she going to repudiate Mr. Stanfield? Is she going to repudiate all her colleagues who endorsed the indexation Bill in the House even before she first arrived here? She may very well laugh and smile today. She seldom does that, but I can see she is smiling now. It is quite insulting to hear that from a Minister who does not even know the philosophical history of her own Party. She is telling us that we Liberals lack fiscal accountability, that indexation has to be abolished now because of us nasty Liberals. Where was she when her own colleague, the Minister of Finance, gave the multinationals $2.5 billion for the year 1990-91 alone, not to mention the $920 million for the current year? Is that not more important?

Where is the political philosophy of that Party? Does she realize that by granting the capital tax exemption she will increase the deficit? And their approach consists in taking everything off the hide of Canadians and ordinary taxpayers through de-indexation of the first 3 per cent with respect to the tax brackets.

A moment ago my colleague from Saint-Henri-Westmount (Mr. Johnston) fully explained the impact this will have in 1990-91, but it does amount to a $570 million tax increase in 1986-87.

Mr. Speaker, to show you just how insidious that tax is I might say that in a period of four years, or in four years from now, the additional $570 million to be paid by Canadian taxpayers this year because of the Government will have been multiplied by 7.5, which means that the tax will jump from $570 million to $4.3 billion. Imagine what it will be in 1995. How much bigger will the tax load of Canadian taxpayers be? Very likely close to $10 billion.

We are saying to the Government: If you want to talk about fiscal accountability, at least try to be consistent. Do not be so generous towards the oil multinationals and wealthy people, and then siphon off that money through an insidious expedient such as the de-indexation of tax brackets.

Mr. Speaker, when the debate was first launched in the 70s I had an opportunity to talk about the consequences of indexing or de-indexing tax brackets. I then took some positions with respect to the debate in the early 70s.

But today, as they attempt to pass off Clause 65 as having to do with deficit-reducing fiscal responsibility, I am saying that Government Members ought to be ashamed of themselves because they did manage to find enough money to give $1 billion to bankrupt financial institutions. They had enough money to grant close to $1 billion in tax exemptions to Olympia & York to enable the company to buy Gulf which is now closing down in Montreal East. They had enough money to repeal the tax on multinationals.

They had enough money to grant capital gain tax exemptions to affluent people.

But they no longer have any money when it comes to personal income tax, and we know that the bulk of the taxes are paid by middle class Canadians.

Mr. Speaker, I should like to emphasize very strongly the lack of consistency, responsibility and social justice of this government. And I urge all Hon. Members not to fall for this trick, because sooner or later they will have to come clean about these issues in their respective ridings. It is all very nice to come to the House and brag: "Opposition members are likely to stay quite a long time in the opposition because they have no fiscal responsibility." But Canadians are well aware of the game the Progressive Conservative Party is trying to play, as evidenced by the fact that this Party is now ranking second in the public opinion polls. I urge these people—and especially the Hon. Member for Beauce (Mr. Bernier) to keep very quiet these days.

Mr. Speaker, these Hon. Members will have to answer for their policies, and already Canadians are asking them to account for them; in this motion moved by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), I think that we should look for a matter of fairness and justice. Bill C-84 as a whole contains a great many unfair tax proposals and I suggest that motion nº 4 which proposes to abolish Clause 65 of this bill should be accepted.

• (1240)

[*English*]

**Mr. Ernie Epp (Thunder Bay-Nipigon):** The motion before us of the Member for Saint-Henri-Westmount (Mr. Johnston) is to strike out of the income tax Bill the provision for deindexing the tax tables which have the direct effect of moving people to higher tax brackets as their incomes move upward because of inflation. They are forced to pay higher taxes, even though the real effect of inflation is to leave them without the pay increases that they need. Their families are left in the same financial position in which they were before. In debating that amendment, which I support whole-heartedly, I would like to talk about what the effect of the Government's proposal would be on Canadians. I want to think about that in terms of the lives of people across the country, the regard that Conservatives say they pay to the well-being of people, and in the process, to think about what would make this country better off or worse off.

I think the Conservatives would like to have us believe that they are concerned about the well-being of individuals and families across the country. They have done a pretty good job in Opposition of painting themselves as defenders of individual Canadians. I would concede that they had some of their best success in that, as far as taxes are concerned, when they took a task force across the country to demonstrate the shortcomings of the tax system and the way in which taxes are wrung out of individuals and small businesses across the country by officials of Revenue Canada. That achievement before the last election was very useful in suggesting to the Canadian people that the Conservatives really care about their well-being and that of small businesses, and that when the Conservatives came into power things were going to change. They said that they would take the actions required to ensure that Canadians become better off.

The budget proposal that we are debating today will leave Canadian families much worse off than they were before. It will have the effect, by the end of this decade, of taking so much more money out of the pockets of individual Canadians and reducing the means which families have available to maintain themselves that one can only conclude that what the Conservative Opposition said is rank hypocrisy now that we are faced with a complete denial of the expectations the Canadian people had. We are faced with the brute facts of a tax system that is grinding individual Canadians and their families into poverty.

I recognize that my Conservative colleagues in the House have difficulty recognizing that particular reality. They are looking bemused, puzzled, and distressed as I say these things, yet they are the realities of the system. They reflect the fact that the Government, in the Budget of last May 23, put forward a variety of proposals designed to increase revenue on the one hand, and, on the other, put forward other measures that were designed to reduce the expenditures of Government.

Those measures together, of course, are the ones that have the effect of reducing the income of a family earning one salary of $35,000 by almost $1,000 in 1986. That reduction of $964, to be precise, involves a good deal more than just this deindexation. I will say immediately, however, that it assumes that the modification of cost of living indexing will cost this family approximately $115. That, out of a total of $1,000, is more than 10 per cent, and not to be scoffed at as an important feature.

There are other proposals as well. The reduction in federal income tax that was put into effect in the early 1980s, which the Government has decided to abandon, will have the effect of increasing the taxes of this average family by $100. The increase in unemployment insurance premiums will increase the amount taken out of their pockets by Government by $102, and so on and so forth, Mr. Speaker. There are a variety of changes that will reduce the income of this average family in 1986 by almost $1,000 from its total income of $35,000.

It seems to me that that is not the route to prosperity for individuals and families across the country. It leaves one with a sense of betrayal on the part of the Government, given the hopes that Canadians had when they voted for the Conservatives in the summer of 1984 on the basis of their campaigns. These impacts on individuals and families in Canada are, unfortunately, part of a trend that was under way while the Liberals were in Government through the 1970s and into the 1980s. It is part of a trend of shifting the burden of Government to individuals across the country. That is the second aspect of this which deserves to be emphasized.

In the Department of Finance there is certainly a certain strategy of bringing prosperity to Canada by following certain fiscal principles, or at least one must assume that. If the people in the Department of Finance do not have some such understanding, we would want them all to resign their offices and give the opportunity to people who do have a vision of how the country could be returned to prosperity. We know that the Minister of Finance (Mr. Wilson) believes that if he can only bring in more money and reduce his expenditures and the deficit, that will be significant in moving the country toward prosperity. That depends on how it is done. On the one hand, wealthy Canadians are being given a variety of tax opportunities such as the capital gains tax holiday that has been put forth. On the other hand, there are the kinds of reductions of income for the mass of the population across the country. Therefore, it seems we can debate the philosophy that prevails in the Department of Finance. We can question the good sense of the Minister of Finance.

• (1250)

Surely the amount that people can spend is basic to the prosperity of our country. Surely, the disposable income available to people to spend in the shops in the City of Thunder Bay, its surrounding towns and in communities throughout the country is basic to the business well-being of those shop owners.

When the Government reduces that amount by a thousand dollars, it is not cutting into the necessities such as rents which will not fall or mortgages which will likely rise, or the cost of food which is unlikely to decrease significantly. People will

have to spend less in those areas that give them comfortable lives and represent small luxuries of life which add to the comfort of their homes and so on. There will be less spending in home furnishing and electronic shops in my community and throughout the country. Those businesses will feel the impact of that reduction.

During the 1950s the tax balance between corporations and individuals was very close. We have seen a gradual shift, begun by the Liberals in years past, to the point where the said reality in 1986 is that the amount that will come from corporations is about 23 per cent of federal Government revenues and the amount that will be raised from individuals is over 77 per cent. The amount of Government revenue coming from individuals is more than three times as much and moving toward four times as much.

That is not a prescription for prosperity. It may fit into someone's plan for improvement in the long run, but we are all dead in the long run, as John Maynard Keynes once said. In the short run we try to leave decent lives. In the short run, the Conservatives have betrayed the hopes of Canadians. They are impoverishing Canadians by taking money out of the pockets of low and middle income Canadians.

I support the amendment before us and call upon Government Members to stand true to their beliefs that they state in their ridings and support the amendments of the Opposition.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am pleased to support the amendment moved by my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), which would delete Clause 65 from the income tax Bill before us. Clause 65 removes indexation from the personal income tax system, which means that wage earners and salary earners will only be protected from inflation when it is over 3 per cent.

Indexation in the personal income tax system was introduced by a Liberal Government in 1974 and was intended precisely to protect people on fixed income and low and middle income earners from the ravages of inflation. Now the Government is removing that protection. The effect will be that Canadians will pay an additional $80 million in income tax for the year 1985-86, an additional $570 million in 1986-87 and $4.3 billion for 1990 alone. I stress that the 1990 figure is not cumulative.

The Minister of State for Finance (Mrs. McDougall) told us that this step is necessary because of the deficit. We are all concerned about the deficit, but surely there are choices to be made about the measures with which one approaches the deficit. The choice that has been made by the Government is to ask the ordinary Canadian earner to shoulder the burden while the Government is giving tax holidays to corporations, multinationals and the affluent.

The Minister of State for Finance spoke very eloquently of her concern about the deficit and a responsible approach to its reduction. But where was the Government's concern for the deficit this year when, in the very same Budget from which these Bills we are dealing with arose, it chose to give $2 billion by way of a tax gift to the multinational companies? I stress that it is multinationals because the particular tax holiday arrived at is one that essentially favours the multinationals and not small Canadian companies.

Where was the concern about the deficit when the Government, without adequate information, launched into its ill-fated rescue of the Canadian Commercial Bank, which will cost Canadian taxpayers a minimum of $1 billion?

Where was the concern about the deficit when it chose to give a capital gains tax holiday to the affluent with no requirement that it benefit the Canadian economy in any way? That is a measure to which we will return later in this Bill.

Meanwhile, indexation protection is removed except when the cost of living index exceeds 3 per cent. This is taking place at a time when the Government, through other measures, such as Bill C-80 which we will deal with shortly, is building in inflationary measures.

The removal of this indexation protection hits low and middle income earners hardest. While the wealthy minority is being rewarded by the Government without any requirement for benefit to the Canadian economy, deindexation of the personal income tax system will take a progressively larger tax bite from low and middle income earners who are least able to afford it.

Over the next four years those earning $15,000 a year will have a cumulative tax increase of 36 per cent. Those earning $100,000 a year will have an increase of 4 per cent. Deindexation, coupled with the Budget's other measures to increase sales and excise taxes, puts an inordinately heavy burden on low and middle income earners. They are the very people who would strengthen economic growth through consumer spending were it not for the dampening effect of these proposals.

This is a measure which bears unfairly and too heavily on low and middle-income earners, while other clauses in the Bill give very generous presents to those who can well afford it. I invite the Government to accept my colleague's amendment to eliminate this inequitable proposal and come back with new proposals of real benefit to Canada and Canadians.

[*Translation*]

**The Acting Speaker (Mr. Charest):** Order. It being one o'clock, I do now leave the Chair until 2 p.m.

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### CANADA PENSION PLAN

BENEFITS PAID TO CONVICTED WIFE MURDERER

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, a case has come to my attention that deserves urgent consideration by the Government. On February 16, 1980, 28 year-old Barbara Desgroseilliers of Cornwall was brutally strangled to death. Her husband, Robert Desgroseilliers, and his cousin, Michel Quesnel, were found guilty of the killing and were sentenced to life imprisonment for first degree murder. Mr. Desgroseilliers is serving his sentence in Millhaven Maximum Security Penitentiary. Michel Quesnel was murdered in prison in Joyceville last July.

After the murder, Robert Desgroseilliers applied for and received approximately $1,300 in a lump sum death benefit. He also applied for, and is receiving, survivor's benefits under the Canada Pension Plan. As a result of the murder of his wife, for which he was convicted, he is now receiving $282 per month from the Government of Canada, and $87 of this amount is going to support Mr. Desgroseilliers' daughter.

I call on both the Minister of National Health and Welfare (Mr. Epp) and the Solicitor General (Mr. MacKay) to investigate this outrageous case immediately, and to provide complete details on how it could have been allowed to happen.

Legislation must be introduced as soon as possible to clarify the law so that this situation cannot occur again.

While there is a common law tradition that those convicted of crimes must never be permitted to profit from those crimes, the statute law must be made more specific. Steps should also be taken by the Canada Pension Plan officials to recover all moneys paid to Mr. Desgroseilliers, at the earliest possible opportunity.

**Mr. Speaker:** I must advise the Hon. Member that his time has expired.

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### FINANCE

EFFECT OF TAX DEDUCTIONS ON CORPORATE MERGERS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I wish to call the attention of the House to a full page advertisement paid for by Wood, Gundy which appears in today's *Globe and Mail* lauding the $8 billion in corporate takeovers which occurred in 1985. These takeovers were a small fraction of the total merger activity in Canada in 1985, but all the mergers had one thing in common, they were facilitated by our income tax system. Takeover costs are deductible as business expenses. Interest costs of capital are deductible. Even the cost of the full page advertisement is deductible.

We are entitled to ask what the ordinary Canadian people get in return for these tax concessions. Are we getting new jobs? The answer is no. Are we getting new production capacity? No. Are we getting more efficient plants to help Canadians compete? No. What we are getting are paper transactions which re-arrange share holdings but which do not produce genuine economic growth or new permanent jobs.

If the Conservative Government is serious about employment, then it needs to examine our tax system to see that tax concessions lead to investment and meaningful permanent jobs. We need something more than the part-time jobs the Government has been creating since September, 1984.

The New Democratic Party says meaningful tax reform is a priority for 1986.

* * *

### ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT OF CANADIAN AND UNITED STATES ENVOYS' REPORT

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, the recent report by the United States and Canadian acid rain envoys will do what American lobbies, environmentalists, and the several Liberal Governments of this country failed to do in the last decade.

The United States has now officially acknowledged the existence of acid rain, and in the words of Allan Gotlieb, Canadian Ambassador to Washington:

> If the President endorses the report, which I expect he will, the Americans will have moved off the dime.

It is now a question of how fast it can be done and what resources can be brought to bear on this matter of international concern. Work can now begin on a timetable with a program of action, before which we did not even have a common starting point.

The Liberal opposition critic harps on a one-year delay. Did he not read Mr. Gotlieb's comment? Was he not part of a Government that failed in the last eight years to get the Americans to move "off the dime"? Was he not a Minister of the Environment with an opportunity, but who failed to follow up on the 1980 memorandum of intent and the 1981 committee recommendations? Is he not a person who knows how hard it is to get any action from the U.S. side on environmental matters? Should he not now make a New Year's resolution to work constructively with the Government in the interests of Canadians who continue to suffer from pollution and acid rain fall-out?

*S.O. 22*

● (1405)

[*Translation*]

## TRADE

EXPORTS—GOVERNMENT'S PERFORMANCE

**Mrs. Suzanne Duplessis (Louis-Hébert):** In October, Mr. Speaker, Canadian exports reached a record high of $10.9 billion in seasonally adjusted figures, an increase of 2.1 per cent over September, the third consecutive monthly increase.

In the first ten months of 1985 exports climbed to $100.1 billion, or $7.6 billion more than in the same period in 1984.

Canadian imports declined by 2 per cent in October, down to $8.7 billion in seasonally adjusted figures. That is very close to the level recorded each month since July, the fifth monthly decline last year.

Mr. Speaker, our highest trade balance was achieved with our main trading partner, the United States, namely $18.1 billion over the first ten months of 1985, an increase of nearly $2 billion over the same period in 1984.

Those figures clearly show the effectiveness of our Government's policies and confirm that Canadians can indeed compete with their main trading partner. By giving an overwhelming majority to the new Government in September 1984, the people were saying that they had had enough of the old entrepreneurship-stiffling Liberal policies—

**Mr. Speaker:** I regret to interrupt the Hon. Member, but her allotted time has expired.

* * *

## INDUSTRY

SALE OF GULF REFINERY—CONSEQUENCES FOR MONTREAL EAST

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** During the Christmas holiday, Mr. Speaker, Quebecers were taken for a ride. They were conned by these Conservative Members, by these Conservative Ministers, and by the Prime Minister.

As it happened, the Minister of Regional Industrial Expansion (Mr. Stevens) came to Montreal on December 27 to tell Quebecers that his Party, his Government, had agreed to let a foreign company buy the Gulf refinery with the intention of closing it down, thus throwing 450 more workers out on the street and doing away with competition. Yet the same Government had the option of rejecting that deal and giving a chance to *Gaz métropolitain*, a Quebec and Canadian company which was anxious to buy the refinery so as to protect those jobs and maintain a healthy competition for Quebec consumers.

Mr. Speaker, I think we must commend the Bourassa Government which, in view, of the inaction and incompetence on the part of this Conservative administration, decided to assume the leadership. In co-operation with the Quebec Minister of Energy, it is now trying to reach a solution with Ultramar so as to maintain those jobs in Montreal East and protect Quebec consumers.

I dare hope that the Quebec Conservative Members, particularly the Ministers, will wake up, put an end to the insulting and humiliating treatment they are getting from their Ontario colleagues and those of the other provinces, and uphold the interests of all Quebecers.

* * *

[*English*]

## AGRICULTURE

PLIGHT OF FARMERS THREATENED BY BANKS WITH FORECLOSURES

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, no Canadian should lose his land because of economic conditions over which he has no control. Yet more than 1,400 families lost their farms during the last three years. This is a tragedy for Canada and an emotional shock for the people involved. There are some 1,700 farm families now threatened with foreclosure by the banks.

In 1979 agriculture was prospering with good crops and compensatory prices, so ambitious farmers borrowed to buy more land in order to widen their base and increase productivity. Then came poor crops and stagnating prices so borrowers could not even pay the interest, let alone the principal. Something must be done to protect these farmers who had no control over prices or weather. A mandatory moratorium is one possible solution.

The Farm Credit Corporation has advanced an even better plan. A company would be set up which could buy out a farmer in financial straits and then rent the farm back to the said farmer. The cash from the sale would reduce the debt burden. The farmer would receive 20 per cent of the sale price in common shares, making him a part owner and, through making a financial recovery, the farmer could buy back his land. This plan will not affect the credit of other farmers and is a free enterprise solution aimed at keeping the good farmers on the land. I commend the FCC and our Minister of Agriculture (Mr. Wise) on this proposal and urge its initiation at the earliest possible time. Canada needs these farmers.

* * *

● (1410)

## THE ECONOMY

"DIALOGUE '86" CONFERENCE—NON PARTICIPATION BY GOVERNMENT

**Mr. Rod Murphy (Churchill):** Mr. Speaker, in March, 1985, the federal Government organized an economic conference to which it invited participants from business, labour, voluntary

organizations, and different levels of government. Welcoming this as an effective exercise in dialogue the Canadian Labour Congress wished to continue where the first economic conference left off. "Dialogue '86" was organized with invitations going out to the same groups.

"Dialogue '86" is now under way with over 100 national groups participating. I have been attending the conference and important messages are being delivered about the economic concerns that face Canada. Unfortunately the Prime Minister (Mr. Mulroney) and his Government have declined to participate. The Government's final decision was communicated to the organizers at noon on the second day of the conference—a refusal to send even one Cabinet Minister as a formal participant.

Where is the desire for ongoing consultation we've heard the Prime Minister talk about? What about the attempt to build a consensus that the Prime Minister said was so important? There is a growing perception this Government listens only to those who agree with it, and that consultation occurs only with the rich and the powerful. Why is the Government afraid to listen to the Canadian Conference of the Arts? Why is the Government afraid to listen to the Coalition of Provincial Organizations of the Handicapped? Why is the Government afraid to listen to the National Pensioners and Senior Citizens' Federation? Why is the Government afraid to listen to the Fédération des Femmes du Québec? Why is the Government afraid to listen to the Canadian Congress for Learning Opportunities for Women?

**Mr. Speaker:** I have to advise the Hon. Member his time has expired.

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## TERRORISM

LIBYA—IMPOSITION OF SANCTIONS BY CANADA

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, I want to congratulate the Prime Minister (Mr. Mulroney) for demonstrating Canada's resolve to fight international terrorism by joining with the United States in economic sanctions against Libya.

This country cannot stand by while international terrorists spread their reign of blood to all parts of the world.

Can we forget the tragic death of a young security guard when Armenian terrorists attacked the Turkish embassy here in Ottawa last March? Can we forget the death of two Japanese policemen when baggage from a Canadian airliner exploded in the Tokyo Airport last June? Can we forget as yet unexplained circumstances surrounding the Air India disaster which claimed over 300 lives, or the bomb threats in Toronto subways last April?

We do not have to look to Europe or to the Middle East to see the horrifying consequences of international terrorism. The threat is here in Canada as well. That is precisely why we must stand together with our freedom-loving allies and demonstrate to countries that harbour and encourage this kind of cowardly activity that Canada will not be held hostage.

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## CROWN CORPORATIONS

PETRO-CANADA—HIRING OF CONSULTANT

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, Canadians were informed recently that yet another Tory hack was snorting at the trough for the umpteenth time after a blue ribbon deathbed repentance speech by the Prime Minister (Mr. Mulroney) last December 9. Canadians actually thought that the Prime Minister meant business when he said that there would be scrutiny of lobbying activities and scrutiny of lobbyists.

In December the Minister of Consumer and Corporate Affairs (Mr. Côté) disappointed Canadians when he tabled in the House a discussion paper on the topic rather than the much promised legislation.

Last week Canadians discovered that another promise had been breached concerning lobbyists. On September 6 last the Clerk of the Privy Council, Paul Tellier, had informed the Crown Corporations not to hire paid lobbyists. Now we know that this has been breached by the action of Petro-Canada in hiring Frank Moores as a consultant. PetroCan may pretend that Mr. Moores is a consultant on East Coast energy issues, but all Canadians know he is a well-known Tory hack and lobbyist.

So the message to Crown Corporations, Mr. Speaker, is if you can't hire lobbyists hire a consultant who just happens to be a lobbyist and that will do.

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## ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—DIVERS' DISCOVERIES

**Mr. Ken James (Sarnia-Lambton):** Mr. Speaker, I would like to read for the record how the divers who were working on the Dow project on the St. Clair River have described in a recent newspaper article what exactly is on the bottom of the river.

• (1415)

Mr. Brian Quigg, one of nine members of the diving team, said that when he first heard about the blob he was expecting to find a monster, and he was scared to go down there. However, he said that "the blob is nothing more than small, shimmering pools of perchlorethylene". Dave Geddes, another diver, said that he had heard it was "a big gigantic slick, but it is just a little ripple staying on the bottom". Chris McGrath of Corunna, one of the divers who investigated the original spill in August, said that "there never was a blob, just little puddles".

I would like to suggest that in the future, when Members of the House feel they have something to say, they make every effort to ensure that their facts are straight and that those facts are presented in a fair descriptive manner. Perhaps the Hon. Member for Essex-Windsor (Mr. Langdon) who talked about a gigantic blob should have donned a diving suit so he could have learned first-hand exactly what he was talking about for a change, and then spread that news.

## ORAL QUESTION PERIOD

[*Translation*]

### INDUSTRY

#### QUEBEC OIL REFINING CAPACITY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and Canada Post.

Yesterday, the Minister and his colleague, the Minister of Energy, Mines and Resources, made contradictory statements about the oil refining capacity in Quebec. One of them should look at a map of the province.

Mr. Speaker, my question is as follows: Does the Minister intend to publish the O'Farrell Report forthwith, and I am referring to the report on the independent study made by the Director of Combines Investigations? Furthermore, is he going to insist that his colleague, the Minister of Energy, Mines and Resources, immediately table evidence supporting these figures so that Canadians will know which of the two Ministers they are supposed to believe?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, first of all, I can give my hon. friend the assurance that there is absolutely no question of contradiction or controversy on this side of the House. In fact, we have a director responsible for the Combines Investigation Act who, acting independently and autonomously, has examined the legality of the Gulf-Ultramar transaction. His recommendations and comments have already been made public, which is what I did as soon as I received the report.

I think it is clear the problem has been quite adequately assessed by the Director.

#### INQUIRY WHY MINISTER APPROVED SALE OF GULF TO ULTRAMAR

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my next question is for the Minister of Regional Industrial Expansion.

Yesterday, the Minister said that the purchase of the Gulf refinery by Ultramar would create 4,500 person-years in Quebec. However, a spokesman for Ultramar, a Mr. William Barrie, immediately stated the exact opposite when he said, and I quote: "We do not expect any new jobs."

I would therefore ask the Minister to inform the House exactly why, in the circumstances, he approved the sale of the refinery to Ultramar.

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as the Leader of the Opposition undoubtedly knows, under the legislation empowering Investment Canada to pass this type of transaction we are asked to consider six different criteria. As we weighed the various aspects and evidence that fell under those six criteria, we felt that there was a net benefit to Canada to be gained from the purchase by Ultramar.

I know the Leader of the Opposition hates to refer to jobs being created, but the number of jobs to which he has referred is a figure that comes from the $125 million that Ultramar has agreed to spend. It is estimated that those funds will, in both a direct and indirect sense, create 4,500 person-years of employment over a three-year period. That is the type of jobs to which I was referring yesterday.

#### GOVERNMENT POSITION ON TRANSACTION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, under the circumstances I believe I am obliged to ask the Prime Minister a question. The Prime Minister knows that one Minister has resigned over this issue. He was not here yesterday for legitimate reasons, but at that time three Ministers were conducting a three-ring circus of contradiction.

**Some Hon. Members:** Oh, oh!

• (1420)

**Mr. Turner (Vancouver Quadra):** The Conservative Member for Duvernay said the deal "stinks". So would the Prime Minister tell us why his Government agreed to this particular sale and to the closing of the refinery in Montreal?

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I agree we should consider the facts when dealing with a problem as serious as the one raised by my hon. friend.

Texaco in Montreal closed its doors in September 1982: 420 jobs lost and total silence on the part of the Liberal Caucus. BP Canada closed its doors nine months later: 190 jobs lost, and total silence on the part of the Liberal Caucus. Esso Canada closed its doors four months after that: 470 jobs lost, and still no reaction from the Liberal Caucus. In the last fifteen months, 137,000 new jobs have been created in Quebec, compared with only 37,000 in 55 months by the hypocrites in the Liberal Party.

**Mr. Gauthier:** Hypocrites is not exactly parliamentary!

**An Hon. Member:** He's an expert in the field.

REQUEST FOR PUBLICATION OF O'FARRELL REPORT

**Hon. André Ouellet (Papineau):** Mr. Speaker, I understand that the Prime Minister will not reply directly to the question.

I am going to ask another question to the Minister of Consumer and Corporate Affairs and Canada Post who, I am sure, did not mean to mislead the House when he replied to the question directed to him by the Leader of the Official Opposition.

We have asked him whether he would make public the O'Farrell report. Thanks to our new system, I could listen to and review this morning the press conference which he gave on December 17 and during which, on eight occasions, he promised to make it public.

Why does he not make this report public? Is he afraid of something? Is it because this report is blaming the Conservative Government for needlessly closing this refinery?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I think I can answer that very simply by saying that on December 17, as soon as I was made aware of the findings and conclusions of the director concerning the legality of the Ultramar-Gulf transaction, I immediately made them public. It is in this spirit that my colleague had put this question to me in the House a few days earlier.

So I complied with these requests from the press and the Opposition as soon as I was made aware of these recommendations.

**Mr. Ouellet:** Mr. Speaker, the Minister was commenting the interim report of the Director of Investigation and, on eight occasions that evening, he promised the journalists who were interviewing him that he would make public the final report within the next few days.

Well, I know that he has now received this report. Is he going to make it public? Yesterday, he told us that the issue of the Gulf-Ultramar deal would be referred to the Restrictive Trade Practices Commission of Canada. Will he have the decency to allow this Commission to hold public hearings? Like those in the case of—

[*English*]

**Mr. Speaker:** Order, please. The question is clear for a supplementary, I believe.

[*Translation*]

**Mr. Côté (Langelier):** Mr. Speaker, I feel I answered that question fully yesterday.

**Some Hon. Members:** No, no!



**Mr. Côté (Langelier):** I said simply that the findings and recommendations of the Director had been or would be sent to the Restrictive Trade Practices Commission of Canada, a quasi-judicial commission over which I have no control, which would determine the impact and make recommendations in early 1986.

• (1425)

REQUEST FOR CLARIFICATION OF QUEBEC OIL REFINING CAPACITY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Prime Minister. Before Christmas, the Minister of Consumer and Corporate Affairs said that there was a surplus refining capacity in Quebec. Yesterday, the Minister of Energy, Mines and Resources said the exact opposite. Who is right?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think that the answers which have already been given should satisfy my honourable friend. Here are the facts. In east-end Montreal, there used to be refineries, such as Texaco, which was killed by the Liberal Government, BP, killed by the Liberal Government, and Esso, killed by the Liberal Government. The Liberals caused the loss of 1,100 jobs in east-end Montreal. They remained completely silent. They did not have the guts to rise even once to protest against this. They tried to kill off Petromont. We have invested $69 million to save the Quebec petro-chemical industry and we shall be doing even more during the next few days.

**Mr. Broadbent:** Once more, the Prime Minister does not reply to the questions.

**An Hon. Member:** He never does.

**Mr. Broadbent:** Today, I have had conversations with officials of the Quebec Government, including the Quebec Energy Minister, and they say that the Minister of Consumer and Corporate Affairs is right. More specifically, the Quebec Government suggests that there is now a shortage of refining capacity in Quebec.

SALE OF GULF REFINERY

**Hon. Edward Broadbent (Oshawa):** My supplementary is for the Prime Minister. Is he now saying that neither the Quebec Government nor the Minister of Consumer and Corporate Affairs is right?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the replies of the Minister of Consumer and Corporate Affairs are consistent not only with other replies, but in addition, on September 16, 1983, the following headlines could be found in the newspapers: Chrétien refuses to promise an intervention in the refinery closings; Energy Minister Jean

Chrétien states that refinery closings in Montreal in 1983 are due only to market forces and a decrease in consumption.

That is what happened.

**Mr. Chrétien:** He says that there is still room.

**Mr. Mulroney:** Nothing contradictory was said by the Minister of Energy, Mines and Resources, who is absent today. I repeat that there is no contradiction in the replies of the two Ministers, and in my opinion, the answer just given by the Minister of Consumer and Corporate Affairs is very clear. However, since this is an important matter, there is something that should be pointed out; in this regard, we also find in the newspaper *Le Devoir* of March 30, 1983 that "the FTQ asks Chrétien to prevent the closure of the BP refinery in Montreal", and he refused. The Liberals said no to Quebecers, no to the refining industry, no to the high technology industry. As for us, we shall work with Quebec to build its economy.

**Mr. Speaker:** Order, please. Supplementary. The Hon. Member for Oshawa.

[*English*]

GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Prime Minister is refusing to deal with a matter which is extremely serious for the people and Government of the Province of Quebec. I can say only that the partisan answers he is giving today to serious questions are an absolute disgrace for a Prime Minister.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** His Minister of Energy said in this House yesterday, and he can check the reference in *Hansard*, that there is surplus capacity in Quebec now. Another Minister of the Crown said there is a shortage of capacity. The Government of Quebec—

**Mr. Speaker:** I do need a supplementary question now.

**Mr. Broadbent:** The Government of Quebec is also saying there is a shortage of capacity with the shut-down of this refinery. Therefore, will the Prime Minister explain where his Government is getting its information and why it made the incredible decision to shut down this refinery?

• (1430)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we made no such decision to shut down that refinery.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** The people who shut down refineries in the Province of Quebec were the Liberals who went "bang, bang, bang", and killed the refining industry in the East End of Montreal. That is what they did.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Gauthier:** Bang, bang, bang!

**Mr. Speaker:** Order.

**Mr. Mulroney:** I know it hurts—

**Some Hon. Members:** Bang, bang, bang!

**Mr. Speaker:** Order, please!

**Mr. Rossi:** You're a phoney.

**Mr. Axworthy:** What a joke.

**Mr. de Corneille:** Bang, bang, bang.

**Mr. Speaker:** Order.

**Mr. Axworthy:** Your nose is getting longer.

**Mr. Speaker:** Order, please!

**Mr. Mulroney:** I know he does not like it, Mr. Speaker, but when a request was made of this particular Member, who has the temerity to stand up in the House now, with regard—

**Mr. Broadbent:** Answer the question. I asked the question; he didn't.

**Mr. Mulroney:** I'm getting around to you. It takes me a little time to deal with you.

**Some Hon. Members:** Order!

**Mr. de Corneille:** You're a disgrace.

**Mr. de Jong:** What a joker.

**An Hon. Member:** The people are laughing at you, Brian.

**Mr. Speaker:** Order, please. Order!

**Mr. Rodriguez:** You're at the end of your rope, Brian, and you need a rest.

**Mr. Nystrom:** It's time for an election.

[*Translation*]

**Mr. Malépart:** Mr. Speaker, considering the Prime Minister's behaviour, I would agree with Mr. Stanley Knowles' statement that Mr. Clark is more intelligent than the Prime Minister.

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## INDUSTRY

SALE OF GULF REFINERY IN MONTREAL—PRIME MINISTER'S ROLE

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a question for the Prime Minister. It is a fact

that the Quebec Government has figures that point to an under-capacity in the refining industry. I have figures from Statistics Canada that clearly show the underproduction of refineries in Quebec, and the comments made by your Minister of Consumer—and my question to the Prime Minister is, Mr. Speaker: Why did the Prime Minister not get involved personally in the issue, to protect the interests of Quebecers and allow Gaz Métropolitain to purchase the Gulf refinery in Montreal East? Why?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, that is a surprising question, to say the least, from the Hon. Member for Montreal-Sainte-Marie. If you allow me, on another occasion—I will remind you that on March 30, the General Secretary of the Quebec Federation of Labour, referring to the shutdown of three industries in East end Montreal had this to say: The QFL also pressured all Liberal MPs from the Montreal area.

**An Hon. Member:** What year was that? What year?

**Mr. Mulroney:** The Secretary General had this to say: We do not understands the silent and passive stance of our Liberal representatives in Ottawa, when Ontario once more stands to come out the big winner in the oil situation. He was referring to you at the time Montreal East was being massacred. For three years you remained silent, and now you have the gall to try and address the issue. Stop that nonsense and blame the Hon. Member for Saint-Maurice. He is responsible for that situation, as the then Minister of Energy, Mines and Resources.

[*English*]

**Mr. Speaker:** Order, please! Order from both sides of the Chamber, please. The Hon. Member has a supplementary question.

[*Translation*]

CONSUMERS' INTERESTS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my supplementary to the Prime Minister is this: If he does not want the refinery's union leaders—

**Some Hon. Members:** Question!

**Mr. Malépart:** If he does not want the union leaders—

**Mr. Speaker:** Order, please.

**An Hon. Member:** Question! Question!

**Mr. Speaker:** Order, please. Supplementary question, please!

**Mr. Malépart:** Mr. Speaker, if the Prime Minister does not want the union leaders at the Gulf refinery to go on calling him a snake, would he be ready to support the statement made by the Minister of Consumer and Corporate Affairs that it is in the interest of consumers to prevent the Gulf refinery shut down? Is the Prime Minister at least ready to admit that?

**Right Hon. Brian Mulroney (Prime Minister):** It is a matter of credibility with the employees, Mr. Speaker. The Hon. Member for Montreal-Sainte-Marie, who seems tremendously interested, might tell the House and the Province and the Metropolitan Montreal area why, if it is true—and he will correct me if I am wrong—why, when Texaco, BP, Esso shut down and 1,100 jobs were lost in Monteal East, he remained silent, not uttering one word.

**Mr. Malépart:** Why are you afraid to meet with the workers?

**Mr. Mulroney:** Explain that now. Explain that. Why did you remain silent for four years? This is all we want to know, because if you are sincerely taking the workers' interests at heart, you should have had the courage to rise during those four years, rather than remain silent. Explain to Montrealers why you remained silent for four years!

OIL REFINING CAPACITY IN QUEBEC—QUEBEC GOVERNMENT STATISTICS—GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is also directed to the Prime Minister.

This morning, the Quebec Department of Energy announced that Quebec's oil refining capacity showed a shortfall of 27,000 barrels per day.

**An Hon. Member:** Not true!

**Mr. Nystrom:** Mr. Speaker, my question is as follows: Does the Prime Minister agree with the Quebec Government's figures?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I admit that opinions vary on this particular point. That is why the Minister of Consumer and Corporate Affairs, acting through the appropriate federal commission, intends to publish the requisite documentation at the appropriate time.

The fact is—and since the House is concerned, and rightly so, about the situation in Quebec, I imagine the New Democratic Member will want to congratulate the Government on these statistics—the fact is that, thanks to the creation of 137,000 new jobs, compared to 37,000 in 55 months, the present Government is now creating jobs in Quebec at thirteen times the rate of the previous Government. And that is very good news for the people of Quebec.

[*English*]

REQUEST FOR PUBLICATION OF O'FARRELL REPORT

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my supplementary question arises out of the Prime Minister's answer. He said that we have a variety of figures, some from different Ministers in his own Cabinet. For that reason, and because of his campaign promise of freedom of information and more open Government, I ask him now to make a commitment to make the O'Farrell Report public. It is a question of credibility for the Prime Minister and his Government.

**Some Hon. Members:** Right on.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, when an NDPer talks about credibility he should choke on the words.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** You supported your sweethearts in the Liberal Party—

**Mr. Broadbent:** You're an embarrassment.

**Mr. Mulroney:** —who brought in the NEP that crushed, not only western Canada, but the refining industry in eastern Canada. You should be ashamed of yourself for even asking the question.

**Some Hon. Members:** Hear, hear!

**Mr. de Jong:** Bye, bye.

**Mr. Mazankowski:** Shame.

**Mr. Nystrom:** Bye, bye, Brian.

**Mr. de Jong:** Bye, bye, Charlie.

**Mr. Speaker:** Order, please!

* * *

## THE ECONOMY

INTEREST RATE LEVELS—ACTION TAKEN BY BANK OF CANADA

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, yesterday I asked the Minister of Finance if it was the policy of the Government to push the interest rate up to protect the value of the Canadian dollar and he said no. While the Minister of Finance was saying no in the House, the Bank of Canada was active in the marketplace pushing the rate of interest up to a point where major banks had to increase their prime rate.

My question is very simple. Who is in charge? Why was the Minister of Finance saying one thing in the House yesterday while his agent, the Bank of Canada, was acting differently?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member does need some lessons in the way the financial markets work.

**Some Hon. Members:** Oh, oh!

**Mr. Lapierre:** From you?

**Mr. Rossi:** You won't be the teacher.

**Mr. Speaker:** Order!

**Mr. Gauthier:** How about Northland?

**Mr. Speaker:** Order, please. Order, please!

• (1440)

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is correct. There has been some upward pressure on interest rates over the last little while, as there has been in international markets in other countries. However, the Hon. Member must recognize that he should look at the performance of interest rates in the broad context of the economic performance of the country over the course of the last 16 months, where 450,000 jobs have been created, where interest rates are now about 2.5 percentage points lower than they were in September, 1984, when we came into office. These are things that have demonstrated clearly to Canadians that the economic policies of this Government are working.

**Some Hon. Members:** Hear, hear!

[*Translation*]

SETTING OF INTEREST RATES—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, if I understand correctly, when interest rates fall it is the Government's doing, and when they rise, it is other people's fault.

I want to get back to my question because it is a very important one, an issue that may determine the exchange rate of the Canadian dollar in the weeks to come. Is it the policy of this Conservative Government to push up interest rates in order to protect the Canadian dollar? Did the Bank of Canada have the consent of the Minister of Finance when it acted as it did yesterday?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there is no difference at all in the action of the Government of Canada and the policies of the Government of Canada. We are completely consistent in the approach we are taking.

The Hon. Member has been in the financial markets over a number of years. He knows that interest rates will fluctuate. We had a situation about a year ago, in February and March of last year, when interest rates rose. There was a downward pressure on the Canadian dollar at that time but markets reversed themselves and we had a drop in interest rates

thereafter. Surely the Hon. Member could look at this in the context of the broad performance of the economic policy of the Government, which, even by his standards, has been very, very good.

* * *

[*Translation*]

## INDUSTRY

### REQUEST FOR CLARIFICATION CONCERNING FUTURE SALE OF CANADAIR

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and concerns contradictory statements regarding the future of Canadair.

Yesterday, the Minister announced he did not expect Canadair to be sold before the month of June. Meanwhile, the President of the Canada Development Investment Corporation announced on television that he was expecting offers to purchase Canadair before the end of March. Who is right? And can the Minister guarantee that the Government will not hold a fire sale for Canadair, as it did in the case of de Havilland?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I want to assure the Hon. Member for Ottawa Centre that there will be no fire sale and there has not been any fire sale with respect to de Havilland. The Hon. Member should remember that we indicated we would be willing to discuss the possible sale of Canadair. We have had inquiries. At the present time I must admit to the Hon. Member that no firm deal is being negotiated.

What Mr. Marshall indicated yesterday was the hope that the three people who are now discussing the possibility of making a deal with Canadair might firm up one or more of their bids before the end of March in anticipation of possibly making a deal by June. However, let us end this nonsense about a fire sale with respect to such Crown corporations.

**Some Hon. Members:** Hear, hear!

### REQUEST FOR COMMITTEE CONSIDERATION BEFORE ANY POSSIBLE SALE

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, now that the Steering Committee of the Regional Development Committee has ensured that there will be full consideration of the de Havilland sale in the next two weeks, will the Minister ensure that we can be protected against a fire sale of Canadair by promising the House that there will be full consideration by a parliamentary committee of any sale of Canadair before the deal is closed?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, again the Hon. Member was anticipating his next question. He did not hear what I told him in answer to his first question.

I indicated that at this point we do not have a possible purchaser who has money in hand and is proposing a deal with respect to Canadair. How can I talk in hypothetical terms about referring something that does not exist to any committee of this House?

* * *

## INSURANCE

### INCREASE IN PREMIUMS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, my question is directed to the Minister of State for Finance. The property and casualty insurance industry is in a state of disarray namely because of the outlandish liability claims being awarded by the courts. Now average Canadians with excellent driving records are asked to bear the burden of high rates.

Before we become the California of the North, what will the federal Government do, along with the provincial Governments, to curb these astronomical settlements—

**Mr. Blaikie:** Nationalize the insurance industry.

**Mr. Attewell:** —and stop excessive rate increases for average Canadians?

**Mr. Murphy:** Go to Manitoba.

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, given the Hon. Member's background I am sure he knows that the premium increases that we have seen were designed by the companies in order to meet an important solvency consideration. They are in the hands of the provincial Governments because they fall under contract law which is provincial jurisdiction. The court settlements that have been made also fall into provincial jurisdiction.

We are planning to co-operate fully with the task force in Ontario. Our policy is to develop higher standards for property and casualty insurance dealing with solvency and the capital base, which are very much a part of our role.

* * *

[*Translation*]

## INDUSTRY

### ALLEGED DISCLOSURE OF IMPORTANT DATA TO CANADAIR COMPETITORS

**Mr. David Berger (Laurier):** Mr. Speaker, my question is directed to the President of the Treasury Board and relates to Canadair. Last week the leader of the machinists' union and the president of Canadair's survival committee denounced the disclosure of important data to Canadair competitors. Here is my question: Why did you give confidential information to a

Canadair competitor? Why, against the best interests of that company, did you reject the unanimous recommendation of Canadair's board of directors not to release that information?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I believe that question was directed to me. Let me assure the Hon. Member that no confidential information was turned over to a possible competitor of Canadair. However, in some ways I wish the Opposition would get their act together.

**Some Hon. Members:** Oh, oh!

**Mr. Stevens:** A previous questioner indicated that he did not want a fire sale with respect to Canadair. The next questioner asks why we are giving information to possible purchasers with respect to the sale of Canadair. How else does one sell a Crown corporation unless one gives relevant details concerning its operation? However, let me assure the Hon. Member that no competitively sensitive information was given.

**Mr. Berger:** We are talking about the Government, through its incompetence, destroying a couple of important Canadian institutions.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. A supplementary question.

GULFSTREAM MEMORANDUM

**Mr. David Berger (Laurier):** Mr. Speaker, on July 23 Gulfstream Aerospace sent a memo to a potential Canadair customer asking it to reconsider its pending purchase of a Challenger. Yet the Government allowed Gulfstream—

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

**Mr. Berger:** How could the Minister and his Government give sensitive information to Gulfstream when they have the proof in black and white, in a memo from Gulfstream, that it was trying to hurt Canadair? How could you allow that to happen?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, how soon the Opposition Members forget Maislin, and Consolidated Computers. Speaking about destroying public companies, how quick they forget that it was under their direction that Canadair lost over a billion dollars.

I have indicated that we are trying to secure would-be buyers who would ensure a viability for Canadair and the continued employment of those who are working for Canadair for many years to come—something that the Opposition failed to do when in Government.

• (1450)

## THE ECONOMY

INTEREST RATE LEVELS—ROLE OF BANK OF CANADA

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is for the Minister of Finance. He is well aware that in today's press the banner headlines indicate that interest rates are at 11 per cent now and going up for small businesses and consumers generally. Will the Minister explain whether or not he supports this action taken by the central bank to raise interest rates in response to a slightly devalued dollar? Does he support the central bank's decision to do that?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have indicated my response to that question in reply to previous questions.

I would encourage the Hon. Member to look at the broad performance of this Government on interest rates over the last year and a half. We are committed to getting interest rates down as low as we possibly can. That is the policy of the Government and that is what we have been able to do in this term of office.

Let me also remind the Hon. Member that we have performed very, very well in terms of job creation, which is also an important part of the record of the Government.

The NDP said it wanted to set a target of 300,000 jobs last year. We created 385,000 jobs. That is performance.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** Mr. Speaker, the Minister forgot to mention that most of those jobs are part-time jobs.

**Some Hon. Members:** Oh, oh!

**Miss MacDonald:** That is wrong.

**Mr. Riis:** I am more concerned about the signal that the 11 per cent interest rate sends out at a time when we are trying to develop consumer and investor confidence.

ACTIVITY BY MONEY SPECULATORS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** I have a supplementary question, Mr. Speaker. Will the Minister of Finance not agree that the slight devaluation in the Canadian dollar, which prompted this increase in interest rates, was a result of activity by money speculators only?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if the Hon. Member believes that, maybe he should give me some of the information. He should know that there are billions of dollars going through the markets every day, billions of dollars. Some of that is speculative activity, some of it is commercial activity, and some of it is related to delays in decisions by corporate treasurers in their normal trading operations. All of these result in market-place pressures. We are trying to introduce a degree of stability into the market-place,

which has been the policy of the Bank of Canada, and the Government of Canada supports that policy.

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## PUBLIC SERVICE

### INDEXATION OF PENSIONS

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, my question is for the President of the Treasury Board. As you know, there is considerable anxiety across the country among the 200,000 plus superannuates from the Public Service, R.C.M.P. and Armed Forces concerning full indexation of their pensions. Is the President of the Treasury Board in a position to tell them what position has been taken concerning this important issue and, if not, when will they know?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, as I have often said in this House there were two reports, one requested by the unions and one requested by management, on this issue. The reports have been exchanged by both parties and are under study at the moment.

We will respect our campaign commitment to be fair and equitable in this matter and to maintain benefit levels for our superannuates. I expect to be in a position within a few weeks to make a definitive announcement on the direction we will take with respect to pension benefits.

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I have a supplementary question.

**Mr. Speaker:** The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

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## AUTOMOTIVE INDUSTRY

### IMPACT OF JAPANESE IMPORTS

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Prime Minister. Yesterday the special task force that was commissioned by the Minister of Employment and Immigration on the automobile industry tabled its report. It indicates there will be a drastic loss of jobs in the automobile industry, upwards of 50,000 by 1990, unless there is a major change in trade policy.

Considering how important the Japanese manufacturers are to our automobile policy, in the Prime Minister's discussions with the Prime Minister of Japan did he raise with him the important impact that Japanese imports into Canada have on our auto industry? Did he propose any new agreement or proposals for the Japanese to ensure the stability and future prosperity of our automobile industry? Did the Prime Minister raise those matters in his discussions?

**Right Hon. Brian Mulroney (Prime Minister):** Yes, Mr. Speaker, I had intensive discussions with the Prime Minister of Japan in regard to the automobile industry. I spoke about the tremendous contribution this makes to Canada generally and to southern Ontario in particular, how we welcome, under this Government, the attraction of new investment in this area, and how welcomed it is by the people of Ontario and the people of Canada.

We recognize that there are some difficulties as well. I think there was general agreement that if you are going to reduce unemployment, as we are trying to do, the way to do it is by not building walls around Canada but by creating new riches to enhance trade to lower unemployment.

Our obligation is to create jobs for Canadians. That is our objective which we will be reaching with the kind of enhanced trading agreements we are seeking.

### PROJECTED LOSS OF JOBS

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, the report commissioned by a Minister of his own Government indicated there would be a loss of 16,000 jobs in the industry under the present practices. What is needed is a straight commitment to have all Japanese manufacturers come under the Auto Pact Agreement. Did the Prime Minister specifically request of the Japanese Prime Minister that Japanese manufacturers agree to come under the Auto Pact Agreement? Does the Canadian Government intend to maintain the quotas presently in place to protect Canadian industry?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my hon. friend is right. The implication of what he said is that all Government policy should be designed to create employment. Earlier today, quite properly, we were talking about employment in Montreal. Yesterday it was indicated that Montreal's unemployment rate last year was the lowest since 1981. This is what we are trying to do in all areas, including the automobile industry. I had the pleasure of meeting with a group headed by Bob White and Pat Lavelle—who, I understand, may be considering other responsibilities—

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** We had an excellent meeting with Mr. Lavelle and with presidents of automobile companies located in Canada who made the representation to which my hon. friend refers. They are aware that we must be seeking new investment because if there is a tremendous job creation burst in Canada, our concern is spreading it fairly.

Unemployment in Manitoba has now been reduced to 7.2 per cent—

**Mr. Orlikow:** With an NDP Government.

**Mr. Mulroney:** —the lowest unemployment rate in Canada, with Ontario. We want to make sure that that prosperity spreads to Newfoundland and to British Columbia as well. I know that the Hon. Member will welcome what we are trying

to do to attract new investment to British Columbia, western Canada, and the maritime provinces—

**Mr. Speaker:** With respect, this is becoming too long.

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## REFUGEES

### IMMIGRATION APPEAL BOARD PRACTICES

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is for the Minister of State for Immigration. The Minister knows that the Supreme Court has ordered that only those who have heard a refugee's claim directly have the right to decide whether that person is a refugee and deserves Canada's protection. Why has the Minister continued to permit members of the Immigration Appeal Board to decide, in some cases, refugee claims which they have not heard?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, in terms of the refugee procedures, the Hon. Member knows that the responsibility to hear those claims in the first instance lies with the refugee appeal mechanism and the Immigration Appeal Board's responsibility is to deal with appeals only.

### REQUEST FOR JUDICIAL INQUIRY

**Mr. Dan Heap (Spadina):** That was not the question I asked, Mr. Speaker. The Immigration Appeal Board by law is required to hear the complainant. The Minister knows that the Chairman of the Immigration Appeal Board distributed a memo saying that the Board was not to make a decision when it heard the case but to refer it to a meeting with other board members. Will the Minister now order a judicial inquiry into this illegal activity of the Immigration Appeal Board?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, the Hon. Member is raising an issue brought to public attention by certain dissatisfied lawyers in the Toronto area over the objection, I might say, of the Toronto bar.

**Mr. Crosbie:** Lawyer lover.

• (1500)

**Mr. McLean:** The Hon. Member should know that the chairman of the IAB is meeting with the Toronto Bar later this week and that a number of the issues which were raised have already been resolved. It would not be appropriate at this time for me to intervene in that situation.

### REPORTED ABUSES AT TORONTO PORT OF ENTRY

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, my question is also directed to the Minister of State for Immigration. It concerns the recent abuses of refugee claims in the Metropolitan Toronto area which have been highlighting the very serious flaws in Canada's immigration policy. Could the Minister tell the House what measures he has taken to ensure that this kind of abuse does not happen again?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, I thank the Hon. Member for her question. The matter of abuse at a number of ports of entry has been brought to my attention, not only by members of the public but by herself and by a number of other Members of the House. The procedures at present jeopardize many bona fide refugees. At the moment we are proceeding to bring legislation before the House in order to deal with the current situation. In the interim, I have appealed to churches, concerned groups, and others to bring the cases of flagrant abuse, particularly those who are counselling fraudulent activity, to the attention of my officials, particularly in the Toronto area.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of 29, presented by Hon. Members on Friday, December 20, 1985, meet the requirements of the Standing Orders as to form. Certain petitions presented by Hon. Members do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Brome-Missisquoi (Mrs. Bertrand), by filing with the Clerk of the House on Friday, December 20, 1985, do not meet the requirements of the Standing Orders as to form. The petition presented by the Hon. Member for London West (Mr. Hockin), by filing with the Clerk of the House on Monday, January 13, 1986, also does not meet the requirements of the Standing Orders as to form.

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## POINTS OF ORDER

### RECOGNITION OF BACK-BENCHERS FOR SUPPLEMENTARY QUESTIONS

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I rise on a point of order as opposed to a question of privilege, because I do not want to abuse what may or may not be a privilege in the House. In Question Period today I attempted to pose a supplementary question, and I was disallowed. I have discussed this situation very briefly with you, Sir, and I would ask you, in the true spirit of reform of Parliament which is evolving to enhance the role of the private Member, particularly those of us on the Government back-benches, to give more consideration to allowing us to ask supplementary questions in Question Period, in order to allow us to represent more effectively the concerns and issues of our constituents.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member knows that he is not raising a point of order but is making a point in which, I take

it, he believes quite strongly. If the Hon. Member will resume his seat, I suggest that he review the entire history of Question Period.

**Mr. Turner (Ottawa-Carleton):** On the same point of order, Mr. Speaker—

**Mr. Deans:** You cannot do that; you do not have a point of order.

**Mr. Turner (Ottawa-Carleton):** May I ask the Chair a question?

**Mr. Deans:** No.

**Mr. Speaker:** Is the Hon. Member for Ottawa-Carleton (Mr. Turner) raising another point of order?

**Mr. Turner (Ottawa-Carleton):** The same point of order, Mr. Speaker, please.

**Mr. Speaker:** With respect, there is no point of order. Does the Hon. Member have a different point of order?

**Mr. Turner (Ottawa-Carleton):** It will be different, Mr. Speaker. May I please read from Speaker Lamoureux's ruling—

**Mr. Speaker:** Order, please. Will the Hon. Member resume his seat? The Hon. Member has had a ruling on the point of order which he raised. If he has a different point of order, I take it he might want to raise it. The Hon. Member for Ottawa-Carleton on a different point of order.

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, if it is not a point of order, would you please instruct me as to what it is?

**Mr. Speaker:** It is a representation to me on a matter about which the Hon. Member feels strongly. That is what it is, and I take it at that. The Hon. Member will please resume his seat, unless he has a point of order to raise.

**Mr. Turner (Ottawa-Carleton):** I do, Sir.

**Mr. Speaker:** The Hon. Member will resume his seat, please.

**An Hon. Member:** Sit down, Barry.

## RULES REGARDING TELEVISING OF HOUSE OF COMMONS PROCEEDINGS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I rise on a point of order. I had the opportunity yesterday to review part of the televised proceedings of the afternoon session of the House of Commons. During the course of the presentation by the Hon. Prime Minister of Japan, the television camera took the opportunity to show other than the Prime Minister of Japan making his speech. Rather, from time to time, it showed other Members of the House either in their seats or doing other things.

It may well be that that is good television. I might even be prepared to concede that that would be more interesting television than the practice which we have agreed we would follow during the televised proceedings of the House of Commons. However unfortunately, perhaps, the rule which we have followed—and I have raised this point before—was one to which all Parties agreed, that only the person who has the floor will appear on the television camera during the broadcast. I am not asking for any retribution. I am simply asking that, if we are to change the rules, I would prefer it to be done by agreement than done unilaterally. If it is the desire of some that the rules should be changed, then some kind of representation ought to be made, either to or through the Speaker, to the appropriate House committee or through the House Leaders in an effort to come to a consensus.

**Mr. Speaker:** Order, please. There is, in this representation, a point of order because the agreements with regard to television are agreements of the whole House. Therefore, I would be happy to have yesterday's telecasting reviewed to determine what hapened. I might say to the Hon. Member for Hamilton Mountain (Mr. Deans), who is himself a House Leader, that he may want to discuss with the other House Leaders the entire question of television. I take it from what he has said that he believes there should be some considerations, and I think he knows the appropriate channels.

**Mr. Prud'homme:** Mr. Speaker, I am sure the House Leaders, being here, would receive very well a suggestion that if there was to be a debate, it could be referred to the appropriate committee, that is, the Standing Committee on Management and Members' Services. We would be more than delighted to receive it as a suggestion to study, to look into it and to report back to the House.

**Mr. Speaker:** I welcome the Hon. Member's representation in this case. It is not a point of order.

**Mr. Gray (Windsor West):** Mr. Speaker, in your consideration of the point made by the House Leader of the New Democratic Party, I hope it will not be argued that because the House yesterday was not in regular session, the rules ordinarily applied to the televising of proceedings in the House would not be in force. This would depart from the spirit of the rules, if not their very letter. At the time the Prime Minister of Japan was with us, we were not in session in the sense of the mace being on the table.

**Mr. Althouse:** *Hansard* recorded it.

**Mr. Gray (Windsor West):** I would ask you, Mr. Speaker, to look at that aspect. If that is argued on behalf of what was done yesterday, I would ask that that argument be rejected.

**Mr. Speaker:** I thank the Hon. Member for Windsor West (Mr. Gray). I probably would not have thought of that possible representation until he made it. If my memory is correct—and I will check it—the House adopted a House Order yesterday to cover the proceedings of yesterday afternoon in the normal way in which the House is covered. I would therefore

assume that the rules with regard to televising do apply in yesterday's situation. I thank the Hon. Member.

## ROUTINE PROCEEDINGS

[*Translation*]

### PETITIONS

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is my duty to present to the House a petition from residents of Moncton, Riverview and Dorchester. All those people deplore the situation at the CN shops which has remained unchanged during the Christmas holiday. They want the assurance that not a single additional job will be lost at the Moncton shops.

[*English*]

SALE OF DE HAVILLAND CORPORATION

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased and honoured to present a number of petitions from Canadians in Toronto who are protesting the sale of the de Havilland Corporation. They petition the Government to reverse its decision with regard to what was a wholly-owned Canadian company which inspired pride in a very key and crucial sector of our economic life. The first petition, Mr. Speaker, was collected by Mr. Antonio Mansillo and it comes from residents right across the Metropolitan Toronto area. The second petition, Mr. Speaker, was collected by Mr. Sante Mio from residents in my riding of York West. I hope that the Government heeds these Canadians demands.

• (1510)

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, I have four petitions to present today. The first comes from Vancouver in British Columbia and is a petition protesting the family allowances deindexation and asking that they not be offset by changes to the child tax credit because then even the poorest families will be worse off by 1990.

The second petition comes from New Brunswick and stresses the cut-backs in child benefits of $600 million by 1990 which will be part of the set of unfair tax changes put into place in the last Budget.

The third petition comes from Nova Scotia and stresses that these reductions in family allowances comes with an increase in RRSP deductions, an increase in hand-outs to the oil companies, and therefore makes our tax system more unequal.

[*Translation*]

Mr. Speaker, my fourth petition comes from the Province of Quebec, from the cities of Terrebonne, LaSalle, Saint-Jérôme and Montreal. These petitioners also protest against lower family allowances and urge the Government to change its policies.

[*English*]

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I have a number of petitions, the first of which protests the government decision to have pension benefits deducted from unemployment insurance benefits, thus effectively removing a significant benefit from workers and creating a disincentive for early retirement plans, and asking for the immediate withdrawal of that action.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Howard McCurdy (Windsor-Walkerville):** The second petition is from New Brunswick and it protests the intention to deindex family allowances and requests the reinstatement of full indexation of the universal family allowance and the recission of the unfair tax increase.

I have another petition of a similar nature from Vancouver protesting the intent to deindex the family allowances and protesting other measures with respect to childhood benefits, the unfair tax changes and asking that those tax changes be withdrawn.

Another petition is from Nova Scotia from citizens there exercising their anxious right to petition the Parliament of Canada in protestation against the changes in the family allowances and asking that that action be rescinded as well as those with respect to taxation.

Finally, I have a petition from the Province of Quebec, from citizens there exercising their anxious right to protest the changes in family allowances, specifically their deindexation, asking that that action be withdrawn and that the tax changes affecting low and middle-income people be rescinded.

**Mr. John Parry (Kenora-Rainy River):** Thank you, Mr. Speaker. It is my privilege today to present two petitions signed by residents of my riding. The first protests the action by the Government in cutting back family allowances and in instituting tax increases which will further increase the burden on ordinary families in Canada. This petition is signed by residents of Red Lake, Madsen and Balmertown.

PROTECTION OF FOREST INDUSTRY

**Mr. John Parry (Kenora-Rainy River):** The second petition is from residents of Dryden, Eagle River, Wabigoon, Oxdrift, Minnitaki and Vermilion Bay. These petitioners seek Parliament's assistance in representation in dissuading the United

States Congress from taking protectionist action which would cost thousands of jobs in Canada's forest sector.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, it is an honour to present petitions from residents of three different provinces of Canada, residents of the community of Langley in British Columbia, Saint Hubert and other parts of the Province of Quebec and Moncton and other communities in New Brunswick; also from Halifax and other parts of Nova Scotia. All protest the decision of the Government to deindex the universal family allowances. We point out that the consequence of the variety of changes the Government has proposed will be to reduce even the poorest families to worse straits by 1990. They call upon the House of Commons to restore full indexation of the family allowance.

**Mr. Gus Mitges (Grey-Simcoe):** Mr. Speaker, it is my duty to present a petition on behalf of some concerned citizens from the City of Owen Sound and surrounding areas in the riding of Grey-Simcoe who are opposed to the reduction of the indexation of family allowances. The petitioners believe that children are everyone's responsibility and that the principle of full indexation should be maintained.

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I have the honour and privilege to present to this House several petitions signed by residents of the federal constituency of Moncton as well as of Westfall and Kent expressing their concern for the future of the CN shops in Moncton.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I have the privilege to present a petition signed by a number of residents of Hamilton who ask the Parliament to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefit without deduction of pension income.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my honour and duty to present a number of petitions from a number of provinces, the first one from Montreal, Quebec; the second one from New Brunswick in the area of Moncton; the third one from Vancouver, British Columbia; and the final one from Nova Scotia.

All of these petitioners humbly pray and call upon the House of Commons to reinstate the full indexation fo the universal family allowances and to rescind unfair tax increases.



[*Translation*]

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have four petitions concerning family allowances. The undersigned state that the deindexation of family allowances and the public disengagement in the area of child benefits are an unfair attack against families with children and especially single parent families.

Mr. Speaker, this petition comes from the Province of Quebec.

[*English*]

I have another petition with regard to the same subject of family allowances calling upon the Government to restore full indexation of family allowances. The same kind of petition as the one from the Province of Quebec, but this one is from the Province of New Brunswick. I have another petition calling upon the Government to restore full indexation of family allowances from the Province of Nova Scotia. Finally, I have a petition from the Province of British Columbia. So we have petitioners here from all across Canada calling upon the Government to restore full indexation of family allowances.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I also have a few of the very many petitions that have come in over the Christmas break. The first one is from Burnaby, British Columbia, and it calls on the House of Commons to reinstate full indexation of universal family allowances.

The second one is from a number of people from New Brunswick, and it also calls on the House of Commons to reinstate full indexation of family allowances and to rescind the unfair tax increases.

The next one, which is in French says:

[*Translation*]

The undersigned humbly ask the Government to re-establish full indexation of family allowances and rescind the unfair tax increases.

And as in duty bound your petitioners will ever pray.

• (1520)

[*English*]

The next petition is on the same subject and is from Kemptville and Wolfville, Nova Scotia. I have another one, which is also in French, from Round Hill, Nova Scotia. The final petitions are from Truro, Cambridge and Dartmouth, Nova Scotia on the same subject of the reindexation of family allowances.

**Mr. Neil Young (Beaches):** Mr. Speaker, it is my duty and privilege to present several petitions. The first one concerns the reduction in family allowance benefits and it was forwarded to me by an organization from Kitchener called Help Stamp Out Poverty Everywhere. The petitioners state that in the opinion of your petitioners, the recent federal budget policy to deindex family allowances is clearly an attack on the working poor and poor alike and as a result they strongly urge the Government of Canada to restore full indexation of family allowances.

*Petitions*

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Neil Young (Beaches):** Mr. Speaker, on the different matter of unemployment insurance and pensioners, I have a petition signed by a number of individuals from the Hamilton-Beamsville area who ask Parliament to examine the Government's intent to deduct pension income from unemployment insurance benefits and ask that those pensioners be treated fairly because of the number of years of service that they have given to Canada.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, I have a number of petitions to present. The first is from points in my riding including Nokomis, Dafoe, Wynyard, Englefeld, Watson and Jansen. They are petitioning the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases to which the petitioners allude in their petition.

As well, I have petitions from the Province of New Brunswick which point out that accelerating cut-backs in child benefits, which will reach $600 million annually by 1990, placed on top of sales tax increases, excise tax increases and stiff income tax increases are unfair and place an extraordinary burden on middle and low-income households, and therefore the House should be called upon to reinstate full indexation of universal family allowances and to rescind the unfair tax increases. I have similar petitions from the Province of British Columbia, the Province of Nova Scotia and the Province of Quebec.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I have two copies of a petition from Saskatchewan and British Columbia bringing to the Government's attention the very difficult times the Government's budget and its decision to deindex family allowance is creating for the families of Canada. The petitioners ask the Government to reinstate full indexation of universal family allowance and to rescind a number of the unfair tax increases in the last Budget.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I have another petition that I would like to present on behalf of a number of residents of Canada who are asking that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income. In other words, they are concerned about the situation that was introduced on January 1.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the responsibility and privilege of presenting petitions on two different subjects. The first one is on the planned deindexation of family allowances. I have petitions signed by residents of New Brunswick, Nova Scotia, British Columbia and Quebec. The petitioners call upon Parliament to withdraw the legislation that is before Parliament that will in effect create a great deal of hardship on families with children and particularly single-parent mothers. In fact the cut-back is a tax increase and it is inequitable and unbearable in light of the vast billions of dollars of hand-outs that are made to the very wealthy in Canada.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, the other petition I have is signed by residents of Hamilton, Ontario, and calls upon Parliament to withdraw the change in the unemployment insurance program whereby pension income will be used as earned income in calculating unemployment insurance.

* * *

## BUSINESS OF THE HOUSE

CONCURRENCE IN REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, there have been consultations between the House Leaders. I think you will find that there has been a disposition made to accept by unanimous consent and have passed without debate the following motion:

That the Ninth Report of the Standing Committee on Public Accounts, presented in the House on Tuesday, December 17, 1985, be concurred in.

**Mr. Speaker:** Is there unanimous consent for the introduction of that motion?

**Mr. Gauthier:** Mr. Speaker, I am sorry. Could I have 30 seconds to inquire into the matter before I give my consent since the House Leader is not present?

**Mr. Speaker:** I take it that the 30-second consultation is now complete. There now being unanimous consent for the introduction of the motion, shall the motion carry?

**Some Hon. Members:** Agreed.

Motion agreed to.

GOVERNMENT RESPONSE TO SUBCOMMITTEE REPORT ON EQUALITY RIGHTS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, this motion has also received consent and deals with the time limit with respect to the response of the Government to the report of the Subcommittee of the Standing Committee on Justice and Legal Affairs on Equality Rights. I will explain the purpose of it in advance. Because the House is not sitting during the mid-term break of the week of February 17, there has been a disposition made by the House Leaders to extend the time available for the presentation of the response of the

Government until the week following the recess. Therefore, I think you will find a disposition to have this accepted without debate and by unanimous consent.

The motion reads as follows:

That, notwithstanding the provisions of Standing Order 70(16), the comprehensive response requested, in relation to the report of the Subcommittee of the Standing Committee on Justice and Legal Affairs on Equality Rights, presented to the House on Friday, October 25, 1985, shall be laid upon the Table not later than Tuesday, February 25, 1986.

**Mr. Speaker:** Is there the consent of the House to introduce the motion?

**Mr. Gauthier:** Mr. Speaker, my guardian angel has sent me a little note which reads: "Okay", and it is signed JY, who, as we all know, is Jerry Yanover.

**Mr. Speaker:** There being unanimous consent, shall the motion carry?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, the following questions will be answered today: Nos. 458, 470, 482 and 488.

[*Text*]

### ADVERTISING TO DISCOURAGE SMOKING

Question No. 458—**Mr. Corbett:**

How much money does the Government spend annually on literature and advertising to discourage smoking?

**Hon. Jake Epp (Minister of National Health and Welfare):** It is estimated that in fiscal year 1985/86, National Health and Welfare will spend $1.6 million on literature and advertising to discourage smoking. Of this total amount, $1.2 million will be spent on advertising with the balance being spent on related educational and informational materials.

### SEIZURES OF PORNOGRAPHIC MATERIAL AND HATE LITERATURE

Question No. 470—**Mrs. Sparrow:**

What quantity of pornographic material and hate literature was seized at border points (*a*) from April 3, 1985 to date (*b*) for the comparable time in 1984?

**Hon. Elmer M. MacKay (Minister of National Revenue):** The Department of National Revenue, Customs and Excise, conducted a retrieval of data respecting seizures of pornographic material and hate literature. However, such data is currently retrievable only for the period ending August 31, 1985.



Customs interdictions of prohibited material are considered "detentions" as opposed to "seizures".

(*a*) From April 3, 1985 to August 31, 1985, a total of 10 seizures of pornographic material and hate literature and approximately 1,700 detentions were effected.

(*b*) During the same period in 1984, a total of 23 seizures and approximately 1,700 detentions were effected.

"Seizures" of material relate to material which is not properly declared by the importer at the time of entry and is considered to be smuggled, misdescribed or enclosed in another package. "Detentions" of material relate to material which is properly declared by the importer at the time of entry and is determined to be prohibited. In such instances, the material is either voluntarily re-exported by the importer or detained by Customs for disposition.

In addition, a significant amount of material is submitted in advance of importation to Customs for review and for an opinion regarding its admissibility into Canada. From April 3, 1984 to October 15, 1984, 1,365 items were submitted for review and from April 3, 1985 to October 15, 1985, 2,139 items were submitted.

### TAX EXPENDITURES

Question No. 482—**Ms. McDonald:**

How much federal tax revenues have been lost by Revenue Canada through tax deductions for advertising and other promotional measures on the part of tobacco manufacturing companies?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Statistics are not captured by Revenue Canada on expenses incurred by various industry groups.

### UI FRAUD AND OVERPAYMENTS

Question No. 488—**Mr. Rodriguez:**

1. In each of the past four years, how many persons were employed by the Department of Employment and Immigration to investigate unemployment insurance cheating and how much money was recovered?

2. How many persons were convicted of fraud for improper collection of unemployment insurance?

3. (*a*) How many individual cases were there of unemployment insurance overpayments (*b*) how many were caused by administrative error on the part of the Department?

**Hon. Flora MacDonald (Minister of Employment and Immigration):**

*Order for Return*

1. (a) 1981 – 857.33 person/years
1982 – 916. person/years
1983 – 965.56 person/years
1984 – 927.94 person/years

(b)

| | Overpayments Established | Penalties | Fines |
|---|---|---|---|
| 1981 | $40,392,494 | $ 4,356,013 | $1,717,645 |
| 1982 | 53,385,322 | 6,557,403 | 2,200,568 |
| 1983 | 82,028,298 | 10,199,757 | 2,915,750 |
| 1984 | 87,925,791 | 12,586,537 | 2,749,931 |

N.B. C.E.I.C. is unable to segregate the amounts of money recovered in respect of unemployment insurance cheating. However, it should be noted that historically Employment and Immigration Canada collects approximately 95 per cent of all overpayments established in the UI program.

2. 1981 – 7,835
1982 – 6,673
1983 – 6,619
1984 – 5,449

3. (a) 1982-83 not available
1983-84 745,647
1984-85 766,146
1985-86 363,232
(to Sept. 30)

(b) Not available. However, the Commission does maintain a Comprehensive Tracking System, certified by the Auditor General, which categorizes errors by ten broad definitions, as follows:

1. Unreported earnings
2. Clerical errors
3. Employment data incorrect
4. Record of employment errors not followed-up
5. Regional computer centre processing errors
6. Incorrect agent decisions
7. Inadequate fact finding
8. Adjustment to benefits incorrect
9. Interview program deficiency
10. Miscellaneous errors

These errors are expressed in terms of the most-likely dollar value of overpayments in relation to the total benefit payout. Latest figures, at March 31, 1985, indicate a most-likely dollar value of $2.68 of overpayment per $100 of benefits paid during the preceding year.

[*English*]

**Mr. Speaker:** The questions as enumerated by the Parliamentary Secretary have been answered.

**Mr. Lewis:** I would ask that the remaining questions be allowed to stand.

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

**Some Hon. Members:** Agreed.

* * *

## QUESTION PASSED AS ORDER FOR RETURN

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, if Question No. 428 could be made an Order for Return, this return would be tabled immediately.

**Mr. Speaker:** Is it the pleasure of the House that Question No. 428 be deemed to have been made an Order for Return?

**Some Hon. Members:** Agreed.

[*Text*]

REPORT ON TAXATION OF ARTISTS AND WRITERS

Question No. 428—**Ms. McDonald:**

1. Have any of the 31 recommendations of the sub-committee on the taxation of artists and writers been implemented and, if so, which ones and by what action?

2. Have changes been made to the Department of Employment and Immigration's programs to enable artists to benefit from them and, if so, what are they and were artists and arts organizations notified of the changes?

3. Under the capital cost allowance (*a*) what amount per year was permitted as tax deductions for investments in films (*b*) how many films produced under the tax incentive were exhibited and how many won awards?

Return tabled.

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# GOVERNMENT ORDERS

[*English*]

## INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion No. 4 (Mr. Johnston) (p. 9733).

**Mr. Speaker:** Order, please. I have now had the opportunity to review the arguments that were made this morning by Hon. Members in relation to Motions Nos. 1, 2 and 3. The President of the Privy Council (Mr. Hnatyshyn) has argued that Motion No. 1, in attempting to substitute the word "person" for the word "individual", would enlarge the scope of Clause 5 since the word "person" could be interpreted to mean "corporation". The objective of Clause 5 is fairly narrow in dealing with the value of inventory of artistic endeavour. The word "individual" as defined in Section 248(1) of the Income Tax Act means a person other than a corporation, while the word "person" is defined to include bodies corporate or political. Therefore, I find the argument of the President of the Privy Council to be convincing in that the amendment is more than what was envisaged at second reading. Therefore, Motion No. 1 is out of order and will not be put to the House.

Motions Nos. 2 and 3 are interrelated. Motion No. 2 adds a definition to Clause 58 and particularly at Section 110.6 that is linked to the definition of Canadian securities found in Subsection 39(6). I therefore have some difficulty in accepting the argument that it is an amendment to an interpretation clause. The effect of these amendments would therefore restrict the scope of capital gains exemptions. I refer Hon. Members to Citation 527 of Beauchesne's Fifth Edition:

● (1530)

So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill, and is regarded as a question not for increasing the charge upon the people but for determining to what extent such charge shall be reduced.

Therefore, I must rule Motions Nos. 2 and 3 in order. They shall be debated together and voted on separately.

Continuing debate on Motion No. 4, at the expiry of which I would assume we would go to Motion No. 2.

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I would like to comment briefly on the amendment standing in the name of my hon. friend and colleague from Saint-Henri-Westmount who seeks in Motion No. 4 to deal with a clause in Bill C-84 which has a very profound and serious effect upon the income tax system of this country. It is an effect which my constituents are going to feel increasingly over the years. What Clause 65 in Bill C-84 does is to partly end a very important and prominent feature of the Canadian income tax system, namely, the system of indexation.

Members of Parliament who have been in this Chamber for a while will certainly recall, as I do, that it was no less a distinguished Parliamentarian than the Hon. Robert Stanfield who first proposed in this House that we ought to have a system of taxation which was fully indexed. He proposed that the tax brackets and levels of exemption ought to be adjusted each year in accordance with the increases in the Consumer Price Index. Mr. Stanfield made that proposal to the House at a time when those who were engaged in public policy thinking were obsessed with the problems of inflation. They looked around our society and saw that there were many individuals who benefited from inflation. Certainly, those people who had made significant loans in order to purchase houses, apartments and land at, say, 6 per cent, were the beneficiaries of inflation. However, they were in the minority. The majority of people who were just able to make ends meet, who day by day made their payments on their homes and cars, and who had to struggle to get increases in wages to match even the Consumer Price Index, were in trouble. They were devastated by inflation. Therefore, there was a lot of thinking going on as to what we could do as a Government and as a Parliament to deal with the economic problem which was causing such severe problems for so many.

I do not suggest for a moment that it was Mr. Stanfield who, in his own mind, developed the idea of having an indexation provision in our tax system. However, he took what public policy thinkers had developed and brought it here into the precincts of Parliament. I am proud to say that it was my present Leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner), then the Minister of Finance, who took up this idea of indexing the income tax system and who engaged in a very extensive and significant national debate. He went around the country arguing much in the way of, I suppose, a devil's advocate, that to put an index system into our tax structure would cause very serious problems for the Government. He argued that it was not that useful an idea from the point of view of the Government protecting its revenue position. However, the then Minister of Finance came back from that national debate convinced that this was something which ought to be in our income tax system because it was fair, just and equitable. Therefore in a Budget which was introduced at that time we had a fully indexed tax system brought into effect. In fact, we gave leadership in the free world in having a fair tax system.

We now had a taxation system, with an index system built into it, which ensured as far as possible that the effective rates of tax at any level of income measured in terms of constant purchasing power would not change as a result of changes in the purchasing power of the dollar. Second, it avoided an automatic erosion of the real value of the various personal exemptions due to inflation.

I look upon indexation of the tax system to mean very simply that the Government cannot live off the avails of inflation. It cannot benefit from the effects of inflation which devastates so many of the people we in this House represent. Indexing meant that the Government, if it needed more dollars for justifiable reasons, had to add to its revenue in a very direct way. It had to put it into a Budget. It had to say there was going to be a tax increase, it had to indicate what the money was going to be used for and it had to bring that to Parliament.

Indexation prevents the effective rates of taxation from just increasing automatically. It prevents the value of personal exemptions from declining automatically every year into the indefinite future so long as inflation at any level continues. What does Bill C-84 do? It is true that Bill C-84 does not bring an end to the indexation system in its entirety. What it does is to end the first 3 per cent of the indexation system. What we have now is 3 per cent per annum added on to the tax burden of our citizens. At first blush, that does not seem too serious in a single Budget in a single year, especially at a time when we have a very large national deficit. However, think for a moment, Mr. Speaker, of what this means over a longer period of time. What does 3 per cent per annum over a period of, let us say, 10 years mean? Let us take a married taxpayer who does not have dependent children. That person has personal exemptions in 1985 terms of $7,700. In 10 years that will be eroded by 26 per cent. He will then have a personal exemption of only $5,730. In a 20 year period, those exemptions are eroded in value by 45 per cent and he will only have an exemption of $4,225.

Right now, as you know, Mr. Speaker, the top rate is about 50 per cent. That top rate kicks in at just over $62,000. As a result of Bill C-84, in a 10 year period of time, the top rate of taxation is going to begin to take effect at the much lower level of close to $46,000. In 20 years the top rate of taxation will begin to take effect at $33,000. I am sure Hon. Members must be wondering why the Minister of Finance (Mr. Wilson) would want to bring in with Clause 65 of Bill C-84 a partial ending of the indexation system in our tax structure. Why did he do it? Obviously he needed a large quantity of dollars, something in excess of $600 million, in order to pay for another benefit which is going to be given out as a result of the

Budget, namely, a one half million dollar gift of a capital gains exemption introduced gradually over a period of time. That $635 million will almost pay for that gift in the first year. In order for the Government to make a very generous gift to its rich friends it is now going to dip into the pockets of people who cannot afford to have their personal exemptions decreased or their tax levels increased. They cannot afford to give those dollars to people who have extra dollars to invest in order to try and make a capital gain.

• (1540)

This Budget takes from those who are struggling to get by and gives to those who have all of their needs met and probably most of their wants as well. My constituents cannot afford their share of this $635 million. They cannot afford it.

**The Acting Speaker (Mr. Charest):** The time allotted to the Hon. Member has now expired.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I welcome this opportunity to add my words to the debate on this clause of Bill C-84. My hon. colleague from Cochrane-Superior has I think outlined very well this afternoon the reasons why the Government of the day in the mid-1970s decided to accept the recommendations made by the then Leader of the Official Opposition, Mr. Standfield, to introduce the concept of indexing personal exemptions and the income tax system. Before I begin to talk about the impact these measures will have on family income, I want to talk a bit about what the Conservative Party had to say in 1980-81 when it thought the Liberal Government was going to introduce the type of legislation which has been introduced on the floor of this House today. Regarding the deindexation of personal exemptions and the income tax system, the Conservatives indicated that the lower your income was, the harder you were going to get hit. At least they recognized the fact that the hardest hit would be low and middle-income Canadians. They were well aware of the impact it would have. They said it would mean a massive tax increase for all Canadians. Therefore, it seems rather strange that Conservative back-bench MPs have been silent this morning and this afternoon concerning the impact this Bill will have on their own constituency.

The Conservatives went on to say at that time that deindexation would raise a lot of money fast. This morning my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) indicated that in 1990-91 alone some $4.3 billion will find its way into the Government's Consolidated Revenue Fund solely on the basis of the Government's vested interest in inflation over the next four or five years. That is why they said that indexation was their idea in the first place and there was no reason for the Liberal Government to remove it from the tax system, and why they felt every Canadian should speak up and write their individual Members of Parliament. My, how five short years changes the tune of the Conservative Party. In essence they have just ripped up the plans they had in 1980 to oppose the principle of deindexation and now sit quietly by while a Bill is introduced on the floor of the House of Commons which will do the exact opposite of what their Party stood for in 1980-81. I suggest that is typical of the actions of this Government since it took office in September of 1984. Government Members have betrayed the trust given to them in the election of 1984, and I happen to believe that the Gallup poll is now beginning to reflect the degree of cynicism the Canadian people have regarding the Mulroney Government and the plans it has in a number of key areas.

I talked a little bit about the impact these measures would have on specific family income levels. I raised this issue at the time we talked about the plans to deindex family allowances. I admitted at that time that those plans were very small but the reason we, the Liberal Party, opposed those plans was the same reason we opposed the plan to deindex personal exemptions in the income tax system. In effect that will take this country in the direction of a very perverse social policy. As a direct result of this action the gap between the poor and rich in this country will widen. In fact, as I have pointed out, a family which earns $15,000 a year will pay an additional $1,879 in taxes over the next five years. StatsCan's definition of a middle-income family is one earning $35,000 a year and they will pay an additioanl $3,450 in taxes. The strange thing is that a family which earns $80,000 a year will pay only an additional $1,125 in taxes over that same time period. In other words, the family earning $15,000 will pay approximately 65 per cent more in taxes than the family earning $80,000. Every social policy group in this country which advises the Government has indicated that the Government is wrong in its attempt to introduce these measures for deindexation. It will be in effect a social policy of Robin Hood in reverse where the poor get poorer and the rich get richer.

I find the silence from the Government side quite deafening. We were elected as Members of Parliament in September of 1984 to represent our constituents' interests. Yet, again strangely, I see Members here from Mississauga, Quebec and western Canada who have nothing to say. They want us to rush this through so they have even given up speaking on the Bill. I suppose to some extent the Hon. Member for Saint-Henri-Westmount was correct this morning when he said that if he were bringing in legislation of this type, he would be very silent if he were part of a team of Government back-benchers who were going to advocate this kind of social policy on the floor of the House of Commons. I often wonder what happens in the national caucus of the Conservative Party. I know when we were in Government we had a very healthy exchange of views in caucus so that this kind of legislation which is so damaging to our constituents would never see the light of day. Yet time after time we find as a result of the May 23 Budget a number of income tax measures which will adversely affect our social policy for decades to come.

• (1550)

Before I conclude, I would like to talk a bit about the fact of the Government having a vested interest in inflation once the personal exemption system and the income tax system is deindexed. In the mid-1970s, when we were experiencing much higher levels of inflation, there was an excellent case to be made for the Government of the day accepting the principle

of indexing the income tax system and the personal exemption system. As I have indicated, the Member for Cochrane-Superior (Mr. Penner) outlined the effect that that will have on the average income tax paid by middle-income and lower-income Canadians. It will be a very negative effect. It is a backward step for the present Government to destroy a principle that was accepted by all political parties in the mid-1970s simply because of a drop in the annual inflation in the country.

As the critic for national health and welfare, I happen to believe that the social policy direction indicated by the May 23 Budget and exemplified by Bill C-84, is a step in the wrong direction. I appeal to the back-bench members of the Conservative Party to stand up and voice their concerns by voting with us, the Opposition, on some of the amendments which we have put forward on Bill C-84.

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, it is about time the House and the Opposition realized that the best social policy for the country is jobs. We have given jobs in great numbers.

**Some Hon. Members:** Hear, hear!

**Mr. Blenkarn:** Another social policy that we have is to pay our bills and reduce the deficit. We are reducing the deficit and this is one of the very few measures in this statute that increases taxation. Yes, it increases taxation across the board if there is some inflation. It reduces th e exemptions that people have—

**Mr. Frith:** It widens the gap.

**Mr. Blenkarn:** He says that it widens the gap. It widens the gap, all right, in the reduction of the deficit. That is the gap we are going to close. We are going to get it a long way down and we need the co-operation of the Opposition rather than stupid, foolish, and ridiculous suggestions about social policy. Our social policy is working in spades. It is working in my constituency where the problem today is not "jobs, jobs, jobs", it's "people, people, people" to fill them.

**Mr. Frith:** Just forget about Atlantic Canada, northern Ontario, and New Brunswick.

**Mr. Blenkarn:** The problem with the Opposition is that when it was their turn in Government they were quite prepared to hack away at social policy objectives by using a reduction in indexation through their six and five program. Now we have inflation down to 4 per cent and it is perhaps going below that.

**Mr. Foster:** Who got it down?

**Mr. Rossi:** Not you, Don. You didn't get it down.

**Mr. Blenkarn:** One of the major problems with indexing is that it feeds itself. It validates the inflation. There is a provision in this Bill which reduced indexation with respect to tax allowances and the tax rate by expecting people to absorb the first 3 per cent of any inflation that takes place. We expect citizens to absorb some of the costs of inflation because, unless we do so, inflation protection measures continue to feed the inflation that we want to reduce.

It is important for the House to realize that the Government cannot continue to index everything and expect to balance the Budget. One of the major causes of the serious shortage of revenue as against expenditures which exists in our budgetary process has been the result of the indexation that has been extended to all of our social programs and our tax system. Before indexation was brought in on a broad scale to cover pensions, and every other form of benefit, allowance, or charge of the Government, generally speaking Governments were very close to balancing their budgets. Since then our deficit has grown year after year, and often more in good years than in bad years.

Speaking in round figures, for every dollar we spend we only bring in 65 cents in taxes. The other 35 cents must either be borrowed, printed, or somehow taken away from pension reserves. That policy cannot go on. However, that is the social policy advocated by the Member for Sudbury (Mr. Frith). His social policy is that it is all right to borrow, and that it is all right to pledge the future of your children, that of their children, and that of their children's children, as long as we have it today.

That is not our policy. Our policy is to attack the root of inflation by refusing to validate it. Our policy is to collect more revenue to reduce our shortfall. I am sorry that means more taxes in some senses. That is the purpose of this section and that is why it is in the Bill. I do not think anyone in the House really wants to pay more taxes. No one wants to pay more taxes, but we as Canadians, as a responsible Party, and a responsible Government, tell ourselves that we have to pay our way. In that sense, the amendment is irresponsible because it says: "Sir, I want more cake, I want more, more, more, and I don't want to pay for it". I am surprised that the Member for Saint-Henri-Westmount (Mr. Johnston) brought that position to the House. I would understand it from his Party, but not from him.

Inflation feeds on itself. Indexation validates inflation. It may be necessary for the Government to take one step further and abolish all forms of indexing, because we cannot forever increase payments to people and reduce taxes to people because the cost of living continues to go up. When we do that the cost of living is just passed on and the next year's cost of living goes up. We saw how that worked when we had a provision whereby liquor and tobacco taxes were indexed to the cost of living. We imposed taxes, the price of the articles went up, and that justified a further increase in taxes. Therefore, we imposed more taxes, the price of the article went up, and that justified further increases in taxes.

Here it works exactly the opposite. When the price goes up, we reduce the tax. We have less money to pay Government expenditures, but because we are also going to index benefits, as the price of things go up we increase benefits. Again, our deficit is smaller, our tax revenue goes down, and our expenditures go up. Of course we have this massive, built-in, perma-

nent deficit. It is time the House got down to brass tacks and got rid of that deficit. We cannot get rid of it unless we are prepared to pay the cost, part of which is this clause which must remain in the Bill.

• (1600)

[*Translation*]

**The Acting Speaker (Mr. Charest):** Resuming debate. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am pleased to take part in this debate on motion no. 4 which was moved by my colleague the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) for the purpose of amending bill C-84 by deleting Clause 65.

Mr. Speaker, the purpose of this clause is to abolish or change the indexation of the income tax tables, so that Canadian taxpayers would have to assume the first 3 per cent in inflation, and to fill the coffers of the state to the benefit of the Government.

It was rather amusing to hear the Hon. Member for Mississauga South (Mr. Blenkarn) blathering earlier that indexation should be abolished. I should simply like to read to him the statement published by his Party in an ad which was published in the newspapers and which read as follows:

[*English*]

"Inflation, the less your income, the harder you get hit". I continue to cite this great message from the Progressive Conservative Party of Canada. It says: "Deindexing is a scheme to guarantee that you will pay higher federal income taxes year after year". It says: "Deindexing would take away the protection you now have against inflation".

The Hon. Member for Mississauga South (Mr. Blenkarn) just said to abolish all indexing. I take it that he wants to abolish the indexing of family allowances, the income tax tables and senior citizens' income. He does not give a damn about the poor or the moderate income groups. He says that they should pay and assume the costs of the inflationary spirals for which they are not responsible.

Let me go on to read from this article because I believe it reveals the two-timing attitude in which some of the Members across the way speak from both sides of their mouth. It goes on to say: "While deindexing would impose the greatest economic hardships on people living on low incomes, it would mean higher and higher taxes for all Canadians living on any income, taxes that would increase as inflation continues to spiral upward". It says that the Progressive Conservative Party of Canada is providing, in their own words: "the opposition to a possible deindexing". It says: "Indexing was our idea in the first place and we are determined that you should continue to receive this fundamental protection against inflation".

This is another day and another year, and probably another Party. They have made a complete 180 degree turn and oppose indexing and any projects or social programs which may have indexing clauses that allow people to maintain their purchasing power. Indeed, indexing of the income tax tables allows moderate income people and all Canadians not to get more, but not lose as a result of economic factors which are not of their making.

In past years we experienced 10 per cent, 11 per cent and sometimes higher inflation rates. God knows that if we did not have indexing of the income tax tables many more Canadians would have been asked to assume the most expensive cost of Governments. We protected those with low and moderate incomes against—

[*Translation*]

—the ravages of inflation.

Mr. Speaker, I know that the indexation issue disturbs our Conservative friends and distracts them from their national plan to have all Canadians pay, no matter what their income. To clearly demonstrate the consequences of deindexing income tax tables, I should like to quote from a study which was carried out by our research services and which explains the scope of deindexation: "To show clearly the impact which a reduced indexation of personnel exemptions would have, suffice it to say that if inflation remained at 3 per cent or more over the next few years and if no other change were made to the legislation, the $7,700 granted in 1985 as personal exemptions to married taxpayers without dependent children would only represent, in terms of purchasing power, $5,730 in 10 years and only $4,225 in 20 years, which would mean a reduction of over 26 per cent and 45 per cent respectively."

Mr. Speaker, the study goes on to say that on the basis of the same assumptions, the taxable income currently subject to the highest tax rate, that is $62,160, will only be $45,838 ten years from now, and $33,802 in 20 years.

Mr. Speaker, this shows quite clearly that once again, it is the middle class, the low-income people, who will be shouldering the burden, and not only the Government expenses, which, God knows, are subject to criticism. We were told earlier that the Government knew how to pay its debts. We saw what they could do in the case of banks, we saw what they could do with the one billion Canadian dollars they were forced to spend in order to reimburse the uninsured depositors of the Canadian Commercial Bank.

[*English*]

Following the Budget last year, an interesting document was leaked and given to us. The first and most expensive item in terms of budgetary measures was the modified indexing of the personal income tax tables. It states that the modified indexation of personal income tax tables for 1985-86 will bring $80 million to the Government; in 1986-87 it will bring $570 million and in 1990-91 it will bring $4.36 billion in income to the Government which Canadians would otherwise have been able to spend as consumers in order to look after their needs.

The statements by Members of the Progressive Conservative Party that this was their idea in 1972-73 is absolutely ludicrous. It was the Liberal Government in 1974 that provided indexing on the income tax tables. It was a progressive measure at that time and it still is progressive. There are enough regressive tax measures in this country that we should have at least one progressive measure to allow all people to pay according to their means, according to a progressive tax table that should be indexed to the cost of living. It does not make sense to say as the Government does that those who make less money should pay as much or more than those who may pay a minimum tax. We will have an opportunity to address that issue later.

I want to conclude by saying that it appears to me that the silence on the Government side is due to their embarrassment. I understand that it is embarrassing to be in contradiction with one's own Party policy. The Conservatives cannot have it both ways. They cannot say that indexation was their idea, only to say a few years later that it is atrocious to continue with the indexing of the income tax tables and propose to modify it so that the first 3 per cent of inflation will not be covered. With that, I hope the Government is defeated on that motion, although I doubt it very much.

[*Translation*]

**Mr. Édouard Desrosiers (Hochelaga-Maisonneuve):** Mr. Speaker, it is with great pleasure that I rise on Amendment No. 4 to Bill C-84. As we know, Mr. Speaker, people can juggle with figures. Members opposite call us all sorts of names, but one should not forget that the child benefit, family allowance and tax credit programs provide greater assistance to low-income families—that is the truth—while reducing benefits now being enjoyed by high-income families. This is why Bill C-84 is very important. It should be realized that the legislation as a whole is designed to favour the less privileged families in Canada, the less privileges people, the families in need.

I find it hard to understand that the Opposition cannot grasp that situation.

We all know who is responsible for everything that is happening to Canadian taxpayers. We must not forget that the national debt exceeds $200 billion, Mr. Speaker. The Conservative Party was not always in power. This situation was created by the Liberal Party.

Today, naturally, we have to look at the whole issue and protect the Canadian taxpayers, who are always the ones to pay. Bill C-84 creates a perfect balance. We finally have a Government which will take care of the needs of low-income families and penalize a little bit families with high incomes. In my opinion, it is normal in our society for everyone to do his share and to provide some assistance to the most needy, those who have the most problems.

Mr. Speaker, Bill C-84 includes many excellent provisions. For instance, there are truly valuable provisions for the artists. Of course, this is not the time to speak about them, but I shall have another opportunity to do so.

I simply want to tell the Canadian taxpayers who are watching us that the Conservative Government wants to protect and help them, especially those with low incomes. That is the reason for Bill C-84.

• (1610)

[*English*]

**The Acting Speaker (Mr. Charest):** Resuming debate. The Hon. Member for Laurier (Mr. Berger).

**Mr. David Berger (Laurier):** Mr. Speaker, this Bill is only one thing, it is about increased taxes. That is what the Budget is all about, no matter how the Government seeks to disguise its plan. What it is doing is imposing a massive tax increase on Canadian taxpayers.

Continuing what my colleagues have said, I would like to outline the effect of some of these tax increases on individual taxpayers. The important point that must be stressed, and I heard the Hon. Member for Mississauga South (Mr. Blenkarn) and the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) speaking, is that if taxes have to be increased to pay our way as the Conservatives are so fond of saying, let it be so. What I and my colleagues in the Liberal Party object to and what millions of Canadians object to is that taxes are being increased unfairly. A greater burden is being placed upon the poor in our society.

[*Translation*]

If the Hon. Member says that everyone should do his share, I agree with him. But that is not what this Bill provides. The poor will pay more than their share. When we look at all the budgetary measures, we realize that the wealthiest in our society are doing very nicely. That is what is unfair about this budget and it is this injustice which we oppose.

[*English*]

A study was published late last year by the National Anti-Poverty Organization which was presented to the Minister of Finance (Mr. Wilson). What was its conclusion? It stated that federal tax increases announced in the Budget will take twice as much from the poorest Canadian as they do from the most affluent. Is it fair for a Government to impose tax increases which take twice as much from the poorest Canadians as they do from the most affluent?

We all remember, Mr. Speaker, the Prime Minister (Mr. Mulroney) talking about a bank president earning $500,000 a year. The Prime Minister cited him as an example of those who do not need family allowance in the famous debate over family allowances several months after the election in the fall of 1984.

What does the National Anti-Poverty Association have to say about this famous bank president? It says the tax increases announced in the May budget have a much greater impact on the bank teller than they do on the bank president. I would ask my colleague opposite, the Member from Mississauga South,

who is the chairman of the Finance Committee of this House whether he believes it is fair and just for a bank teller to pay much more as a result of the increases in taxes than the bank president.

The National Anti-Poverty Organization goes further:

> The regressive nature of these taxes means that they hit hardest at those who can least afford to pay increased taxes.

That is what we are objecting to.

[*Translation*]

Mr. Speaker, the budget reveals the true face of the Mulroney Government. It is a retrograde and antisocial budget in which the Government backs down on its promise not to reduce social expenditures. It is a budget which is more harmful to the poor than to the rich. Poor and middle-income families will have to pay more taxes, more commodity taxes, and the tax rates will no longer be fully indexed to the cost of living.

[*English*]

We are debating Clause 65 at the present time. It provides for the deindexation of tax brackets relating to personal exemptions and to the child tax credit. Let me deal first with the tax brackets and the personal exemptions, Mr. Speaker. Taxpayers will pay higher taxes simply because of inflationary increases in income. Any person who has worked for a number of years knows that every year he or she asks for a cost of living adjustment. If the cost of living goes up by 5 per cent, people want a cost of living adjustment of 5 per cent in order to keep pace with inflation, in order to preserve their purchasing power.

Under the provisions of the Income Tax Act presently in force and introduced by the Right Hon. Leader of the Opposition (Mr. Turner) when he was Minister of Finance in 1974, the Income Tax Act permits such an increase to take inflation into account without taxing the taxpayer for such an increase which only allows him to keep pace with inflation.

The Conservative Government is saying to taxpayers that the first 3 per cent of that inflationary increase will no longer be compensated for by the Government. Taxpayers will now have to pay for that 3 per cent increase out of their pockets. The Government will pay only for increases exceeding 3 per cent. All taxpayers who see their salaries adjusted simply to keep pace with inflation will have to pay additional taxes, even though they are no further ahead and even though their incomes have not increased in real terms.

• (1620)

The other provision to which I referred earlier deals with the child tax credit. Clause 65 also provides for the income base of $23,500 per year as the threshold amount of family income beyond which the child tax credit is reduced. This base will be adjusted each year for increases in the Consumer Price Index beyond 3 per cent. The poorest families in our society, many of which are single-parent families, receive the child tax credit. They will have money taken out of their pockets because of the provision in Clause 5. It means that $23,500 in 1986 will not be worth the same in 1987 if inflation rises this year by 4 per cent or 5 per cent. The people who receive the child tax credit will, nonetheless, be affected by the threshold change as a result of the provision in Clause 65. Again the Government is making them assume the first 3 per cent increase in the rate of inflation.

There is a number of other provisions which I will have the pleasure of dealing with during the course of debate on these amendments. I thank the House for the opportunity to express my views on the effect of the deindexation of the income tax system.

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, probably enough has been said. In fact, it seems that almost everything which could possibly be said about Bill C-84 has already been enunciated time and time again in the House. Nonetheless, I respect very much the abilities and experience of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) who put forward Motion No. 4 relating to Clause 65 of the Bill. I note with some astonishment, however, that he proposes simply to do away with the partial deindexation of personal exemptions and tax brackets. I find that surprising. With his abilities he should know better; clearly he is playing politics at this point in time with an issue of such gravity. I feel that it will take a long time for the people of Canada to forgive him. It was his administration which put Canadians into a deficit position. I almost hesitate to repeat it, but it deserves repeating. The deficit is in the area of $35 billion to $48 billion annually, and we have a cumulative deficit of some $200 billion. On an annual basis, this works out to overspending by the federal Government to the tune of some $1,400 per person for every man, woman and child in the country. The simple question to put forward would be: How long can this continue? How long can this sort of wanton or profligate spending continue? It put Canadians at the point of no return, at which point they tossed out the Government which created the situation and put in place the Progressive Conservative Government with a clear mandate to do something about it.

Now we have the spectacle where we attempt in a meaningful way, with the least amount of pain as possible, to deal with the jaws of inflation. When dealing with indexation matters, if we index exemptions we are in fact cutting back on revenue. When we index expenditures, we increase the outlay. At the same time we widen the jaws and the deficit continues to increase. This is something which simply cannot continue.

At this point in time one out of every revenue dollar gathered by the federal Government is going to service the debt, that is, to pay interest on the cumulative national debt. By the mid-1990s, if the rate of growth in the deficit continues unabated, we will be in a position where 100 cents out of every tax revenue dollar generated will have to go to pay interest on the national debt and interest on Government securities, treasury bills, Canada Savings Bonds and so on. That is simply an untenable position. By the mid-1990s there would be no money left for any purpose other than debt servicing. There would be no money left for transfer payments to the provinces, for medical care, to assist with education or to provide defence

and other services to which Canadians have become accustomed. Unless very serious steps are taken to deal with the deficit, every Canadian will suffer. We in this generation will pay the price but, even worse, so will generations to come.

I should like to ask a common sense question of members of the Liberal Party and of the New Democratic Party: How long can we continue to spend money which we do not have? Obviously, from some of the remarks, it is of no concern to them. It has not been of any concern to them over the last 15 years. Apparently they continue to treat it as some sort of joke. It is not a joke. Responsible steps should be taken. The only way to deal with the problem in the short run would be either to borrow more funds or to print money. In other words, we would either have inflation through the printing of money and the debasing of our currency or we will have the problem down the road of being unable to service the national debt. My main motivation in coming to Parliament—and it was that of many others—was to face the deficit and to try to grapple with it in a meaningful way. I am disappointed, in fact appalled, to have found the slap-happy, casual attitude displayed to the deficit by members of the opposition Parties.

Bill C-84 was a reasonable approach to dealing with the deficit problem—a modest increase in taxes, some juggling around, nothing too severe. Yet, all we hear at this point is criticism from the opposition Parties which have their heads in the sand. Over the years the marriage between the two of them has created a deficit of impossible dimensions. Now, when a Government comes along which is prepared to take some reasonable and meaningful steps, what do we hear from them? We hear nothing but more whining and complaining. It is time for some reasonable response on the part of the Opposition. We should hear from them. In fact, we should have a vote in the House right now. Perhaps the opposition Parties would like to respond at this point, get their heads out of the sand and face up to the common sense approach. With the kind of deficit we have in the country, we have to take in more revenue, spend less and work toward balancing the books.

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I was truly astonished to hear the speech of the Hon. Member for Swift Current-Maple Creek (Mr. Wilson). It was unbelievable. I am sure that Conservative Members across the way will agree that the Conservative Party is a different one than you and I used to know, Mr. Speaker. Do you remember the Conservative Party? Being the non-partisan person you are, Mr. Speaker, you will recall when the Conservative Party placed an advertisement in Canadian newspapers which indicated the following:

> You've heard a lot about the Constitution lately, but how much have you heard about deindexing?

Actually that was the title of the advertisement which appeared in the early 1980s. It went on to indicate:

> The Constitution is big news now. So big, that you probably haven't heard all that much about the Budget the Liberals are going to bring down soon.

● (1630)

**Mr. Brisco:** What about six and five, Boudria?

**Mr. Boudria:** Listen to this and you may learn something. In that Budget there could be something called deindexing. Well, no longer do we need to speculate about deindexing. It's here. It has arrived. It arrived on the Tory bus, not the Liberal machine. The Big Blue Machine brought us the much dreaded, the much feared deindexing that we heard so much about not that long ago.

It was worth buying full page ads in weekly newspapers across the country to incite fear among the people of Canada when the Tories were in opposition, but now that they are in Government deindexing is a sound and reasonable approach. Yet when they were in opposition it was bad. This morning the Minister of State for Finance (Mrs. McDougall) said to us—not that eloquently, but said to us in any case—that in her view we should have been deindexing. She repudiated Tory policies of decades which wanted indexation. What happened to the Minister of State for Finance? Has she not read speeches by previous Leaders of the Conservative Party? What has happened to that Minister, repudiating Tory policies right, left and centre? No progressiveness in that Conservative, Mr. Speaker. She may have been elected as a Progressive Conservative, but she is obviously of the regressive preservative persuasion, and that is what has happened. Let us look at that.

**An Hon. Member:** Better than—

**Mr. Boudria:** Let us look at that—I will ignore the unparliamentary language that is used by some members of the Conservative Party. I am concerned with issues and people, not unparliamentary language by some of those nasty Tories making remarks in the House at this point.

The bells rung in this building a few years ago over a Bill. How long did they ring? Days and days they rang over a so-called omnibus Bill. An omnibus Bill, Mr. Speaker, for you and I, is a large Bill like this Bill C-84. Look how large it is, hundreds and hundreds of clauses and subclauses. How long have we debated this omnibus Bill? About 10 hours. I am sure that the Secretary of State (Mr. Bouchard) has read this Bill from one end to the other. He will understand how complex it is and he will want the House of Commons to have the benefit of a thorough debate on this very vital and important issue to Canadians, this issue that his Party has fought for so eloquently in the past when it was afraid of deindexing. Yes, Tories were afraid in the past but the fear has gone. That lust for power, that craving for money that Tories have now has created this kind of attitude on their part. Why do they want that money, Mr. Speaker?

**An Hon. Member:** To pay the Bills.

**Mr. Boudria:** It is to give to the poor people? Surely not. Is it to use for useful purposes? Well, that is to be questioned. Let me give instances of how this money will be wasted, squandered by the Government.

Let me bring to the attention of the House the revenues, the direct tax on persons, and I take this from an official secret Government document that was leaked to the Opposition.

There is no denying that this was a secret document, the Government has already acknowledged that.

**An Hon. Member:** Who denied it?

**Mr. Boudria:** This document claims that the Government will by this measure reduce the revenues in the year 1986-87 by $600 million by removing capital gains tax; by removing that it will lose $600 million. It will lose $920 million by the elimination of the Petroleum and Gas Revenue Tax. Those are the moneys that it will lose in the year 1986-87, the year we are starting very soon, they year that we are almost in for tax purposes.

In terms of expenditures, what will it use that money for? Well, let us look at some of the Government uses of those moneys. Is it going to spend more on agriculture? No, it is going to spend $50 million less according to the same document. Well, who will it go to? It is not going to the farmers. Will it go to other areas such as improving transport? No, it will reduce $50 million there as well. Where are the increases? Let us look very carefully at this document and we will find the increases in spending of this Tory Government, this Government that you and I are starting to get so fed up with, and that Canadian people by the millions are now rejecting. This Government is squandering that money. It is reducing revenues by eliminating taxes to the rich and is not giving that money to those who need it. That's the story of the Conservative Party, that is why it has lost the confidence of the people of Canada. That is why a greater number of Canadians would now favour someone other than the Tories to be running the affairs of the nation.

As a matter of fact, the majority of Canadians would now prefer that the Liberals were in charge. That fall of power, Mr. Speaker, that fall of favour by the Tories is going to continue because this Government has lost touch—it never had it in my view—with the aspirations of the people. Now, of course, that places the Liberal Party not as the Official Opposition, but the official government in waiting of Her Majesty.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Social Affairs—Abuse of the elderly; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Environmental Affairs—(a) Canada-United States discussions (b) Canadian position; the Hon. Member for Algoma (Mr. Foster)—Farm Credit Corporation—Moratorium on foreclosures.

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• (1640)

## GOVERNMENT ORDERS

[*Translation*]

### INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-84, an Act to amend the Income Tax Act and Related Statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and Petroleum and Gas Revenue Tax, as reported, (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion No. 4 (Mr. Johnston) (p. 9733).

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, I also welcome this opportunity to take part in the debate on Bill C-84. I was interested a while ago in what the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) had to say, namely that the ultimate purpose of Bill C-84 was to provide for a fair and balanced tax system. I find it incredible to hear such words being used about a measure that has such a direct and brutal impact on those Canadians who unfortunately are not in a position to cope with life's financial problems. This is nothing new, Mr. Speaker, because in the nearly eighteen months we have been here, to my knowledge the vast majority if not all of the Government's proposals have always been aimed at getting money, which in the circumstances is a praiseworthy and valid endeavour as such.

The deficit being what it is, I believe we have a collective responsibility to consider ways of identifying solutions that will help improve the economic situation. Everybody is aware of this, on your side as well as ours, but, and that is where the official Opposition comes into play, the Government's way of achieving these objectives certainly does not meet the criteria for what could be considered acceptable in the present situation. The fact is that almost every single Government initiative is aimed at taking money from people who do not have the resources to cope with these increases.

On the weekend and at the beginning of this week, it was announced that the Prime Minister and his Cabinet, in an act of altruism, had refused a salary increase. So far, so good. As far as the symbolism of the thing goes, it is all very admirable, except that the news item, Mr. Speaker, mentioned the salary the Prime Minister and members of his Cabinet would be getting. The head of the family who is watching this on TV and who has two or three or four dependent children and earns

a salary of $15,000, $16,000 or $17,000 is not particularly impressed because, like many people in Canada he needs every single cent he earns to make ends meet. Those are the people who need support, who need help, who need a breather, some kind of break so as to be able to come to grips with their financial problems.

Under the present circumstances, wealthier people, people who are better off could assume their real responsibilities and make a greater contribution than the Government expects from them to bring down the deficit. Even though the Bill affects people who are well off, high income people, it does not really amount to much because, the situation being what it is, those people who are rich and fairly well off could think in terms of the community and of their fellow citizens and lower their standard of living to a certain extent. This would make it possible to maintain, sustain and guarantee a certain balance within our Canadian society, for those people have untold opportunities to lighten their tax burden. Just as an example, I think that capital gains is a good illustration. Supposing that the measures contained in Bill C-84 affect a hypothetical case or file, it would be possible to collect an additional amount of $2,000 or $3,000 from a taxpayer; yet, over the next two or three years that same taxpayer will be able to make a profit of $30,000, $35,000 or $40,000 as a result of the capital gains incentive offered by the Government.

In my opinion, Mr. Speaker, people who earn $20,000 or less are not in a position—in the short, medium or long term—to benefit directly or indirectly from the measure which allows Canadian taxpayers to deduct their capital gains up to a fantastic amount. The only people who stand to gain anything at all are those who are rich and well off, those who have jobs and make profits, those who are therefore quite capable of coping with just about any financial difficulty. Mr. Speaker, low wage earners have no such opportunity, they cannot claim such tax exemptions, and they are the victims of the system which, given the hard times we are going through, should help them but instead saddles them with so many direct and indirect taxes and surtaxes.

Mr. Speaker, we have to realize that the rich are badly outnumbered by the poor. Although there are legions of poorer people, the way this Government behaves shows that their lobbying does not really weigh much in the balance. What amazes me is that it does not seem to register that those taxpayers, average Canadians, are consumers, they create jobs and keep the economy going. The minute their ability to pay is substantially reduced, it means that they have precious little left to spend. Inevitably this will result in a sluggish economy.

As far as I am concerned, I just cannot let the Government go ahead with this initiative without expressing the indignation of the vast majority of my constituents who, for the past 18 months, have been shocked by the Government's obstinacy to reduce the deficit on the backs of those who cannot afford it, who are unable to pay a little more than what they are paying already and which is already too much.

These taxpayers are aware, as you are and as we all are, that our country is faced with an enormous debt and that we must strive collectively to improve the financial situation. But what they feel and unfortunately cannot always express, and it is our responsibility as the Opposition to speak out on their behalf, because you are totally unaware of it, what they want to say is this: Get the money from those who are able to pay. Leave us alone for a few years, so that we can breath. We are experiencing difficulties and we cannot sacrifice ourselves more than we have already been doing in the last few years.

Mr. Speaker, the reason I chose to take part in this debate is to denounce once more this absolutely unacceptable and intolerable decision of the Government to get the money from the low-income earners and to leave alone the affluent, the rich, in the hope that they might invest.

This is an approach which I find totally unacceptable under the circumstances, and I say to you: Go on like this and the Canadian people will soon show you, through opinion polls, what they think of this approach and this type of administration.

[*English*]

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I am glad to have a chance to speak on Bill C-84, the income tax Bill, and particularly the deindexation of the income tax scales. The impact of that decision made by the Government will be very disadvantageous, particularly for young Canadians and lower income Canadians.

The entire Budget was a very regressive document. Not only did it deindex the family allowance benefits and old age pension benefits but it deindexed the income tax scales. According to the projections of the Department of Finance for 1985-86, the increase in income tax collected due to this deindexation will amount to some $80 million. By the first full fiscal year in which the provision will be in effect, that figure will be $570 million. By fiscal year 1990-91, the income tax collected will be increased each year by $4.36 billion. That is a massive tax increase.

That massive tax increase can be compared with the publicly advertised position of the Conservative Party in 1980. The Government has really broken faith with the commitments it made at that time. In 1980, the Conservative Party put out an advertisement which read: "You've heard a lot about the Constitution lately but how much have you heard about deindexing of the income tax scale?" This ad which was placed in the public media at that time indicated that a person earning $15,000 per year would in fact pay some $217 more per year in income tax because of the deindexation. Now, five years later, the Conservatives are bringing in the exact legislation which they spent their Party's money opposing in 1980. The advertisement goes on to say that the Progressive Conservative Party of Canada is providing the opposition. Well, it

is not providing any opposition to this regressive tax measure today.

• (1650)

If one looks at other parts of the Budget, one can see that the Government has really broken faith with the people. The Budget of last May 23 provided a $500,000 lifetime capital gains tax exemption for farmers, but on December 4 the Government introduced a minimum alternative tax which will mean that a farmer who is planning to retire and wants to sell his farm suddenly is faced with the fact that his capital gain is subject to a 25 per cent or 27 per cent minimum tax depending on the provincial tax scale. What was given in the Budget on May 23 is taken away on December 4. We have seen that happen in many aspects of the Budget.

On November 8, 1984, the Minister of Finance (Mr. Wilson) gave his economic statement. The Government provided the farmers with a reduction in the excise tax on farm fuel. Not only the excise tax of three cents per litre but also the petroleum compensation charge of 1.8 cents a litre were provided in the economic statement on black Thursday, November, 8, 1984. On May 1, the Government removed the pretroleum compensation charge and the exemption and farmers started to pay an additional 1.8 cents per litre for gasoline. On September 1, an additional 2 cents per litre was provided for. That effectively took away 3.8 cents of the tax exemption which the Conservative Party campaigned so vigorously on, and that was done within the space of nine or ten months.

On January 1, the Government imposed a 1 per cent sales tax on everything everyone in this country buys, but especially on farm fuels and equipment. That will cost the agricultural industry some $70 million this year in farm input costs. If we look at the situation in agriculture today, we find that one of its great problems is high input costs. Therefore we have an industry which is suffering great uncertainty now being charged this additional tax of some $70 million per year and this is being a done at a time when it certainly cannot be afforded.

If one looks at the projections of the Budget of last May 23, we see that those projections show that the personal income tax surcharge runs only for two years whereas the deindexation of the income tax scale will run on indefinitely. It becomes greater and greater each year because it is cumulative. If one looks at the special taxation on banks, one sees that it also will last only a couple of years and then it is done away with. The reduction in taxes with respect to the Petroleum Gas Revenue Tax is being taken away and those funds will be transferred from the ordinary working Canadian to the large multinational oil companies at a time when ordinary working Canadians can ill afford it.

The idea of deindexation of the income tax scales will be very harmful to low income Canadians. Indexation was brought in by the Leader of the Liberal Party (Mr. Turner) when he was the Minister of Finance. It was an idea which at that time was endorsed by the Hon. Robert Stanfield, the then Leader of the Progressive Conservative Party, and it was something which the Party during 1980 said should be protected. What Hon. Members of the Conservative Party should do here this afternoon is stand in their place in support of the stand their Party took in 1980 and demand that the indexation of the income tax scales be retained. In their own advertisements the Tories say that a person who earns $15,000 will pay $217 a year more with deindexation. A person earning $25,000 will pay $426 a year more in tax and a person earning $35,000 will pay $547 a year more in tax. It is very apparent that this decision to deindex the personal income tax scales is going to be extremely harmful to average and low income Canadians and I certainly hope that the Government will reconsider this matter and decide that it is not in the best interests of Canadians over the long haul, and, therefore, withdraw this provision and accept the amendment which has been put forward by our finance critic.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the thrust of the subject matter of the amendment is with respect to the deindexing of the personal income tax. It is just one of the many bad proposals in the Budget of last May. The idea of indexing came forward in the first place in order to make sure that the income tax system operated fairly, especially for lower and middle income Canadians. The objective of the concept was to make sure that people did not pay higher taxes simply because of the upward movement in the cost of living. Because of the support and promotion of the idea by the Conservatives when they were in opposition, it is really reprehensible that one of the very first things they do once in office is to begin to erode this fundamental concept of ensuring the fairness of our tax system for middle and lower income Canadians. Look at the results of this unfair proposal along with the other unfair proposals in the Budget of last May with respect to increasing personal income taxes. Over the next five years those earning $15,000 a year will have a 36 per cent tax increase. Those earning $30,000—

• (1700)

**The Acting Speaker (Mr. Charest):** Order, please. I am very sorry to interrupt the Hon. Member for Windsor West (Mr. Gray).

[*Translation*]

Order, please! It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

[*English*]

**Mr. Gray (Windsor West):** Mr. Speaker, I presume that you take it that I call it five o'clock so that I will have the floor the next time this measure is before the House.

**The Acting Speaker (Mr. Charest):** Yes, I presume the Hon. Member for Windsor West (Mr. Gray) will be able to continue from where he left off when we resume debate on this amendment.

# PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

## PUBLIC PENSIONS REPORTING ACT

MEASURE TO ENACT

**Mr. W. Paul McCrossan (York-Scarborough)** moved that Bill C-255, an Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative Committee.

He said: Mr. Speaker, it is a pleasure to rise today to introduce Bill C-255, the Public Pensions Reporting Act.

As Members will be aware, last year the all-Party committee on the Reform of the House chaired by the Hon. Member for St. John's East (Mr. McGrath) brought forth recommendations to strengthen the role of the Private Member. The Committee recommended that starting in the new year some Private Members' legislation be allowed to come to a vote. Members will be aware that today is the first Private Members' Hour in the new year. This Bill is non-partisan in nature and ensures that all Members of Parliament as well as the public have available to them timely information concerning the extent of the public pension commitments made by the Government. I hope that today we can launch a new era in parliamentary practice whereby Private Members' Bills are passed on second reading to be studied in committee and indeed subsequently allowed to come back into the House for final consideration.

This Bill is admittedly long and apparently complex for a Private Member's Bill, but in reality the concepts are simple. The Bill is designed as a "freedom of information" Bill for Members of Parliament concerning the cost of Government pension promises. There are three aspects to the Bill. The first ensures that at least every three years, estimates of the costs of Government pension plans are calculated. The plans subject to the Act include all Government plans affecting members of the public, such as the CPP, OAS, Guaranteed Income Supplement, and spouses benefits. In addition, all plans affecting Government employees are covered such as the Public Service Superannuation Act, the Armed Forces Superannuation Act, the RCMP Superannuation Act, as well as the Members' and Judges' plans. The second aspect of the Bill is to set a time limit for preparation of these reports. The time provided is 18 months. A third provision of the Bill requires that these reports be tabled in the House by the Minister of Finance (Mr. Wilson) within 30 days of receipt.

Why is such a bill needed? Pension plans are long term commitments. Often it is very inexpensive to promise benefits today that will not be paid for 20, 30 or 40 years in the future. Members of Parliament and the public have an obligation to ensure that the promises we make can be met, and this requires that we know the anticipated costs well in advance. The concepts in this Bill are not new. Since 1980 the Auditor General has been qualifying his opinion on Canada's audited financial statements when he certifies the public accounts of Canada. In his reservations concerning the financial obligations of Canada, he notes that billions of dollars relating to incurred pension promises have not been recorded. He summarizes by saying: "In my opinion, all these financial obligations should be appropriately recorded and reported in the financial statements to provide a more complete disclosure of liabilities." Similarly, in last year's Report of the Auditor General to the House of Commons, he devoted an entire chapter to the effect that Members of Parliament and the public do not have adequate information concerning the estimated costs of the OAS and CPP programs. Sections 2.5 and 2.6 of his report read:

[*Translation*]

We are concerned that Members of Parliament do not have adequate information to assess and understand fully both long and short-term financial implications of public pension programs. Given the magnitude of the costs, an increasing elderly population, and the complexity of other factors affecting these programs, it is reasonable to assume that there should be quantification and a periodic review of long-term financial implications—

We are also concerned that the quality of information provided to Parliament through the Estimates and annual reports has deteriorated, with the result that there is, in our opinion, insufficient information for Members of Parliament to assess the financial performance of the programs.

[*English*]

Of course it is not just the Auditor General who has been pointing out the need for this information to be in the hands of Members of Parliament. The Parliamentary Task Force on Pension Reform, chaired by the Hon. Member for Sudbury (Mr. Frith), faced the same problem in 1983 of inadequate data in trying to come up with recommendations for a new national pension benefit system for Canada. Recommendation 2.2 of the report reads: "The task force recommends that the Minister of Finance table in the House of Commons every five years, in conjunction with the regular review of CPP contribution rates proposed in recommendation 4.1, a comprehensive set of cost projections for the public pension system and other major programs such as health care that represent significant transfers of resources to the elderly in order to promote public debate about the extent and sustainability of current commitments."

Similarly, Section 7.1 of the report concerning pension plans for Government employees have recommended that "public sector occupational plans should be governed by the same general rules as other occupational pension plans. They should reflect a full and true costing of all promised benefits, and these costs should be fully disclosed to employees and to the public."

Currently there are a variety of reporting practices. For the CPP, reports are prepared every five years and filed on a reasonably timely basis. However, for the benefits provided under the OAS Act, there is no reporting to Parliament whatever of the anticipated future costs of the program. Similarly, practices vary with respect to the public sector occupational funds. For the Public Service, RCMP, and Armed Forces plans, there is a requirement that the plans be valued every five years. In practice, the Government actuary

prepares the reports every three years. However, there is no stipulated time frame in which these reports must be tabled in the House.

At the end of last October, the Minister of Finance tabled several reports concerning these plans. These were the 1979 and 1984 report on the RCMP plan, and the 1980 report on the Public Service Superannuation Act. Similarly, in November the Minister of Finance tabled the 1982 report for Members of Parliament. Surely Members of Parliament are entitled to more timely information than data which is six years old. Finally, there is no requirement whatsoever that valuation reports concerning pensions be tabled under the Judges' Act. This posed a problem for the recent Lang Commission on judges compensation and as part of that report, the Commission had to ask the Government's chief actuary to estimate sample costs for judges' pensions.

I am sure that all Members of Parliament have an interest in ensuring that the promises we make to our employees and to the public of Canada are going to be met and that the promises we make can be afforded. However, there are frequently articles in the press which point out that Canada is about to experience the most dramatic age shift ever seen in a western industrialized country. In 1965, when the CPP was introduced, Canada was the youngest country demographically in the Western World with both heavy immigration and high birth rates. Since the days of the baby boom we have had the sharpest fall in birth rates and Canada is now expected to become the oldest country demographically the world has ever seen by the year 2015. We have 30 years to plan for one of the greatest challenges ever to face any country. This Bill will ensure that Members of Parliament have the information necessary to do the appropriate planning in the eighties so that we can fulfil the moral commitments we make to today's workers when they retire in the next century.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I would like to preface my remarks this afternoon by indicating that my Party supports the basic principles enunciated in the Bill moved by the Hon. Member for York-Scarborough (Mr. McCrossan). At the beginning of my remarks I would like to recall, for the record, some of the recommendations that were made by the parliamentary task force on pension reform. One of the major ones involved the Canada and Quebec Pension Plans. We recommended the introduction of a requirement for a regular comprehensive accounting by the federal and provincial governments of the purposes for which CPP funds are allocated and of the benefits, financial and economic, anticipated from these investments.

• (1710)

You may have been shown by some of your own constituents, Mr. Speaker, a new system by which the Canada Pension Plan actuarial basis, from which individuals will derive their Canada Pension Plan funds when they reach the age of 65, is being updated. That was the beginning of the process whereby one would hope that the Government, utilizing the information that is being requested in this Bill, can educate the Canadian public as to the need to understand the way in which retirement systems operate in our country. The Member for York-Scarborough has said it very well. There is a degree of uncertainty and, I believe, ignorance about the way in which public pension plans operate in the country.

I know that this Bill encompasses more than simply the public pension plan. The Member is, in addition, talking about the need to have a regular accounting procedure for the pensions that are payable to people involved in the armed services and the RCMP, Members of Parliament and the Senate, judges, and members of the Public Service Alliance. I highly recommend that those reports be made to the House of Commons on a regular basis so that Members of Parliament, who will have to deal with the problems that will be created by the doubling of the population over the age of 65 in the foreseeable future, will have the tools at hand in order to have a good public policy debate in the country. I do not think there would by any Member of Parliament who would advocate that ignorance is a substitute for policy or policy debate in the nation. Therefore, I highly recommend that area.

I am going to conclude my remarks because I know that my colleague from Ottawa-Vanier wants to make some remarks as well. Many people in his constituency will be affected by this Private Member's Bill. There was a Gallup poll released some 10 days ago which indicated an amazing degree of ignorance about the way in which public pension plans operate in the country. It indicated that far too large a percentage of our people do not understand the basic fundamentals of a pension plan system, both in the private and public sectors.

I think that inherent in the need for a public policy debate in the country must be a sufficient knowledge level. I would like to read one paragraph concerning the financing of the Canada and Quebec Pension Plans from my own report, Mr. Speaker. It is at the introduction and states:

> The Canada and Quebec Pension Plans are not bankrupt. They are not in serious financial difficulty. Fears that they will be unable to meet pension commitments in the year 2001 or 2031 are unfounded. The claim of young Canadians on future C/QPP benefit payments is not in jeopardy.

That is so necessary to reiterate because there is a fundamental difference in the ways in which we require private pension plans and public pension plans to be funded in the country, and for very good reasons. I know that the Member for York-Scarborough is well aware of them as he appeared before my committee as a witness and is now here in the House of Commons as a Member of Parliament. I highly recommend that the Private Member's Bill be given due consideration and submitted to the committee. I commend the Member for bringing forward this suggestion.

**Mr. Neil Young (Beaches):** Mr. Speaker, at the outset I would like to indicate that my Party has no difficulty with this Bill and, in fact, is quite supportive of it. Bill C-255, put forward by the Hon. Member for York-Scarborough (Mr. McCrossan), is really all about information and about giving adequate information to, not only Members of Parliament, but the people who will be beneficiaries of the various pension plans which are in existence across the country. I, personally,

do not see that this particular Bill will require too much debate because the arguments put forward in it make it self-evident that that information is required. It is not only self-evident from the Member's Bill, but from many contributions that have been made over past years on the need for this information.

Both the Hon. Member for Sudbury (Mr. Frith) and the Hon. Member for York-Scarborough referred to the report "Better Pensions for Canadians" that was put forward by the Committee on Pension Reform and tabled in the House in the last Parliament. Part of the report reads:

> Plan sponsors could be required to make substantially more information available to pension plan members and their spouses. Employers could be required to provide data each year concerning the employee's accrued benefits and the financial status of the plan. Plan administrators could be required to make information available on the extent to which the fund covers pension liabilities, lists of assets, actuarial balance sheets, the present value of benefits earned to date and the like.

That, essentially, is the thrust of what this Bill would do if the House of Commons agrees to refer it to a committee where it can be thoroughly examined and before which Canadians can appear as witnesses to give testimony to the need for such legislation.

At the outset I said that this Bill was about information. I would like to go a bit beyond what the Bill talks about to a couple of other areas. The Hon. Member for Sudbury referred to a press report put out by Steve Kerstetter of Canadian Press a couple of weeks ago. It dealt with the lack of understanding that Canadians have of the pension system in the country. If you examine the pension system, you will find it is not surprising that that is the case. For many years our pension system has grown up as a hodgepodge of bits and pieces that senior citizens, upon retirement, can lay claim to. The need for pension reform has been debated at some length in the House and across the country ever since I came here in 1980.

On the question of information the Canadian Press story dealt with an internal poll that was commissioned by the present Government on the attitudes of Canadians toward their pension system. That poll, I rather suspect, led to some measures that were contained in the Budget affecting pensioners which we all know about. Certainly pensioners made their arguments to the Government in a very clear way. What the Government was trying to do to old age pensioners was totally mistaken or misinformed and they were not going to have any part of it.

I think that those elements in the May 23 Budget arose from that poll. It would have been very useful to Members of the House to have that information before them in order to do the job that we were elected to do in this place, that is, to look after the best interests of all Canadians including taxpayers and pensioners. I would not be interested, for example, if the information that we are talking about in this Bill were used to attack the principle of pensions. However, I do not think that is the intent of this Bill.

I think it would be extremely useful, not only to today's senior citizens, but to all those individuals who are looking forward to retirement over the next several years, to fully understand how a pension system is structured. I would think that they may very well want to use the information that we are arguing for today in the House of Commons to seek even better pensions for Canadians who have given their lives to this country and who have every right to expect a decent, adequate standard of living upon retirement.

While we are talking about how much pensions cost and whether the country can afford them, perhaps we should go a bit further and obtain information that was not given to Members of Parliament such as the amount of taxes that are not collected through the tax expenditure account. For example, I would like to know how many Canadians are not paying their fair share of taxes each fiscal year and not sharing the wealth in the country so that we can do the proper thing for retired citizens and making sure that they do have an adequate system.

• (1720)

I am not one of those who agrees with some of the arguments we have heard in the House that our social services have become so expensive that they are unmanageable and we can no longer afford to deliver adequate social services to people who need that benefit which stems from the Parliament of Canada. I think the arguments we have heard in support of that are very woolly-headed and very often are devious to the point that they are advanced in order to save individuals who are not paying their fair share of taxes from accepting their responsibility to the elderly in this country.

I would like to see more information provided to the House on our total tax expenditure account so that we can examine that in relation to what we are paying for the old age pension, the Canada Pension Plan or some of the other benefits for which people have worked very hard over the years.

I do not intend to take too much time in this debate because I am anxious to see this Bill referred to a committee, as I hope it will be, where I will have more to say about the information we require. I simply want to congratulate the Hon. Member for York-Scarborough for giving us an opportunity to say a few words in the House about this matter.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am very happy to take part in this debate on Bill C-255 which basically aims at providing Members of Parliament and Canadians generally with the information they need to examine and evaluate our most important social program, namely the Canadian pension system, including the pensions paid to retired members of the Armed Forces, Members of Parliament, judges, federal public servants, members of the RCMP, and so on.

Mr. Speaker, I am especially happy about this debate since I have spent many years, at least ten, trying to obtain some figures from the Government and information about the amounts involved in the pension plans of public servants, members of the Armed Forces and the RCMP.

I would like to congratulate the Hon. Member for York-Scarborough (Mr. McCrossan). As he himself has admitted, his Bill is complex, but it is relatively easy to understand if we consider that it includes three major elements, which basically ask the government to provide, through the Department of Finance and the Actuary of Canada, the information required to evaluate public pension funds.

I do not want to go over the three major parts of this Bill, but I think that it would be useful to remember them because the committee will certainly have the opportunity to examine this question further. Section 3 requires that the Chief Actuary of the Department of Insurance review certain public pension plans at least every three years. The second important clause, Section 4, requires the Chief Actuary to file with the Minister of Finance a cost certificate established in accordance with the review provided by Section 3 within 18 months after the review date.

And the third aspect, Clause 5, requires that the Chief Actuary of Canada, who comes under the Minister of Finance, and I quote:

> This clause would require the Chief Actuary of the Department of Insurance to file a valuation report with the Minister of Finance at the same time as he files a cost certificate and to follow the standards of the Canadian Institute of Actuaries in preparing the report.

Mr. Speaker, I do not want to dwell on the matter, but I will remind you that since May, 1985, I have had a series of questions, 18 of them, on pages 20, 21 and 22 of the Order Paper as important such as what is the cost, what is the estimated balance of the Armed Forces Pension Fund Account ... Those are questions which I thought were essential to anyone who wanted to understand the whole issue of public pension funding. I am still waiting for the answers.

But on the other hand, in his answer to one of my questions, the President of the Treasury Board (Mr. de Cotret) said that of course they signed an agreement with the unions under which the Public Service Pension Fund could be managed jointly by a council of twelve appointed members representing both the unions and the employer.

Mr. Speaker, I find it quite acceptable and normal that this Government, which has signed an agreement with its employees, should now share with those employees and Members in this House the basic information that will help assess the costs of those plans.

I therefore find it totally acceptable that the Government should accept the Bill tonight, send it to committee, provide us with the information needed, answer questions on the Order Paper and follow through on its promise to co-operate and manage pension funds jointly with the public servants.

Mr. Speaker, I believe this is a most commendable Private Member's Bill, which seems basically to meet the right to information we feel is essential to good management.

As the Hon. Member for Beaches (Mr. Young) suggested earlier, a simple information proposal that should be forthcoming ... And I remember that in 1977, when we discussed the famous Government measure to de-index federal civil servants' pensions, I then opposed that measure, not only because I felt it was unfair, but because the information available was totally inadequate and often non-existent. Governments always seemed reluctant to share their figures with us.

[*English*]

In conclusion, if information is required to deal with the pension question, I think that information is fundamental in order to assess some of the impact and judge the assumptions that are made. We all understand that these are difficult questions with which to deal. Sometimes the actuaries will say that our assumptions are difficult to come to grips with because they are basically dealing with interest rates in the years to come, inflation rates in the years to come and the increase in the salary envelope in the years to come. The actuaries seem to come to grips with these unknown figures well.

I do not know anyone in the House, except perhaps the Member who introduced the Bill, who could logically and rationally argue how one can accurately state what the inflation rate, interest rates or the salary envelope will be in the next three years. However, that is not for me to argue here. I am not competent to make actuarial presumptions and projections of that nature but I think we should congratulate the Hon. Member for York-Scarborough (Mr. McCrossan) for bringing forward a Bill which answers many of my questions. It will give us information which we require to be able to pass good judgment on these pension plans. Again, I congratulate him and hope that the Government accepts the Bill and passes it with—

[*Translation*]

—as we say in French, with celerity, and that we will go to committee, Mr. Speaker, and consider this Bill which to my mind is very important.

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-255, since it concerns a subject this Government takes very seriously, and I am referring to disclosure of information.

Although a large number of public pension plans are mentioned in this Bill, I want to restrict my comments to its impact on the universal Old Age Security and Canada Pension Plan program, which is a compulsory contributory program.

First of all, regarding the Canada Pension Plan, the proposed changes in present reporting requirements would reduce the time between actuarial reports from five to three years and provide that such reports estimate for every third year of a period of not less than thirty years, the annual cost of contributions to the Canada Pension Plan as a percentage of the total contributory earnings.

In accordance with the present legislation, the Department of Insurance prepares, at least once every five years, a report

based on an actuarial audit of the application of the Act and the state of the Canada Pension Plan account.

Obviously, requests for detailed information covering a period of thirty years are far less demanding than the present requests and would be no problem at all for the Actuarial Branch of the Department of Insurance.

Mr. Speaker, this Bill comes at the right time. Its proposals concerning the need for examining public plans at regular and frequent intervals are entirely in accordance with a recent agreement concluded by federal and provincial finance Ministers.

As announced by the Minister of Finance (Mr. Wilson), the Canada Pension Plan's financing will in future be examined every five years, to ensure that the Plan remains on a solid financial basis and that the planned series of premium increases will have the expected results.

There can be no doubt as to the importance of regular reporting. Both legislators and the public must have an understanding of the long term cost of the Plan if they are to assess fully the impact of any changes that may be proposed in the Plan's financing or premium levels. And even if some might challenge the need for filing an actuarial report on the Canada Pension Plan every three years instead of every five as is the case today, I certainly do not question the purpose of the proposals contained in this Bill.

Mr. Speaker, the Hon. Member's proposals about the need for preparing an actuarial report every three years on the Old Age Security Act are in line with the recommendations made in the past, including those of the Auditor General of Canada.

For instance, in his report for the financial year ending on March 31, 1985, the Auditor General deplored the fact that we as Members of Parliament did not have sufficient information at our disposal to be able to evaluate and fully understand the financial repercussions, both short and long term, of public pension programs. He pointed out in particular that the long-term costs of those programs are not regularly evaluated, except in the case of the Canada Pension Plan. In addition, despite earlier recommendations by parliamentary committees, we still have no mechanism to make a regular assessment of the long-term financial effects and commitments of those programs.

I can assure the House that those recommendations have been given every consideration and will be examined very closely. In fact, the Department of Finance, the Department of National Health and Welfare, the Department of Insurance and the Office of the Comptroller General are currently holding consultations as a result of the comments of the Auditor General. No effort is being spared to study this question and define the appropriate powers. However, given the professional background of the Hon. Member for York-Scarborough (Mr. McCrossan), I am sure he is aware of the problems to be solved before we can proceed with actuarial evaluations of the old age security pension program.

This program features three separate benefits: the basic old age security pension and the two benefits subject to a means test, namely the guaranteed income supplement and the spouse's allowance.

• (1730)

The basic benefit is paid to all persons 65 years of age and over who meet the necessary residency requirements. As many studies have already been carried out concerning the aging process in Canada, we can predict, with a fair measure of accuracy, the number of people who will be over 65 years of age in the distant future. Even if changes in the fertility rate have no effect on projections, factors such as changes in mortality rate and future immigration policies will have an impact on the cost of the basic old age security pension and should be assessed; even with such reservations, the projections could prove useful.

As far as the old age security program is concerned, the real difficulties resulting from the proposals in this Bill arise when we consider the benefits requiring a means test. First of all, there is a guaranteed income supplement for low-income pensioners, and the spouse allowance, for spouses between the age of 60 and 64 of low-income pensioners, as well as low-income widows and widowers in this age group.

I say difficulties because it would be really difficult to assess the long term costs of the two elements in the old age security program which require a means test. It would be difficult, but not impossible.

What Hon. Members should know is that it will take some time to determine the variables necessary to establish the long term costs of these benefits.

I should like to emphasize a number of the most important factors involved, so that you may better see the kind of variables required. To determine the future cost of benefits requiring a means test, we must obviously be able to assess the income of people 60 years of age and over in the future.

Today, most guaranteed income supplement recipients are women who, when they retire after having spent the greater part of their adult lives working at home, find themselves with little or no income other than the basic old age security pension. On the other hand, if we consider the rates of participation in the labour force over the past 20 years, we realize that things have changed. More and more married women are on the labour market. We can foresee therefore that a much greater number of women than today will collect superannuation benefits under the Canada Pension Plan or private pension plans. However, important studies will have to be carried out to determine for instance the average career salary of women.

Another important variable to be determined is the Canadian's future rate of saving. For instance, on the basis of information now available, we must determine how future tax incentives will affect the tendency of Canadians to save for their retirement. Also, we will have to determine how the proposal contained in the 1985 Budget (to provide a lifetime ceiling for income tax deductible registered pension plan contributions) could affect the long-term use of this retirement saving instrument by the average Canadian. Unfortunately, the data now available are mostly cross section. In other words, these are data which reflect actual situations at a given time. They are of a very limited usefulness when we try to establish lifetime savings table or carry out cumulative studies.

I know that research work is being carried out in that area. Statistics Canada is looking at various longitudinal data which will help check and compile a number of trends that will give us a better idea of the long-term savings and consumer patterns. However, a certain period of time may be needed before reliable data can be gathered.

Besides the lack of data, another difficulty must be overcome to cope with the proposals contained in the legislation concerning the Old Age Security program. Private pensions are a most important aspect of our retirement income system—the extent to which future retirees benefit will impact directly on the cost of the Guaranteed Income Supplement program.

However, the regulating of private pension funds does not come under the jurisdiction of the federal Government alone. Actually, the Provinces are responsible for the majority of such plans. It is therefore difficult to foresee what changes will be made in that respect, and what the effects will be on private-source income that will be available to pensioners.

For instance, Bill C-90, an Act to amend the Pension Benefit Standards Act, was tabled for first reading on December 17, 1985. It contains various amendments aimed at improving the protection afforded by private pensions to people working in a number of areas under federal jurisdiction. Although we hope the Provinces will pass similar measures, we cannot be sure of it at this point.

In view of those difficulties, I am sure Hon. Members will recognize it would be a very complex task for a 35- or a 40-year-old today to say on which private pension he or she will be able to rely at age 65. We cannot therefore know what amount that person will be entitled to 30 years down the road under the Guaranteed Income Supplement program.

To sum up, Mr. Speaker, I would like to repeat that even though we have a rather precise idea of the sources of income of people now 65 or over, it is not easy to say whether those who will reach that age in the future will have the same sources available or whether these will account for the same percentage of income as is now the case.

From a purely mathematical standpoint, of course, we could take what we now know of present pensioner's finances and project that into the future. However, the reliability of conclusions that could be derived from such an exercise should raise serious doubts.

Mr. Speaker, if we are to adopt the principles stated in Bill C-255, let us make sure we have enough time available so that estimates now being prepared concerning the Old Age Security program can be of some use. Otherwise, Mr. Speaker, they might turn out to be of no use whatsoever to the legislators, or dangerously misleading, which would be quite contrary to the intent of the Bill.

In conclusion, I would like to extend my sincere thanks to the Hon. Member for having brought this question before the House. It is of the utmost importance that Members of our Parliament should have the best possible information available when they make decisions that can impact on the welfare of present and future generations.

• (1740)

[*English*]

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, I rise to speak in support of Bill C-255. I applaud the initiative of the Hon. Member for York-Scarborough (Mr. McCrossan) with regard to the Bill. I had the privilege of seconding it when it was first presented to the House on December 2, 1985.

In simple terms, the Bill requires periodic actuarial valuations of six Acts including the Members of Parliament Retiring Allowances Act, the Public Service Superannuation Act and four others, as well as the Old Age Security Act and the Canada Pension Plan. In a way this is a breakthrough for Government. It is a first. It has never been done before. It is high time that we took on this type of accountability as a Government and shared the facts with Canadians. We simply want the same standards of control and accountability applied to the federal Government of Canada as are applied in the private sector.

Some previous Governments have refused this information for decades. However, in recent years, as a matter of fact in the last five years, the Auditor General of Canada has said that he has had insufficient information concerning the employee pensions of the Government of Canada. In line with our pledge for a more fiscally responsible Government, we have a Bill, thank to the Hon. Member for York-Scarborough, to share the facts and to share the truth about the six plans as well as the two other major pension plans so that we know how viable they are. If contributions need to be increased, so be it. If pay-outs have to be modified rather than increase the premiums in order that the plans be actuarially sound, so be it. However, let us not continue to not divulge this information and thereby not be accountable for future generations to come. We would not want to burden them or to have a surprise some year hence, perhaps in a decade or two, where that generation of workers and taxpayers are burdened with some huge, unfunded liability. In other words, we have an accountability

and a responsibility to move this Bill forward for further conscientious debate. As some previous speakers have indicated, it will not be easy; it is a difficult, complex task. We are honoured to have had the Hon. Member for York-Scarborough leading this discussion. As I understand it, he is the first actuary ever elected to the House of Commons. It is fitting that he was the one who initiated the particular Bill.

As complex as it might be, I heartily endorse the initiative to get on with it so that the people of Canada will share the facts about the health of the various plans and share in the solutions where there may be shortfalls. Above all, it speaks to the accountability which Canadians expect from the Government. The Government has to be as accountable and as responsible as possible in the running of its fiscal affairs. In the long run, that not only means looking after the contribution of the stewards to these plans but hopefully eliminating any liability which might befall the taxpayers of the country if they were not properly looked after.

In closing, I applaud the Hon. Member and look forward to further contributions to this vital piece of legislation.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I would like to tell the House about the position taken by the Government following the tabling for first reading of Bill C-255 by the Hon. Member for York-Scarborough (Mr. McCrossan) on December 2. This private Bill would require the Minister of Finance to table in Parliament triennial actuarial valuations of pension plans established under the Canadian Forces Superannuation Act, the Judges Act, the Members of Parliament Retiring Allowances Act, the Public Service Superannuation Act, the Royal Canadian Mounted Police Superannuation Act and the Supplementary Retirement Benefits Act.

Moreover, the Bill would require an actuarial valuation of the Canada Pension Plan every three years instead of every five years as is now the case.

It would also require a detailed estimate of benefits payable under the Old Age Security Act.

Mr. Speaker, the Government views as valid the concept of more periodic actuarial valuations of all public pension plans. Indeed, this corresponds to recommendations already made by the Auditor General, and as mentioned earlier, by the Special Parliamentary Committee on Pension Reform.

The tabling of such reports will allow Parliament and the general public to have a better overview of the long term liabilities of the Government related to public pension plans under its jurisdiction.

Mr. Speaker, such standards would also be consistent with the standards set by the Government for private pension plans. The Government therefore agrees to refer this Bill to a parliamentary committee for further study, and having said so, Mr. Speaker, I shall ask for a vote.

**The Acting Speaker (Mr. Charest):** Order. The question? Very well.

[*English*]

Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** Mr. McCrossan, seconded by Mr. Brisco, moves that Bill C-255, an Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

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

**The Acting Speaker (Mr. Charest):** Accordingly the Bill stands referred to a legislative committee. I think all Hon. Members would agree to calling it six o'clock.

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• (1750)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### SOCIAL AFFAIRS—ABUSE OF THE ELDERLY

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, on December 3 I rose in the House to ask the Minister of National Health and Welfare (Mr. Epp) about the Government's plans concerning the issue of abuse of the elderly. I mentioned at that time that I had attended a symposium in October which was set up as a special task force in the City of North York by Mayor Lastman to look into this vital problem. It has been operating for about a year under the chairmanship of Doctor Jerry Cooper and is co-ordinated by his wife Eleanor.

As you well know Canada's population is changing. As one of the speakers a little earlier in the day mentioned, at one point in time Canada had the youngest average population in the world. Now, within a decade or two, according to forecasts, we will have one of the higher average ages of population in the world.

It is very important that men and women get involved in looking at the abuse of the elderly. I know Mayor Lastman, who I have mentioned, originally had the foresight to set up a similar task force years ago on child abuse, when not many people thought there was a problem in this area. Thanks to that initiative it was looked into. There were indeed many

problems in that area, and they were able to get on with some practical solutions.

The same thing will happen in this particular area where indeed there are different forms of abuse of the elderly. I think they fall into three categories: neglect, financial and physical. Neglect can take the form of overabuse of drugs, underabuse of drugs, patients in nursing homes being left unattended for many, many hours—people who need to be changed in bed or rolled over from one side to the other but left for hours without proper care. Loneliness is another factor that can be harsh and cruel if some measures are not taken to lessen this problem. I mentioned the financial aspect. That is a problem facing a number of seniors, and it can be the result of powers of attorney being taken from elderly people by relatives, although not really meant to be the case. It can also be the result of a loss of control of pension cheques or other funds, control that has in one way or another been taken from the elderly. We have all read of too many cases where the elderly have been victims of financial scams involving someone impersonating a police officer trying to catch some embezzler and being asked to take a certain amount of cash out of the bank. In this way some elderly citizens have lost their entire life savings.

This is such an important area I hope the federal Government will play an important role in research and analysis, but also in moving forward with practical action.

I commend the task force set up in North York for its approach. Two specific actions have been proposed by this task force. The one that we are very excited about is what they call a "brown bag approach". Seniors in North York will be asked to attend meetings at some of the community centres, beginning January 28. A number of pharmacists will be available at these locations. The seniors will be asked to literally put their pills and drugs into a brown paper bag and consult with one of these pharmacists who will in a very helpful and constructive way examine these drugs.

As we well know, some people may take a certain pill to help them sleep, and another pill for a different reason; they may be taking a number of pills. They perhaps visited different pharmacists and could be getting conflicting advice. Perhaps pharmacist did not know about all the other pills the person was taking.

I applaud this approach, I think it is most useful and that it will help many seniors in a practical way. We hope this will be done on an ongoing basis. I know Mrs. Eleanor Cooper, who is helping on this, plans to contact some of the people later; in other words, do a bit of a post-test analysis to see how the whole project might be improved still further.

As to the subject I mentioned, there are two practical approaches. One concerns tackling the problem of loneliness, and we know how difficult that can be, those of us who have known a number of seniors over the years and who have visited senior citizens homes. I have at least six or eight in my own riding that I visit from time to time.

The interesting project that is starting here is really a pen pal approach. Mrs. Cooper has matched a number of Canadian seniors in the Florida area with Canadian seniors here who have similar interests, starting a pen pal program. That one project, I would submit, could go a long way towards people establishing some pals they can write to, and perhaps visit from time to time. Rather than analysing things, *ad infinitum*, here's an approach that we think will bring some cheer and sunshine into some lives. I applaud that approach as well.

Lastly, just to touch on other things that are happening—this touches on the subject of loneliness as well—there are some interesting developments in England whereby they are trying to decrease the number of seniors who are literally forced to go to nursing homes. Many can remain in their own homes and be properly looked after by a nurse or a volunteer worker dropping in on them two or three times a day. In this way they are much happier. Not many seniors want to willingly leave their homes, their roots are there and they have many beautiful memories. I know we are trying similar things in Canada. Not only is this great for the seniors, but it is also a lot less costly to the public and to the taxpayers.

In closing, we intend to again contact the Hon. Minister of Health and Welfare on this issue. He has already said he wants to keep abreast of developments. We will keep him posted and we earnestly hope for his support and indulgence as we move towards real and happy solutions to this vital problem.

[*Translation*]

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, it is only quite recently that Government policies have begun to take abuse of the elderly into account. In the past, it was not generally believed that such a thing could happen. Admittedly, we have difficulty in recognizing and understanding such a phenomenon. However, in such cases, we must not close our eyes because we do not want to see.

The same happened for child abuse, which came to the notice of the public in the sixties when many people denied that it could be true, and the same also happened for battered women in the seventies. During the eighties, we have learned that abuse against the elderly is another very serious dimension of the problem of family violence.

Such abuse can take various forms. Abuse may include physical assault, shoving, and serious neglect, including failure to provide food, proper hygiene and medical care.

Psychological and social abuse may include exposure to isolation and withdrawal from society, lack of attention, verbal or emotional abuse and intimidation. Abuse may also occur in the area of financial resources if there is a withdrawal of financial support.

The kind of life led by the elderly may give us some clues to the reasons for this national tragedy which is now a major problem. We do not have a clear picture of the extent of the abuse inflicted on the elderly, but a major study carried out

recently in Manitoba leads us to believe that an incredible 57,200 Canadians are suffering from abuse.

One-tenth of these people live in institutions, while two-thirds are living with relatives as part of the family.

Since many elderly persons are either unable to live on their own or lack the resources to do so, they remain in the family setting and end up having to depend on family members for the care they need. Even in the best of situations, this can create tensions for all concerned, and the situation may become explosive. Although it is a fact that abuse of the elderly can occur in institutions, those who are studying this question have attached particular importance to abuse in the family setting, where there is greater resistence to admitting the facts, and shame or fear of retaliation is a major factor. The elderly may believe there is no one to whom they can turn to help them with their problems or take care of their interests. There are a number of ways to remedy this, and with the financial support and expertise of the Government of Canada, provincial authorities and non-governmental organizations are becoming increasingly involved in finding ways to deal with this problem.

Through shared cost health programs, funds are available to community services to enable elderly people to stay at home for a longer time and thus avoid premature institutionalization, or else to give a respite to relatives who take care of them. Such services include for instance home care, meals on wheels, day care services for adults, and rest services designed for those who care for the elderly. Other programs—New Horizons, to name one—make it possible to benefit as much as possible from the ability and opportunities of senior citizens to lead a normal life by promoting social gatherings and a wide variety of community activities.

Thanks to the various departmental research and pilot programs, it is possible to give a positive response with respect to projects concerning all aspects of prevention or elimination of abuse of the elderly, and to projects aimed at finding practical ways to come up with worthwhile suggestions at the community level, including education and training.

Our Government is committed to implementing prevention, protection and treatment measures with respect to any kind of abuse of a person by another.

• (1800)

[*English*]

## ENVIRONMENTAL AFFAIRS—CANADA-UNITED STATES DISCUSSIONS. (B) CANADIAN POSITION

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I would like to take this opportunity to follow up on a question I asked of the Minister of the Environment (Mr. McMillan) yesterday with respect to the report on acid rain issued recently by the two special envoys, Mr. Davis for the Prime Minister of Canada (Mr. Mulroney) and Mr. Lewis for the President of the United States.



I asked the Minister of the Environment to express an opinion about the report and to go beyond the report by reaffirming what I and many others believe to be the Canadian position which was, in my view, abandoned by the report. That position is that action needs to be taken now with respect to acid rain emissions on the American side of the border. I was not altogether happy with the answer given by the Minister of the Environment and I would like to tell the House why I think the envoy process has been such a disappointment.

At one point, I along with other members of the Special Committee on Acid Rain of the House had hoped what we might see a report coming forward from Messrs. Davis and Lewis that would do two things: recognize that acid rain is a serious trans-boundary pollution problem, something which the report did do, and call for some action on the part of the United States with respect to acid rain entering Canada from that country.

At one point, there was a rumour that Mr. Lewis might be recommending a $1-billion action program. That did not sound like what was needed. In fact, it fell far short of what was needed, but at that time I felt it would be at least a start, a significant step forward in that it was action. Instead, we have a recommendation that there be a five-year period in which voluntary research is entered into regarding the development of new technologies for controlling acid rain. There is no guarantee that this research will in fact take place because it will require, to a significant degree, the co-operation of American industries that are involved in the emission of acid rain. There is no telling what the attitude of those industries will be. It has not been positive to date and there is no reason to expect that it will suddenly change as a result of the report.

I think the Canadian Government is trying to make much out of little. That is understandable as it has to make the best of a bad situation. However, the fact is that the Canadian position has been further undermined. It was undermined at the Shamrock Summit when the Prime Minister, with a great deal of fanfare, said that acid rain was a number one problem and he was going to get something done about it. Instead, a year's study was agreed to, in this case through the envoy process. Now we have suffered another setback with the recommendation, which was agreed to by the Canadian envoy, that American polluters basically have another five years to think about it. This is totally unacceptable when we know there are technologies to control acid rain. Those technologies are available now.

• (1805)

If Mr. Davis could not get Mr. Lewis to say that action through the use of those technologies should begin now, he should at least have had the decency to issue a separate report. Mr. Davis had the option to issue a separate report. I know that from discussions we had with Mr. Lewis and Mr. Davis. He could well have issued a separate report and not have appeared to have given away the Canadian position that action is needed right now.

That is why I am very disappointed in the process. I admit I was critical of it to begin with, but I still held out the hope that somehow, in a mysterious way, some good might come out of what was basically, in my view, a bad idea. But that has not been the case as far as I am concerned.

I read in *The Toronto Star* the other day that the Government is considering delaying the introduction of the new emissions standards for Canadian automobiles. These emissions standards would bring us up to the same standards which apply in the United States of America. In this case, it is not a further undermining of the Canadian position, it is an undermining of Canada's ability to ask the United States to act with respect to its acid rain.

I hope the Parliamentary Secretary, who will be responding for the Minister, will take this opportunity to say that the report with respect to the Government contemplating a delay in the implemention of the new emission standards is a false report and that things will be proceeding on time.

I think it is important for us to realize that the envoys' report does not represent the kind of progress which some people opposite say it does. The Hon. Member for St. Catharines (Mr. Reid) earlier today, I believe, said that this is the first time an American administration had ever admitted that acid rain is a transboundary pollution problem. That is not true, Mr. Speaker. There was a memorandum of intent in 1980 which recognized that fact. What we are talking about is progress within the context of the Reagan administration. Canada's ambassador to Washington, Mr. Gottlieb, said that we finally moved the Americans off the dime. We finally moved the Reagan administration off the dime if Mr. Reagan accepts the report, and even if he accepts the report he still will be comfortable in his position that no action need be taken because the report he will be accepting recommends no action.

So I say that the envoy process has been a failure, Mr. Speaker. I am sorry to see the Government trying to exaggerate it. I think it would be better off to say: "It didn't work so let's try something else". It should not try to kid the Canadian people, the environmental community and all of us who are concerned about acid rain by trying to make much of what has turned out to be very, very little.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, first I would like to clarify the Canadian position for the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). I believe there could be no better testimony of the Canadian position than the action the Government has taken, as identified in March of last year. Subsequently, arrangements have been made with the provinces. Not all of them are finally complete but in Ontario, for example, things have really been done in a substantive way to meet our target of reducing the reductions by 50 per cent by 1994. We made a commitment and it was kept.

● (1810)

To answer the specific question regarding vehicle emissions, there is no substantive change in position. I can tell him that clearly. The one thing which was brought out recently in the news had to do with model years and how that might affect the introduction, if you like, of the emission controls. They were to be established in 1987 for the 1988 model year. However, the automobile manufacturers were concerned that those 1987 vehicles would be left with the emission controls which were not up to the standard we had intended. This would have happened because production of most 1988 models will start in September of 1987. Therefore, there may be a change in that date by several months to allow the manufacturer to finish with that model year. Therefore, there is no substantive change.

**Mr. Blaikie:** But all 1988 models will have to—

**Mr. Gurbin:** Exactly. Now, to come quickly to the envoy situation, I guess all of us would have preferred an absolutely final agreement. I think what the Prime Minister (Mr. Mulroney) had to say does says it best. He is quoted as advocating the need to develop a bilateral accord on acid rain. What we have with our envoy report is—yes, the 50 per cent that the Hon. Member talked about—a clear identification by the American administration of a real problem. I would have to argue with him as to whether or not there is any substance to it in terms of $1 billion or $5 billion. That, I think even he will admit, remains to be seen.

If this approach is agreed to there is the question of how industry will embrace it. If the American administration contributes $2.5 billion in the short term, and I do not know the exact time frame, that will represent a fairly substantial addressing of the problem. It will certainly not all involve research. It involves development of technology, just as our smelters here are developing technology, and INCO is an example of that. Apparently many American industrialists are at the stage now where they must make decisions on new plants and revitalization of their industry. They will take advantage of this program and they have asked for that type of support. There is a substantial dollar figure attached to this at a time of great restraint in both the U.S. and Canada.

Finally, I guess all of us could stand here and say this is less than we wanted. However, we have done our homework here in Canada. We have at the very minimum a significant step in being able to approach the final stage of a bilateral accord which will fully address the acid rain problem in Canada.

## FARM CREDIT CORPORATION—MORATORIUM ON FORECLOSURES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, on September 23 I put this question to the Minister of Agriculture (Mr. Wise):

> Last week he announced he was placing a moratorium on the foreclosures of farms by the Farm Credit Corporation which are running at approximately 14 per week. We have learned today that the American dollar will be devalued which will further depress commodity prices. Would the Minister tell the House when he is going to bring in assistance to farmers in order to arrest the situation of foreclosures on farms? Introducing a moratorium does not really help the farmers. I wonder if the Minister could make that clear.

Sad to say, Mr. Speaker, since that time the Minister has really taken no action. There has been no decision to bring in a new policy on farm credit assistance. I learned a couple of days ago that as of December 1, 1985 the arrears with the Farm Credit Corporation has skyrocketed to $277 million, an increase of 48 per cent since 1984. As of january 1 the arrears with the Farm Credit Corporation have skyrocketed to $310 million, up 50 per cent since 1984.

• (1815)

We have a very serious situation in the country with regard to farm foreclosures and farm bankruptcies. The Government put a moratorium on foreclosures. While that may have a short-term benefit to individuals, it does not solve the problem for them. On July 10 the Minister promised that he would bring in farmer-creditor arrangements legislation which would allow the bankruptcy court to make adjustments for farmers facing serious financial difficulties. Since last July he has also been talking about bringing a new Farm Credit Corporation assistance for farmers facing serious financial difficulties. There were some 640 foreclosures which should have been acted on in September of 1985. There are probably a thousand today, yet there is no action by the Government.

The Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) is from the farming area in Bruce-Grey County which has suffered with the serious devaluation of farm lands and has probably seen more bankruptcies and farm foreclosures than any other district in Ontario. I hope that on behalf of the Minister of Agriculture he will be able to say tonight that the Government is going to implement a program, perhaps one like that recommended by the Finance Committee of the House of Commons. It put a unanimous report before the House recommending that money be loaned at 8 per cent interest on a targeted basis to our youngest and most productive farmers, many of whom are facing farm foreclosures. Otherwise, people will just say that the Government has no commitment to agriculture and is not prepared to do anything for the 23 per cent of farmers who are facing serious financial difficulty and the 11 per cent who are facing modest to serious stress at this time.

Announcing a moratorium is fine, but there must be financial assistance to help those farmers facing the serious financial crisis which is affecting 39,000 of our farmers. Many of them are our youngest, most productive, and most technologically advanced farmers who will most likely be the best farmers in the years ahead if the Government is able to assist them on some reasonable and practical basis. They still have a chance to be viable in spite of the low commodity prices, falling land values, and everything else that farmers are facing today.

I hope that the Parliamentary Secretary, who is personally very aware of this problem in his own riding, will be able to make an announcement tonight on behalf of the Government.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I appreciate very much the tone of the Hon. Member for Algoma (Mr. Foster), as contrasted to that on some other occasions when we have had the same type of discussions in the House. He quite correctly identified the fact that in most, if not all, parts of our country we are seeing the effects of continued poor economic conditions for agriculture. Due to the commodity prices and too high interest rates the pressures on the farm community have been so great that there are large numbers of farmers in trouble. The exact figures are very debatable, but there is no argument that it is a significant proportion and that it will require different measures than we have seen to date.

With regard to the specific question of the farm bankruptcy moratorium, perhaps it would have been better had it been possible to put a moratorium across the board. The Minister of Agriculture (Mr. Wise) had only the capacity to hold Farm Credit Corporation foreclosures. He did that because it was the only immediate means at his disposal to deal with those serious cases. It has assisted some 670 farmers who would otherwise have been placed in a bankruptcy situation. This will stay in place until we have those final solutions.

• (1820)

Furthermore, there have been some spin-off effects where other lending institutions have examined the situation more closely and I believe withheld some actions which might have occurred. That is a peripheral benefit. Unfortunately, we have not had the full co-operation of the provinces, although one province has introduced legislation to stop all other foreclosures until we have those two solutions.

We would agree entirely with the Hon. Member for Algoma that the two specific requirements are changes to the bankruptcy legislation and changes within the Farm Credit Corpo-

ration to deal with long-term financing and help reorganize those situations into a viable entity. Both those pieces of legislation are under very active consideration and we hope to be able to make an announcement for the Hon. Member for Algoma. However, he knows full well that I would not do that at this time.

[*Translation*]

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.22 p.m.

# HOUSE OF COMMONS

**Wednesday, January 15, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### FINANCE

SALES TAX ON FIREFIGHTERS' CLOTHING

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, every day firefighters in Canada put their lives on the line to protect the lives and property of their fellow citizens. They rarely get the recognition they deserve. Instead of thanking these Canadians, the federal Government has decided they are another group which should be hit with a tax. This time it is the imposition of federal sales tax on firefighters' clothing. Is the Minister of Finance (Mr. Wilson) so anxious to reduce the deficit that he has decided that articles needed to protect human life are just another object on which to gather more revenue for the federal treasury? His response is typical. He compares the clothing which protects the lives of public servants with the tools of a carpenter or plumber. While no one disputes the contribution made by those trades, only the Minister of Finance could equate life-protecting clothing with a hammer.

The tax is a burden to municipalities and volunteer firemen across the country who offer their services free of charge to their communities. Quite often they have to raise the money themselves to buy the equipment. I call upon the Government to remove this tax. Instead of hindering the efforts of Canadian firefighters, the Government should at the very least thank them for a job very well done.

* * *

### ENVIRONMENTAL AFFAIRS

OIL POLLUTION OF VANCOUVER ISLAND BEACHES

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, on October 21 some 4,500 barrels of Alaskan crude oil were spilled from the ARCO *Anchorage* in Port Angeles, Washington. According to world standards this was not a major spill but it has shown what inadequate procedures we have for dealing with any kind of spill. Local people have reported a lack of proper co-ordination between federal, provincial, and American officials responsible.

When patches of oil washed up on Vancouver Island beaches early in January, officials did not know if they came from the Port Angeles' spill or as a result of the discharge of bilge by passing freighters. Hundreds of sea birds covered with the oil lost their protective insulation and died from exposure. No federal or provincial agency stepped in to co-ordinate the rescue of these birds. Instead, a group of 150 volunteers tried to rescue the birds with fishing nets and get them to the Victoria SPCA for cleaning. Unfortunately, with crude equipment, they were able to rescue only a few of the birds, and of these none survived.

• (1405)

Obviously we need better methods of monitoring passing freighters to prevent the dumping of bilge. We need co-ordination for small and medium spills as well as for major spills to minimize the damage that these oil spills cause. I call on the Government to study the recent spill and pollution in order to devise more effective methods for dealing with any spills that—

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

* * *

### ENERGY

SASKATCHEWAN HEAVY OIL UPGRADER PROJECT

**Mr. John Gormley (The Battlefords-Meadow Lake):** Mr. Speaker, I rise to address the matter of the proposed Husky heavy oil upgrader near Lloydminster, Saskatchewan. The need to assess this project is understandable in light of several changing factors since the original memorandum of understanding was signed in June of 1984.

As discussions now continue between the federal Government, Husky Oil, and the Provinces of Saskatchewan and Alberta, I encourage all the participants to commit themselves to seeing that this project becomes a reality. It is essential to the economy of my province of Saskatchewan that this project proceed.

Since the memorandum of understanding, our Government's Western Accord and the Budget of last May fulfilled some of the fiscal and pricing aspects. This is especially true with the elimination of the Petroleum and Gas Revenue Tax. Given these changes, and the softening of world oil prices, it is vital that these discussions continue. It is also important that Husky find a second equity partner for the project. The Husky heavy oil upgrader will bring benefits to all Canada. For Saskatchewan alone the project will mean $3 billion for our economy, and over 5,000 jobs.

*S.O. 22*

## PROVINCIAL AFFAIRS

PLANNED AIRPORT EXPENDITURE AT TADOULE LAKE, MAN.

**Mr. Felix Holtmann (Selkirk-Interlake):** Mr. Speaker, tucked away in northern Manitoba, about 1,100 kilometres north of Winnipeg, is Tadoule Lake, a reserve community of 200 people. There are no roads to Tadoule Lake, and it needs a new airport. Last year the Chief and Council wanted to build an airport for $1.9 million and employ 15 to 20 people.

Well, Mr. Speaker, Santa Claus came early to Tadoule Lake. The NDP Premier came along in his big red suit, with visions of Mirabel dancing through his head, and decided to spend, not $1.9 million, but $3.3 million on this airport—$3.3 million to handle three flights a day—no jets, just small light aircraft.

Instead of spending $3.3 million on the airport, the NDP could have spent $1.9 million, as the Chief wanted. They could have employed local people, and spent the other $1.4 million on sewer and water, which they need. However, that makes sense and shows fiscal responsibility. The Chief and Council knew this. The NDP dreams of Mirabel in the north. Self-government is only a word to the NDP. There will be few jobs at Tadoule Lake on this $3.3 million investment because the hypocritical NDP looked elsewhere for a contract, and the jobs will go elsewhere as well.

The Chief is disappointed, the Council is disappointed, the Band is disappointed, I am disappointed, and Manitobans are disappointed with the NDP.

* * *

## ADMINISTRATION OF JUSTICE

ADOPTION CASE CIRCUMSTANCES

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, on Monday Ricardo DiDone brought his sad story to Parliament Hill. He has been fasting since December 18 to draw to public attention the need to right a dreadful wrong, that of a court of justice considering whether it has the right to remove this man's son's rightful legal name.

Court documents attest to the mother taking the child and disappearing. Subsequently, when the mother was located, a trial over custody took place in Alberta which granted the mother of the child custody and the father visiting rights. During this period the mother married and her husband, under British Columbia jurisdiction, adopted Ricardo's natural son. DiDone objected and challenged the adoption. A court decision is pending, scheduled for January 20, as to the right of the new husband of the custodial mother to adopt Ricardo's son legally and change his name.

Here we have a non-custodial parent faced with the potential extinguishing of his rightful claim as the father of his child in B.C. jurisdiction, while in Alberta his paternity rights were acknowledged and visiting rights accorded. This is just one of many examples which have caused needless, painful hardship. Through this case we see the inconsistency of provincial laws that allow this to occur.

There must be some way, through our federal and provincial Ministers of Justice, to come to an understanding with respect to their approach to divorce and family law. There should be a mutual undertaking to respect judgments of any provincial jurisdiction which has rendered a decision impacting upon the life of a child. That is why we must have a national central registry system with powers to intercede in cases where decisions are not respected, for it is the child who suffers, Mr. Speaker. That is the sad reality.

* * *

• (1410)

## FISHERIES

1985 WEST COAST FISHING PLAN

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, I rise to call on the Minister of Fisheries and Oceans (Mr. Siddon) to initiate a full public inquiry into the 1985 West Coast Fishing Plan.

During the 1985 season it became abundantly clear to all involved that there was a serious problem with the methods used to collect data and set fishing quotas on the West Coast. The record salmon runs were not anticipated by the Department officials and consequently estimates by members of the biological branch of the Department of Fisheries and Oceans were far too low.

This year's enormous surpluses in the salmon fishery on the Skeena River, in the Johnston Strait, the Nitinat areas and Qualicum River show just how inadequate was the 1985 plan. It is estimated that as much as $20 million could have been lost to the West Coast fishing industry this year. This situation occurred and fishermen were demanding to be allowed to fish the massive surplus while the Minister of Fisheries and Oceans refused to admit that the plan was wrong and refused to allow them to fish.

It is absolutely critical that this inquiry take place before the 1986 Fishing Plan is developed, before the recently announced 200 jobs are cut in the Department, and before the proposed $65 million cut in departmental spending is put in place.

For years fishermen on the West Coast have complained about the lack of adequate staff to carry on the necessary data collection to develop appropriate fishing plans, and they have complained for years about inadequate resources to make sure—

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

## THE ECONOMY

IMPROVEMENTS IN SASKATCHEWAN

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, along with the rest of Canada the Saskatchewan economy has been showing signs of strength since the election of a Progressive Conservative Government in September, 1984. Unemployment is down, job creation is up, and the over-all investment climate has improved dramatically.

The following facts and figures illustrate the size and magnitude of the improvements in the economy despite the fact that Saskatchewan has suffered a crippling drought for the second year in a row. Employment continues to climb in Saskatchewan; a total of 17,000 new jobs have been created since the election. The unemployment rate has fallen from 8.4 per cent in September, 1984, to 8.2 per cent today. Bankruptcies were down 9 per cent in the first 11 months of 1985 compared to the same period in 1984. Housing starts in urban areas for the month of December, 1985, were up 23.3 per cent compared to December, 1984.

The Canadian Federation of Independent Business reports that 36 per cent of Saskatchewan's small businesses plan to increase their level of capital investment in the months ahead and 22.9 per cent plan to increase their level of employment.

In the energy sector in the first 11 months, well completions totalled 3,406 compared to 2,624 over the same period last year. This represents an increase of almost 30 per cent since the election. Exports in the first 10 months of 1985 were up 7.1 per cent compared with the same period last year.

* * *

[*Translation*]

## INDUSTRY

GOVERNMENT'S NATIONAL POLICIES

**Ms. Carole Jacques (Montreal-Mercier):** Ever since our Party has been in office, Mr. Speaker, the Liberals have tried everything to make people believe that the Quebec Progressive Conservative Members have failed to defend provincial interests with vigour. How untrue! Our Government has shown a lot more awareness of the concerns of Quebec constituents than the Liberals ever did. A few examples immediately come to mind, namely Domtar, Hyundai, and time extensions with respect to Gulf and Petromont.

My constituents vividly recall the passive approach of Liberal Members and Ministers while, one after another, Montreal East refineries closed their doors. They did not have the courage to defend the interests of their constituents. They remained silent while their National Energy Program played havoc with the oil industry and led to the shutdown of several refineries, including three in Montreal East.



Well, Mr. Speaker, we Conservative Members did take action. We fought on behalf of the people in our ridings, and not only when we found it convenient to do so.

The national policies implemented by our Government will benefit the country as a whole, and their impact can be felt already. I want to assure my constituents as well as all Quebecers and all Canadians that we Conservatives are committed to defend their interests with vigour and celerity so as to build—

**Some Hon. Members:** Hear, hear!

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

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

EXCHANGE RATE OF DOLLAR—BANK OF CANADA INTERVENTION

**Right Hon. John N. Turner (Leader of the Opposition):** That wasn't bad, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** I would like to put a question, if I might, to the Minister of Finance. Yesterday the Canadian dollar dropped to its lowest level in history.

**Ms. Copps:** The Diefenbuck.

**Mr. Turner (Vancouver Quadra):** How much has it cost the Bank of Canada to intervene in the world exchange markets in order to maintain the Canadian dollar during the last two weeks, and particularly within the last 48 hours?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member as a former Finance Minister should know the answer to that question. That information is made available at the end of the month, the second business day of the month following the month of the transactions. That is when he will get his information.

**Mr. Lapierre:** He does not know.

**Mr. Turner (Vancouver Quadra):** It is answers like that, Mr. Speaker, that are contributing to the confusion on the money markets and the exchange markets.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** No direction. No leadership.

**Mr. Turner (Vancouver Quadra):** Looking at all the indicators, Mr. Speaker, there is really no reason for the falling

Canadian dollar except a recognition on world markets that there is little good management in the Canadian economy.

CONNECTION BETWEEN INTEREST RATES AND EXCHANGE RATE OF DOLLAR

**Right Hon. John N. Turner (Leader of the Opposition):** My supplementary question is for the Minister of Finance. Does he still hold to the position that he took in answering my colleague, the Hon. Member for Laval-des-Rapides, that there is no connection between rising interest rates in Canada, prompted by the Governor of the Bank of Canada, and the falling Canadian dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me respond directly to both of those questions. There is a connection between the drop in the Canadian dollar and the rise in interest rates.

**Mr. Turner (Vancouver Quadra):** That is not what you said on Monday.

**Mr. Wilson (Etobicoke Centre):** No. The correction which I would like to make to the implication that the Hon. Member has left is that the Bank of Canada is forcing interest rates up. That is not true. The Bank of Canada is moderating the increase in interest rates—

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** —as it is moderating the decline in the level of the Canadian dollar.

**Mr. Rodriguez:** What does that mean?

**Mr. Wilson (Etobicoke Centre):** There are certain things that are not within our control on the level of the Canadian dollar, that is, international commodity prices and international interest rates.

I do want to say to the Hon. Member and I will say it to the House, Mr. Speaker, that I am aware of the concern that has been expressed by some in the market-place that we are not showing a sufficient degree of resolve in dealing with the federal Government's deficit. I want to assure the House that we are firmly on track with the direction that we have set for ourselves. There will be a further decline in the deficit this year, and it will be indicated in the Budget for next year.

**Some Hon. Members:** Hear, hear!

[*Translation*]

REQUEST THAT MINISTER AND BANK OF CANADA GOVERNOR APPEAR BEFORE PARLIAMENTARY COMMITTEE

**Right Hon. John N. Turner (Leader of the Opposition):** I have a supplementary, Mr. Speaker. In view of the importance of this matter, I want to ask the Minister whether he would be willing to appear with the Governor of the Bank of Canada before the House Committee on Finance, Trade and Economic Affairs, in order to explain to Hon. Members and Canadians the reasons for our present interest rates and the drop of the Canadian dollar.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sure that is a question which Members of the House might well want to put to the Governor of the Bank of Canada.

I want to say to the Hon. Member that this House needs no lectures on interest rate policy from that Member—

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** It is the same policy.

**Mr. Speaker:** Order, please.

**Mr. Wilson (Etobicoke Centre):** —who, during his term of office as Finance Minister of the country, saw the prime bank rate increase from 4.75 per cent to 9.5 per cent. Because the Hon. Member for Saint-Maurice was making a lot of noise from his seat, during his term of office the—

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** What about the 22 per cent interest rates under the Liberals?

* * *

• (1420)

[*Translation*]

## INDUSTRY

REQUEST FOR DETAILS OF DECISION TO SELL GULF REFINERY TO ULTRAMAR

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is directed to the Prime Minister. Yesterday, he said: We did not make the decision to close the refinery. How can he say such a thing? Is it not true that his own Minister of Regional Industrial Expansion declared in Montreal that he made the decision in the Gulf-Ultramar case with the interests of this country in mind, and is it not true that his Minister of Communications said on the radio that the Cabinet had made this decision? Who is telling the truth, the Prime Minister or his two Ministers?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think my hon. friend is mistaken. Three refineries were closed down while he was a Minister of the Crown. Three refineries closed their doors when the Hon. Member for Papineau was a Minister of the Crown, and he remained absolutely silent. He did not say a single word to defend the interests of Montrealers and Quebecers. Now, as a result of a commercial

transaction, a fourth refinery has been affected, but we are working with the appropriate parties in order to save the refinery and not close it down as the Liberals did.

INQUIRY WHETHER PETRO-CANADA WAS WILLING TO BUY REFINERY IN MONTREAL EAST

**Hon. André Ouellet (Papineau):** Mr. Speaker, the Prime Minister was elected for better, not for worse. Even his friends Louis Laberge and Péladeau are leaving him because they are so disappointed.

Mr. Speaker, could the Prime Minister inform the House whether it is true that Petro-Canada was prepared to purchase the refinery in Montreal East and keep it open, but that the Cabinet preferred the transaction with Ultramar whose objective was to close down the refinery?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, that is utter nonsense! And as far as . . . Everybody knows that when you were in Government, you people closed down three refineries in Montreal East.

**An Hon. Member:** Unfortunately.

**Mr. Mulroney:** And this cost us 1,100 jobs in the industry. That is a fact. That is what happened. There was no question of having Petro-Canada intervene in this question. However, I can give my hon. friend the assurance that unlike Liberal members from the Montreal area who maintained complete silence and never protested even once to the former Minister when he closed down three refineries, the Hon. Member for Shawinigan, who closed three refineries in Quebec . . . Not one Liberal member here in the House protested, not even once. However, we are working with our Montreal caucus on keeping the refinery sector alive in Montreal East.

* * *

[*English*]

## THE ECONOMY

INTEREST RATE LEVELS—REQUEST FOR MINISTERIAL ACTION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister of Finance. A minute ago he informed the House that he intends in his forthcoming Budget to reduce the deficit further. When he was in opposition, the Minister of Finance pointed out the following: "Higher interest rates mean lower growth, larger deficits and more debt". At the same time the present Minister of Regional Industrial Expansion when in opposition said: "A one percentage point increase in the interest rate means the loss of 25,000 jobs". Given the accuracy of both of these statements, would the Minister of Finance, now that he has responsibility, practise what he was preaching when he was in opposition and take steps to ensure that interest rates do not go up any higher?



**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think we have indicated very clearly by our actions since September 4, 1984, that we believe in exactly what the Hon. Member has just quoted.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Since September 4 the typical one-year mortgage rate is down three percentage points. That is a savings of $104 per month for the average home owner. The typical three-year mortgage is down two and three-quarters per cent, and a typical five-year mortgage is down two and a half per cent. Because of this we have seen housing starts increase by about 25 per cent or 35 per cent, from 145,000 units to 185,000 units in the past year. We have seen investment intentions increase significantly from what they were back in September, 1984, when we came into office. That underlines the direction and the importance of the direction, which we are taking to get the economy moving.

**Some Hon. Members:** Hear, hear!

• (1425)

REQUEST THAT BANK OF CANADA HALT INCREASES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister of Finance has simply been taking bad lessons from his Prime Minister. We are not talking about what was going on last fall. I agree with what he is saying about last fall. When American interest rates went down and we had no short run crisis to deal with, our interest rates went down too. We had those good benefits. The Minister knows last week all the interest rate tendencies were going up. If he believes what he preaches about low interest rates—and he said in recent days the crisis is temporary—will he phone the Governor of the Bank of Canada and say with regard to tomorrow's announcement, tomorrow should see no increase at all in the interest rate?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I want to say quite clearly to the Hon. Member that neither the Governor of the Bank of Canada nor the Minister of Finance can wave a magic wand and say interest rates will be this or this or this. Interest rates are decided by the market-place. We have been doing everything in our power during the course of the last 16 months to get interest rates down. There have been, back in February and March last year, as well as currently, some upward pressures coming into the market-place, which we have tried to moderate. As the general direction of our economic policy has taken hold, the force of interest rates has been down, and I would expect that that would continue.

[*Translation*]

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO BANK GOVERNOR

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, if the Minister believes the economic crisis to be temporary, then it is all very simple. He must now put into practice what he said

when sitting as a member of the Opposition and phone the Governor of the Bank of Canada to ask him not to increase interest rates.

[*English*]

My question to the Minister is this. Will he now do what he knows is the appropriate thing if he wants to keep jobs, if he wants to encourage home building and protect farms—tell the Governor of the Bank of Canada not to increase those rates tomorrow?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is precisely the same question that the Hon. Member just put to me about a minute ago. I would say to him, again, that he is a student of economics. I think that that is the course he took at university, at the London School of Economics. We cannot wave a magic wand and say this is what will happen with interest rates.

**Mr. Broadbent:** It is not a magic wand.

**Mr. Wilson (Etobicoke Centre):** I ask the Hon. Member to look closely at the economic performance over the last 16 months. Some 450,000 jobs have been created. Investment intentions have jumped markedly.

**Mr. Broadbent:** And you're going to lose them all now.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member says we are going to lose all. I recall back in November, 1984, when we brought down the economic statement and the Hon. Member said 150,000 jobs were going to be destroyed by it. Mr. Speaker, 450,000 jobs were created.

**Some Hon. Members:** Hear, hear!

* * *

## HOUSE OF COMMONS

### PRESENCE IN GALLERY OF FRENCH PARLIAMENTARIANS

**Mr. Speaker:** Order. May I indicate the presence in our galleries today of a delegation of French parliamentarians, M. Charles Pistre, M. Pierre Bernard and Senator Jacques Durand.

**Some Hon. Members:** Hear, hear!

* * *

● (1430)

[*Translation*]

## INDUSTRY

### INQUIRY WHETHER GOVERNMENT RECOMMENDED CLOSURE OF GULF REFINERY AND AGREED TO ULTRAMAR TRANSACTION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is for the Right Hon. Prime Minister and concerns the question he was asked yesterday when he said that his Government had not made the decision to close the Gulf refinery.

On the program *Le Point* in which I took part with him, the Secretary of State mentioned that the Cabinet had been consulted. In addition, the Minister of Communication stated on the radio last Sunday that the Cabinet had made the decision.

**An Hon. Member:** Question!

**Mr. Malépart:** Can the Prime Minister tell us whether Cabinet recommended to the President of the Standing Committee on Regional Economic Expansion that the Gulf refinery be closed and the deal with Ultramar be approved?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it is obvious that, by choosing to remain silent for three years when refineries were closing in east-end Montreal, the Hon. Member for Montreal-Sainte-Marie lost all his credibility and failed in his duty to represent the interests of his constituents. That is what he did.

Mr. Speaker, the transaction . . . yes, I know that the Liberals do not like this and that they do not like good news such as announced by the Minister of Finance.

Mr. Speaker, the fact is that, contrary to the Liberal Government which closed three refineries, we are working with the people involved to find a new and appropriate use for the facilities involved. Instead of closing the refining industry in east-end Montreal, we are going to build it up, contrary to what the Liberals did.

**Mr. Malépart:** Mr. Speaker, I could tell the Prime Minister that in 1983-84, he did not do his job as a Member of the Oppposition. He must have been in the pay of the Americans at the time.

### SITUATION IN MONTREAL EAST—PRIME MINISTER'S POSITION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Could the Prime Minister tell us, in view of the fact that—

**An Hon. Member:** He does not know what he is saying.

[*English*]

**Mr. Speaker:** Order, please. Order. May I have a question, please?

[*Translation*]

**Mr. Malépart:** In view of the fact that the Prime Minister is beginning to show some genuine interest in Montreal East, could he tell the House whether he supports the steps taken by the Bourassa Government to try to convince Ultramar to sell the Gulf refinery in Montreal East to Gaz Métropolitain, and

whether he would go as far as personally calling the Ultramar people to try and find a solution?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, Quebecers and Montrealers are now aware that while the refineries were closing one after the other in Montreal East, this Hon. Member made a basic choice. His loyalty and dedication is to the Liberal Party and not his constituents. That is where he failed in his commitment to his constituents. That was his mistake.

**Mr. Malépart:** Go on, go on!

**Mr. Mulroney:** As far as we are concerned, we are discussing the issue with interested parties in trying to save a Quebec industry, instead of undermining it, as the Liberals did.

* * *

[*English*]

## THE ECONOMY

### INTEREST RATE LEVELS—ACTIONS OF BANK OF CANADA

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance who, a moment ago, was talking about magic wands. He knows full well that every week the central bank intervenes in the money markets and buys and sells treasury bills to influence, if you will, the rates for that particular week. In a sense I am going to repeat a question. If, as the Minister said in the House of Commons in response to my question yesterday, this is a very temporary situation, will the Minister intervene with the central bank to ensure that tomorrow afternoon the interest rate does not go up, because I would suggest that, if it does, it will send out a very negative signal right across the country in terms of confidence in economic development?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not, in a sense going to, answer this question that has now been put three times. What I am going to do—

**Mr. Broadbent:** You didn't answer it yet.

**Mr. Wilson (Etobicoke Centre):** I did answer it very clearly the first time the question was put. I would say to the Hon. Member that I look for his support when we come to Budget time. As the Hon. Member knows, if he has been speaking to people in the market-place, there is some uncertainty as to what is going to be in the Budget. However, I would look for his support in reinforcing the resolve which we have toward getting the Budget deficit under control and ensuring in that way that we will get interest rates down. A drop in the budgetary deficit is what will lead to lower interest rates, and that is what the Hon. Member wants and what I want.

### REQUEST THAT MINISTER INTERVENE

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, the Minister of Finance will know that earlier this week the chief economic Minister of Japan indicated that there are times when it is necessary for the Government to intervene in the market-place. Does the Minister of Finance not think that now is that time since interest rates are creeping up as a result of, in a sense, speculation in the money markets? Is it not time for the Minister to take his responsibility seriously and intervene with the central bank by stopping any further increase at this critical time for interest rates?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I responded to the question of the Leader of the Opposition and in that response I did indicate that the Government of Canada, through the Bank of Canada, does moderate influences upward and downward in both the exchange markets—

**Mr. Broadbent:** A magic wand, is it?

**Mr. Wilson (Etobicoke Centre):** If the Leader of the New Democratic Party would listen, he might learn something. We moderate those influences in the money markets both in exchange rates and in interest rates. The Bank of Canada has been doing this on a regular basis over the past few months.

* * *

[*Translation*]

## INDUSTRY

### POSSIBLE REOPENING OF PORT-CARTIER—PRIME MINISTER'S POSITION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. If I wanted to take the same simplistic approach, I would remind him that on September 13, 1979, under a Conservative Government, it was bang, bang, bang for ITT at Port-Cartier, but I won't do that because that is not the point I want to make today. What does interest me, Mr. Speaker, is that we now have a chance to reopen the Port-Cartier plant, and the Prime Minister is well aware of the proposal made by Cascade Paper and the Quebec Government. Why can't the Prime Minister, who has let the people of Port-Cartier think he is going to reopen this plant, deliver the goods now?

**Right Hon. Brian Mulroney (Prime Minister):** The Hon. Member may have a point to make, but why all the false statements?

**Mr. Malépart:** Look who's talking.

**Mr. Mulroney:** Why mislead the House and the people of this country? The fact is there is no connection between September 13, 1979 . . . in fact, this company received grants from the provincial government at the time in order to set up . . . Things did not work out on the North Shore. In some areas, the unemployment rate went as high as forty-five per cent. For years, for five years, the people of Port-Cartier asked the Hon. Member's Government for help. The answer was

always no. So the federal Government had to do something and is building a penitentiary in the area in order to relieve—

**Mr. Malépart:** I think we should pay your riding a visit.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** You can laugh, but I can assure the Hon. Member for Montreal-Sainte-Marie that the 500 workers in Port-Cartier who stand to benefit from this $60 million investment are delighted. On the North Shore, jobs are a serious matter, not something to be snickered at the way you are doing now.

REQUEST THAT PRIME MINISTER MEET INTERESTED PARTIES

**Hon. Jean Lapierre (Shefford):** I have a supplementary, Mr. Speaker. The Prime Minister is doing what he did to the Mayor of Port-Cartier and is now doing to the Government of Quebec: he is evading the issue. What I want to know is . . . The people of Matane are fed up as well. Thirteen mayors from the Matane area are on their way to Ottawa to get an answer about the paper mill. Is he going to ignore them as well?

[*English*]

**Mr. Speaker:** I am sorry, I cannot hear anything at this point because of the noise from both sides of the House. May I have a question, please?

[*Translation*]

**Mr. Lapierre:** What I want to know from the Prime Minister, considering that nothing is happening in Matane or Port-Cartier because of the Government's neglect, is whether he is going to do something. Is he going to meet with the parties concerned and deliver the goods once and for all?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, for five years he was with the Department, he was a Liberal member. Every day, Matane and Port-Cartier were begging and beseeching—

**Mr. Ouellet:** Péladeau voted for you because he wanted a change but he's against you now.

**Mr. Mulroney:** Listen to what he's saying about Pierre Péladeau, and the *Journal de Montréal*. Talking this way about Pierre Péladeau in the House of Commons is going to cost you. And as the instigator of Bill S-31 which was tabled to crush the francophones in Quebec, you have a nerve talking about unemployment. You would be ashamed—

**Mr. Masse:** Chickens coming home to roost!

[*English*]

**Mr. Speaker:** Order, please.

**Mr. Mulroney:** Next?

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Hon. Members might note that it is not my time they are wasting.

* * *

• (1440)

## INSURANCE

INCREASES IN PREMIUMS

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my question is for the Minister of State for Finance. It is in regard to the national crisis in the insurance industry and its impact on day care, municipalities, community centres, school boards, and now our National Ski Team. While the Minister is working to develop higher standards for property and casualty insurance dealing with solvency and the capital base, and before she puts a package in place, will she take the opportunity to call in the heads of the major insurance companies operating in Canada and request them to extend last year's rates and last year's coverage to these organizations for a period of approximately six months so that they can survive? Will she agree to do that?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, as I explained to the House yesterday, premium rates are a matter of contract law and fall within provincial jurisdiction. In many cases the provincial Governments have taken some action on this front. I have indicated that I will co-operate with them to the fullest extent possible. I am in constant touch with the industry so that I know what is going on.

EFFECT ON MUNICIPALITIES AND SPORTS ORGANIZATIONS

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my supplementary question is for the same Minister. What the Canadian people, all provincial and municipal Governments, as well as the organizations are looking for is leadership, since this is a national problem. If the Minister is not prepared to call in the heads of the insurance companies will she at the very least work to provide the necessary financing in the short term to these organizations so that they can continue to operate, whether they are our ski teams in Europe, or elsewhere, or our day care centres? Will she agree to do this so that these organizations will be able to operate without fear of lawsuits?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, my colleague has already been in touch with the National Ski Team. Members of the team met with him this morning. We have made every effort to co-operate and help facilitate solutions. I think that is our role.

## AGRICULTURE

### ILLEGAL CHEMICAL INJECTIONS OF CALVES IN QUEBEC

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is for the Minister of Agriculture. Press reports indicate that about 12,000 veal calves in Quebec have been injected with an illegal chemical, trembolone acetate, and that some 2,000 carcasses of adulterated meat have been sold since last August. Will the Minister explain why he has allowed this illegal chemical to be used in commercial veal production since last May? Why has the Minister allowed this adulterated meat to be sold since last Angust?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the Hon. Member's question. I wish to respond as fully as I possibly can. I have been on top of the situation since we were first notified of it. I wish to tell Members of the House that, indeed, it was inspectors from Agriculture Canada, my own departmental meat inspectors, who detected the presence of this drug. We immediately notified officials of the Department of National Health and Welfare since a matter of this type does not fall under meat inspection legislation but, rather, under food and drug legislation. An investigation by the appropriate officials of the Department of National Health and Welfare is now going forward under food and drug legislation.

### REQUEST FOR BAN ON SALE OF CARCASSES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, will the Minister assure Canadian consumers that no more carcasses of this type will be allowed to be placed on supermarket shelves across the country? Will he also assure consumers that the meat which is already there will be withdrawn by whichever Government Department is responsible?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I have no hesitation in assuring Canadian consumers with respect to that type of information. As the Hon. Member knows, we have the finest meat inspection system in the world. As a result of rather foolish questions raised by members of the Opposition with respect to a couple of other matters in the last three or four weeks, I received a communication from the World Health Organization endorsing our system. I can assure the Hon. Member that none of these carcasses will be moved at all. We are trying to determine whether or not, in fact, any carcasses have been moved into the system. It is impossible to say from the information I have at the moment. I have asked the question. Because of the nature of the drug, it is not really possible to determine whether or not any implanted meat has actually been moved into the system.

**Mr. Speaker:** The Minister may want to finish his answer under Statements by Ministers.

[*Translation*]

## INDUSTRY

### REQUEST THAT O'FARRELL REPORT BE MADE PUBLIC

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I also have a question for the Prime Minister and it has to do with the conflicting statements of two of his Ministers concerning the Gulf-Ultramar issue in Montreal. Supported by Statistics Canada, the Quebec Government, *Oil Week* and the O'Farrell report, the Minister of Consumer and Corporate Affairs stated that Montreal's refining capacity falls far short, but the Minister of Energy, Mines and Resources said exactly the opposite. Here is my question, Mr. Speaker: Once and for all, and to lay this matter to rest, can the Prime Minister tell us now whether he is prepared to table the O'Farrell report in the House?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, that is practically the same question the Hon. Member asked yesterday and he was given a very specific answer. Since then, in answer to questions—I think the Hon. Member did not listen to today's exchanges—I said we have been negociating for quite some time in an attempt to come up with a formula which would make it possible to find alternative production uses for those facilities in Montreal East. What we want to do—

**Mr. Malépart:** We have won.

**Mr. Mulroney:** You have won? The nerve you have! You drove the refining industry right into the ground and you have the nerve to claim a victory, if there has been a victory.

### REQUEST THAT PRIME MINISTER MAKE PUBLIC ALL INFORMATION OF DEPARTMENT OF ENERGY, MINES AND RESOURCES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, it is a question of credibility. I would like to have an answer because the Hon. Member for Duvernay changed his position concerning Gulf-Ultramar after obtaining full details from the Department—

[*English*]

**Mr. Speaker:** Order, please. The preamble to the supplementary question is very long. Will the Hon. Member just put his question, please?

[*Translation*]

**Mr. Nystrom:** Here is my question, Mr. Speaker: Is the Prime Minister prepared to release all information available from the Department of Energy, Mines and Resources now that the Department has briefed the Hon. Member for Duvernay? Is he now prepared to release that information in the House for the benefit of the Hon. Members and all Canadians?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it is a vexatious question. All relevant details have been made public. As the Minister said yesterday, more will be released in the House of Commons at the appropriate time, as they should be. That was promised yesterday. But what we want is to try to protect as many jobs as possible. This Government—if I may, I think the question of the NDP Member had to do with jobs, unless I am mistaken—this Government created 137,000 new jobs in Quebec within 15 months, whereas the former Government created 37,000 new jobs in 55 months. It is an outstanding performance with respect to job creation—

[*English*]

**Mr. Speaker:** Order, please. With great respect, this is now too long.

* * *

## SPORTS

### INSURANCE COVERAGE—DIFFICULTIES EXPERIENCED BY NATIONAL TEAMS

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. It follows up on some of the concerns which have been expressed by my colleagues earlier this week. Press reports today concerning the inability of the National Ski Team to obtain liability insurance further highlight the serious problems affecting the insurance industry. Can the Minister tell the House what measures he will be taking to assist Canada's national sports teams obtain adequate insurance protection?

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** Mr. Speaker, as the Hon. Member knows, and as has already been stated, the insurance problem within North America is a global one. It is being dealt with by the provinces in co-operation with the Government. However, as far as the Canadian National Ski Team is concerned, I have been in constant contact with the ski associations and officials within the industry and within the associations. We met earlier today to identify a number of options which are available to us. We are actively continuing the pursuit of those options. I am satisfied and hopeful that we will have a satisfactory conclusion before the end of January so that the ski team can continue to compete in the World Cup.

**Some Hon. Members:** Hear, hear!

• (1450)

## INSURANCE

### PREMIUM INCREASES—REQUEST FOR MINISTERIAL ASSISTANCE

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, on November 4 I asked the Minister of Consumer and Corporate Affairs what he was going to do about the insurance crisis. There is mounting evidence that insurance companies are acting in concert to increase premiums. These uncompetitive measures are causing many companies, municipalities, school boards, and even the Canadian Ski Team, as well as individuals, to go out of business or operate without insurance. Can the Minister do something now?

[*Translation*]

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I can assure my hon. colleague that we are monitoring the situation with much interest. But if he had evidence showing a lack of information, we would gladly examine it.

### REQUEST FOR INQUIRY

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** On November 4, Mr. Speaker, the same Minister replied to me that the issue had been sent to the Minister's office for action. I should like to state as a fact that the City of Anjou is paying this year $300,000 more than last year in liability insurance alone.

Is the Minister now prepared, under the Combines Investigation Act, to fully investigate a situation which is becoming more and more serious each day because of unacceptable insurance increases?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, monitoring the situation on the market place remains the continuing responsibility of the Director under the Combines Investigation Act. He is monitoring the situation, and if he has reasons to believe that an investigation is warranted, he will initiate one immediately.

* * *

[*English*]

## FARM CREDIT CORPORATION

### PLAN TO HELP FARMERS FACING FORECLOSURES

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, my question is directed to the Minister of Agriculture. Some 1,700 farm families are facing foreclosure and eviction from their land. However, they have been given a ray of hope through the Farm Credit Corporation plan to save their farms. Can the Minister indicate when this plan might come into force and effect?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the Hon. Member's question and his concern. If any of those 1,700 farm families are clients of the FCC and under the jurisdiction of this Government, they need not fear eviction.

**Some Hon. Members:** Hear, hear!

**Mr. Wise:** As the Hon. Member will know, last September I placed a moratorium on farm foreclosures under my jurisdiction and that of the FCC. That moratorium will remain in effect until such time as further measures are brought forward by this Government. I hope that will be in the very, very near future.

* * *

[*Translation*]

## CANADIAN NATIONAL RAILWAYS

### STATUS OF MONCTON REPAIR SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I have a question for the Minister of Transport.

[*English*]

Last December 18 the Minister informed me that he would check whether the CN shops in Moncton were for sale. Can the Minister inform the House today of the status of the Moncton shops? Are they up for sale?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, no, the shops are not for sale. However, I have been advised by CN that Canadian General Electric has indicated an interest in assessing the potential for locomotive manufacture and assembly in Canada. That particular aspect is being investigated during the over-all assessment of CN's maintenance facilities across the country.

### REQUEST FOR ASSURANCE OF JOB PROTECTION

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, the workers in Moncton are very, very worried about their jobs. With all the jobs which I have heard today have been created, I do not think too many have been created in New Brunswick. Will the Minister eliminate the uncertainty for the workers in Moncton and assure them that these jobs will be protected? Will he also assure them that the CN situation in Moncton will not develop into something comparable to the Gulf/Ultramar fiasco?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, if there is any anxiety and fear being perpetrated in Moncton it is primarily as a result of the inaccuracies of opposition Members who are going around fanning the flames of fear and hysteria. I can assure the Hon. Member that CN is assessing in a very deliberate fashion its maintenance requirements all across the country, in Winnipeg, Moncton, and Montreal. When that assessment is concluded, some time later this year, and if there are any adjustments to be made, they will be announced in the usual manner.

* * *

## SCIENCE AND TECHNOLOGY

### UNIVERSITY RESEARCH FUNDING

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, it is clear that vastly increased expenditures for research and development are critical to Canada's industrial and economic future and the standard of living of its people. This includes, of course, university research. The previous Minister of Science and Technology promised a five-year plan for NSERC, and the present Minister indicated that, given some time, he will have a pleasant surprise. No surprises have been forthcoming.

Will the Minister explain why the Government has kept the NSERC five-year plan approval on the back-burner so long that the President of NSERC has had to develop a disaster scenario for university research funding?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, yesterday I had the opportunity to meet with the Council of Natural Sciences and Engineering who are responsible for channelling public resources to universities for research and development. It was a very useful and productive meeting. I was able to receive advice from the Council and give them the necessary comfort to proceed with their planning in advance of the funding announcement by the Government.

### FINANCING OF RESEARCH AND DEVELOPMENT

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I am still unclear, as I am sure the rest of the House is unclear, whether there will be approval of the NSERC five-year plan. Even more important, will the Government at long last produce an over-all strategy for research and development financing? We have waited too long.

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, there is going to be a five-year plan. The delay has been partially caused because of the *ad hoc* situation which has been in place for the last five years, and because my predecessor and I are insisting that there be more predictability and stability in the science community so they can proceed with their planning adequately. The Member just has to be a little more patient for a few more days.

* * *

## CANADA POST CORPORATION

### POLICY CONCERNING EMPLOYMENT FOR SENIOR CITIZENS

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is directed to the Minister responsible for

Canada Post. Canada is becoming a country where the only place older people can be sure of finding work is the Senate or Supreme Court. Typical of many people who have approached me is a constituent who applied to Canada Post, not for a permanent position subject to mandatory retirement, but for a part-time, seasonal position. She was told that she was not eligible because she was over 65.

**Mr. Speaker:** May I have a question, please?

**Mr. Stackhouse:** This being contrary to government policy concerning age discrimination, what action can the Minister take to protect senior citizens' right to work?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I can say that Canada Post is presently reviewing this matter. I can assure my colleague that his concerns are well taken and they will be examined and considered.

* * *

[*Translation*]

## THE ECONOMY

INQUIRY WHETHER MINISTER OF FINANCE WILL PARTICIPATE IN MEETING OF INDUSTRIALIZED COUNTRIES AT LONDON

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, my question is for the Minister of Finance. In view of the present crisis of the devaluation of the Canadian dollar and the increase in interest rates, which of course have some international impact, I would like to ask the Minister if he has been invited this time to take part in the meeting of the group of the five industrialized countries that will be held next January 18 and 19 in London?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me assure the Hon. Member that I have been talking to Secretary Baker about this meeting. I have conveyed to him some of my concerns. I will be doing the same with other members of that group. There are five members in the group, the United States, U.K., Germany, France, and Japan. They are meeting for particular reasons, one of which is that they have by far the largest degree of trade and foreign exchange reserves. For that reason they are meeting as a steering committee in advance of the interim and development committee meetings which I will be attending later on this year.

● (1500)

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL INTERVENE TO SECURE INVITATION FOR CANADA

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have a supplementary for the Prime Minister. In view of the importance for Canada to take part in this second meeting of the group of five, has the Government made any representations to the President of the United States or to the White House and to other countries so that Canada, as a member of the group of seven, can at least be invited to discuss such an important issue which affects the value of the Canadian dollar and our international trade?

**Right Hon. Brian Mulroney (Prime Minister):** Yes, Mr. Speaker, I have indeed had discussions with appropriate officials, including President Reagan, about the exclusion of Canada from the group of five since its creation when the Leader of the Opposition was Minister of Finance of Canada.

* * *

[*English*]

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, January 14, 1986, meet the requirements of the Standing Orders as to form.

* * *

## PRIVILEGE

RIGHT OF MEMBER TO BE RECOGNIZED BY MR. SPEAKER FOR SUPPLEMENTARY QUESTION

**Mr. Speaker:** I am in receipt of a notice of a desire to raise a question of privilege from the Hon. Member for Ottawa-Carleton (Mr. Turner).

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I rise on a very important question of privilege, and hope that you will give me an opportunity to express my view very briefly. We are all equal, Mr. Speaker, and you are the protector of our rights and privileges. As someone who is new in this House, I recognize that my knowledge of its traditions and procedures is limited. I do, however, believe that I must stand up for what I believe is fair and right.

Yesterday I asked for a supplementary question and was denied. Mr. Speaker, I have read some of the rulings of Speakers Jerome and Lamoureux on oral questions, and can only conclude that in today's context of real parliamentary reform, Speaker Lamoureux's ruling on March 6, 1973—

**Mr. Speaker:** Order, please. I do not like interrupting Members when they are raising questions of privilege, but I must ask the Member to come, not to the argument he wishes to make, if it is put before the House, but to the exact question of privilege he wishes to raise.

**Mr. Turner (Ottawa-Carleton):** Thank you, Mr. Speaker. The independence and the enhancement of my role in the Chamber as a private Member, in fact that of private Members on all sides of this House, is changing. I submit to you, Sir, that my privilege of being treated equally during Question Period is being breached when I am not accorded, nor are my

constituents, the same rights as other Members when asking questions. I feel that this is wrong.

As this House reforms, I strongly believe that the practices of the Chair should reform with it in the true spirit of equality for all. Mr. Speaker, I consider this to be a matter that could be considered by the Standing Committee on Procedure and Organization. Should you rule that I have a *prima facie* case of privilege, then I am prepared to move that it be referred to the appropriate committee.

**Mr. Speaker:** I accept the Hon. Member's representations as a representation. I may say that I think it is perfectly normal for Government Members in any Government with any Speaker to raise that question. That question has been raised in every Parliament and every Speaker has dealt with the question in exactly the same way based on our precedents. There is no question of privilege here. The Hon. Member knows that, I think. He believes strongly that something should be changed. I can say to the Hon. Member that if Hon. Members want the whole issue of Question Period reviewed by one of the standing committees of the House, they have every mechanism to do that if they so wish.

I think the Hon. Member knows that I have strong views about Question Period, but I also know that our practices have been very clear in the past. As a matter of procedure and of the rules, the whole question of the granting of supplementary questions is completely within the discretion of the Chair. Our practices in that matter are also clear, and the Hon. Member knows that.

**Mr. Malone:** Change the practice.

**Mr. Speaker:** Members change sides in this House and immediately they change their view of what the practice should be. I accept that. I think I may say to the Hon. Member that Speakers in the past have made general comments about Question Period generally at some point in their mandate. I do intend to do that at some point in the not too distant future. However, on the question of whether more questions and more supplementaries should be granted to Government Members, I think I would be going against all the traditions of the House if I were to change the practice and tradition of the House without some instruction from the House itself.

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## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Moe Mantha (Nipissing):** Mr. Speaker, I have a petition which deals with the deindexation of the family allowance. The petitioners consider the principle of universality too



important to be tampered with. They wish to have full indexation reinstated.

CALL FOR CHANGES TO YOUNG OFFENDERS ACT

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, I have the honour to present a petition signed by 190 residents of Aylsham, Saskatchewan, who humbey pray and call upon Parliament to seek immediately changes to the Young Offenders Act for young offenders who commit serious crimes of violence against society, in order that they can be dealt with in an adult court.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have here a series of petitions which are all from the federal constituency of Louis-Hébert and which have been signed by hundreds of people who ask the Prime Minister of the Canadian Government to reconsider Bill C-70 so that family allowances paid to Canadian mothers can be fully re-indexed. These petitions are signed by a great number of residents of the Louis-Hébert constituency.

[*English*]

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the responsibility and privilege of tabling a petition signed by members of the International Union of Bricklayers and Allied Craftsmen from Alberta, Local No. 2. In this petition the signatories request that Parliament reverse the decision of the Government whereby the Unemployment Insurance Act was changed so that pension income was considered earned income in calculating benefits. These petitioners call upon Parliament to reverse that abhorrent regulation so that they can collect their unemployment insurance benefits.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is my duty once again to present to this House today a petition signed by people from Moncton, Memramcook, Dieppe. The petition has to do with the situation at the CN shops in Moncton and asks the Government to protect the jobs at the CN Moncton shops.

[*English*]

SALE OF DE HAVILLAND CORPORATION

**Mr. Sergio Marchi (York West):** Mr. Speaker, it is my responsibility to present two petitions today in the House of Commons. One is from residents living in the federal riding of North York, and the other is from residents of my own riding

of York West. Both petitions are protesting the sale—in fact, giveaway—of de Havilland, and are requesting that the Prime Minister (Mr. Mulroney) and the Conservative Government return this company to a wholly-owned Canadian company, thus ensuring the protection of Canadian jobs and Canadian technology, and the maintenance of Canadian pride in a very important sector of our economic life.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is my pleasure to introduce a petition on behalf of a number of residents of western Canada who are of the opinion that the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single parent families. The petitioners ask that the House of Commons, and particularly the Government, reinstate full indexation of the universal family allowance and rescind the unfair tax increases of the last Budget.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I also have the honour to present several petitions. The first one is from the riding of Burnaby. It has to do with the issue of family allowances, and petitions the House to reinstate the full indexation of the universal family allowance and to rescind the unfair tax increases.

The next two petitions are from Halifax, Nova Scotia, and also acknowledge that the deindexation of the family allowance will be a hardship on families, which will not be offset by changes in the child tax credit. They ask for full reindexation of the universal family allowance.

[*Translation*]

FIREFIGHTERS AT SAINTE-FOY, QUEBEC AIRPORT

**Mrs. Suzanne Duplessis (Louis-Hébert):** Mr. Speaker, with respect, I table today a petition on behalf of the federal firefighters at the Quebec Airport in Sainte-Foy, in the constituency of Louis-Hébert. They ask the Treasury Board and the Government to facilitate the renewal of their working contract and to improve their working conditions.

[*English*]

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, once again I have the honour and privilege to present to this House a number of petitions signed by residents of the federal constituency of Moncton who are expressing their concern with regard to the future fo the CN shops. They express their concern that the current assessment of the maintenance capacity throughout Canada may have negative employment implications for the hundreds of people working at the shops in Moncton. They call upon Members of this Parliament to stop any move that may downgrade in any way the facilities in Moncton.

• (1510)

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Neil Young (Beaches):** Mr. Speaker, I have the pleasure to introduce a petition signed by residents of the Kitchener-Waterloo area in the Province of Ontario. Those petitioners state that deindexation of the universal family allowance is an unfair attack on women and families, and further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle income earners.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have the privilege to introduce a petition signed by nurses throughout Manitoba who indicate their opposition to the Government's intention to deindex partially the universal family allowance. They also call upon the Government to rescind unfair tax increases that will affect many Canadians.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a couple of petitions, one bearing hundreds of signatures of people from my riding and which deals with family allowances. These petitioners point out that the deindexation of the family allowance is an unfair attack on women and families, especially single-parent mothers.

My other petition regarding the same subject is from Nova Scotia.

I have a further petition from British Columbia concerning family allowances. All of these petitioners call upon the Government to restore full indexation of family allowances.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have over 200 names on petitions from people resident in Spadina and other parts of Toronto who oppose the Government's Bill that would cut family allowance in future by 3 per cent of the annual increase. They point out that this is unfair compared to the generous tax hand-outs to corporations and people with high income. Therefore, these petitioners call on the House to reinstate full indexation of the universal family allowance and to rescind the unfair tax changes.

[*Translation*]

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, it is also my duty to present to the House a number of petitions, dealing of course with the same concern on the part of quite a large number of people who deplore that the Government intends to de-index family allowances.

Mr. Speaker, this first one comes from the federal constituency of Montreal-Sainte-Marie. The second one comes from the federal constituency of Saint-Jean; another one comes from the federal constituency of Verchères, and finally the last one comes from the federal constituency of Saint-Hyacinthe-Bagot, where hundreds of people are suggesting that full

indexation of family allowances should be reinstated, at a point in time where full indexation is most important.

[*English*]

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, I have the honour and duty to present petitions from constituents of the riding of Thunder Bay-Nipigon, primarily resident in the City of Thunder Bay as well as others living in the outlying areas of Murillo, Kakabeka Falls and Kamanistiquia. The petitioners are protesting the decision to deindex the family allowance, and point out that the consequence will be loss of income for even the poorest families. They call upon the House of Commons to re-establish full indexation of the family allowance.

[*Translation*]

CUSTOMS STAFFING REDUCTIONS

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I have the honour and privilege today to table two petitions coming from my constituency—

[*English*]

The first is signed by residents of Ignace and Dinorwic, Ontario and calls upon Parliament to prevent the reduction of staffing in the Department of National Revenue in the area of Customs employees because of the problems that this will cause in stopping drugs and pornography from entering into this country.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. John Parry (Kenora-Rainy River):** My second petition calls upon Parliament to act to eliminate the deindexation of family allowances and maintain the principle of universality.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I am pleased to advise the House that the following questions will be answered today: Nos. 433 and 492.

[*Text*]

CANADA POST CORPORATION

Question No. 433—**Mrs. Cossitt:**

Does Canada Post Corporation mail out notices, press releases and copies of speeches made by the President of the Corporation to all Members of Parliament and do these items go to the House of Commons office and the constituency office and, if so (*a*) for what reason is it being sent to both locations (*b*) what was the total cost of printing and mailing all of these items for the past three years (*c*) what is the name and job designation of the person with the highest authority who authorized this expenditure?

*S.O. 31*

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** The Canada Post Corporation informs me as follows:

1. Speeches made by the president of the Canada Post Corporation and press releases issued are normally sent to all Members of the House of Commons and the Senate, but not for the most part to their constituency offices.

(*a*) N/A.

(*b*) The specific information sought is not readily available from records. The Corporation maintains records in such a manner as to provide only the total expenditures for the printing, production, shipping, distribution and other costs associated with the preparation of all external publications; including speeches, booklets, brochures, pamphlets, newsletters, posters, fanfolds, etc.

(*c*) Vice-President—Corporate Communications.

MOTOR VEHICLE TEST CENTRE

Question No. 492—**Mr. Corbett:**

What amount does the Department of Transport spend annually on automobiles for the purpose of test crashing at the Motor Vehicle Test Centre and (*a*) from whom are they purchased (*b*) what becomes of the vehicles once the test has been completed?

**Hon. Don Mazankowski (Minister of Transport):** The Department of Transport spends approximately $220,000 annually on automobiles for the purposes of barrier test crashing at the Motor Vehicle Test Centre, to confirm compliance with occupant protection safety standards.

(*a*) Representative vehicles are purchased at retail from randomly selected automobile dealers in Ontario and Quebec.

(*b*) Once the testing and analysis have been completed, the vehicles are donated to high schools, universities or other institutes for automotive training purposes. Recipients are responsible for transportation to their facilities and are obliged to sign a commitment that such destroyed vehicles will not be repaired and placed back on public roads.

[*English*]

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

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

**Some Hon. Members:** Agreed.

* * *

## MOTION TO ADJOURN UNDER S.O. 31

INCREASE IN INSURANCE PREMIUMS

**Mr. Speaker:** I am in receipt of a notice of motion under Standing Order 31 from the Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

*Motions for Papers*

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I gave notice under Standing Order 31 in order to discuss a specific and important matter requiring urgent consideration. As you know, the attention of the House and the nation over the last couple of weeks has been on the issue of insurance and the inability of Canadian and North American insurance companies to provide the kind of services that we need. More recently, the question of the National Ski Team has been raised in terms of its ability to continue operation.

I think it would be important for the House to have a full and frank discussion of some of the options that are available so that the Government may have the opportunity to review our suggestions with a means of solving the problem both in the short and the long term.

Therefore, pursuant to Standing Order 31, I would request leave to have a special debate.

**Mr. Speaker:** Let me make one procedural comment. I am sure the Hon. Member for Thunder Bay-Atikokan is making use of Standing Oder 31 for the first time. Perhaps I should take the opportunity to remind him and others that what is supposed to be done is simply to read into the record the letter that has been sent to the Speaker, because it is on the basis of that information that I must make a judgment. Nothing different has been said, I only make a comment with regard to form for the future.

I can indicate that the Hon. Member has provided me with the necessary notice of the specific and important matter that he wishes to have debated on an urgent basis. I have carefully read the argument that he has presented in his notice and heard his argument that he made just now on the floor of the House.

The provisions of Standing Order 31(16) are very specific and somewhat restrictive and indicate that the matter proposed for discussion must relate to a "genuine emergency".

While the matter raised by the Hon. Member is, without a doubt, one of great concern to him, the insurance industry and the National Ski Team, I am in some difficulty in finding that this matter meets the very narrow terms and conditions set down in the Standing Orders. I cannot, therefore, accept his request.

* * *

## MOTIONS FOR PAPERS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Speaker:** Is that agreed?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Tuesday, January 14, consideration of Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion No. 4 (Mr. Johnston) (p. 9733).

**Mr. Speaker:** Before resuming debate, may I indicate to Members that yesterday's Votes and Proceedings and today's Projected Order of Business are in error. The Votes and Proceedings and the Projected Order of Business show that in relation to Bill C-84, the House is considering Motions Nos. 4 and 5. In fact, only Motion No. 4 has been proposed to the House, and that is on what we will resume debate. The appropriate correction will be printed accordingly. Resuming debate with the Hon. Member for Windsor West (Mr. Gray).

**Hon. Herb Gray (Windsor West):** Mr. Speaker, when the House adjourned yesterday I was pointing out that as a result of the Conservative Budget of last May, over the next five years those earning $15,000 a year will have to absorb a 36 per cent tax increase; those earning $30,000, an 11 per cent tax increase; while those earning $100,000 will only face a 4 per cent tax increase.

If we look at those few taxpayers earning $200,000 a year, we will see that they will only have to pay 2 per cent more as a result of this Conservative Budget.

• (1520)

If anything shows the basic unfairness of the Budget it is in particular the results of the proposal we are looking at now to deindex the personal exemptions. Surely this disparity of burden between those earning $200,000 a year and those earning $15,000 a year makes the point. If there is a case, and I do not think the Conservatives have made it, for increasing personal income taxes, then surely the way to do it is not to increase the taxes of those earning only $15,000 a year by 36 per cent while increasing the taxes of those earning $200,000 a year by only 2 per cent. Only a Conservative Government, especially like the one in power today, could come up with that upside down idea of fairness, which is not unusual when one looks at other parts of this Budget.

At the same time that the Conservative Government is increasing the taxes of those earning $15,000 a year by 36 per cent and those earning $30,000 a year by 11 per cent, it is giving wealthy Canadians a lifetime gift of hundreds of thousands of dollars through the $500,000 capital gains tax exemption.

I suppose if, hypothetically, the Government had said it wanted to give an exemption for capital gains if those capital gains arose from investing in Canadian enterprise, then that proposal would have been received with more sympathy across the country.

The reaction to the proposal to give this lifetime capital gains tax exemption is interesting. Even the financial community, including financial advisers to better off Canadians have found it hard to see the merit of giving this kind of exemption from investing in property, condominiums, for example, outside of the country. Why works of art and antiques inside this country and not just productive activity within Canada? In fact, any kind of capital gains, including investments creating capital gains that people made under the existing law are included. I do not know why people should be given that exemption when they did not need the encouragement of the exemption to make investments under the existing law.

Why is the Conservative Government asking this House to take away full indexing for inflation of personal income tax and thereby bringing in an automatic increase in taxes for middle and lower income Canadians?

Another way of confirming the essential unfairness of the Budget, in particular the proposal to deindex the personal income tax, is to contrast the desire of the Conservative Government to cut deindexing and raise taxes for middle and lower income Canadians while forcing through this House a measure to compensate the uninsured depositors of the Canadian Commercial and Northland Banks.

What we are talking about here is a burden on taxpayers, not just close to $1 billion, the sum covered by the Bill that was forced through this House before Christmas, but likely another billion or billion and a half dollars because of the advances made to the two banks by the Bank of Canada when the Government was trying to tell Canadians that everything was in hand, that the banks were solid and deserved the confidence of Canadians.

While the Government was telling Canadians that, it was getting information about the way it had botched the rescue of the two banks last spring, it was getting evidence that the rescue put in place was not going to be sufficient, and it was getting information about the very poor quality of the two banks' loan portfolios.

In order to make up for its own mismanagement of the rescue of the Northland and Canadian Commercial Banks the Government has imposed on Canadian taxpayers an additional burden of not just $1 billion but likely $2 billion and perhaps $2.5 billion. The Government is handing out money covered by the bank rescue Bill passed by this House under duress, I might say, before Christmas without making known the identity of the organizations or the depositors who are getting the funds as a result of the failure of the Northland and Canadian Commercial Banks.

An elementary principle in dealing with bankruptcy situations is that people who want to make a claim as creditors should disclose their identity, file the appropriate declaration, and only then, when they disclose their identity and prove their claim, do they get reimbursed. Perhaps for reasons best known to itself, the Government was too sensitive about disclosing the identity of the depositors in the Canadian Commercial and Northland Banks, depositors who were uninsured for deposits above the level covered by the Canada deposit insurance legislation, so that it forced through legislation enabling these depositors to be reimbursed without their identity being disclosed. Yet, while doing this, the Government is amending the income tax law to deindex personal exemptions, bringing about a very substantial ongoing increase in personal income tax for middle and lower income Canadians.

We are at present discussing the matter of deindexing exemptions and in that way increasing the personal income tax of middle and lower income Canadians, but let me remind the House that the Government is increasing the personal income tax of middle and lower income Canadians in other ways as well.

This Budget is eliminating some basic tax reductions put into the income tax law by previous Liberal Governments. These are tax reductions aimed especially at helping people in the middle and lower income categories.

What we see is a basic unfairness in this Budget. What we see is a basic unfairness in the way this Conservative Government is dealing with the affairs of the country and a basic unfairness in the way it treats the largest portion of the Canadian population, it being middle and lower income Canadians. The Government though is there for the wealthy who want a capital gains tax exemption, even though capital gains do not come from job-creating productive investment in Canada. The Government is there to help out the wealthy uninsured depositors in those banks for whose failure it has to be responsible. But when it comes to ensuring the well-being of middle and lower income Canadians, instead of being there to ensure that well-being, the Government is hitting them some heavy and unwarranted blows with its Budget of May 23.

I say that this House should support the amendment offered by the Official Opposition to eliminate the Conservative effort to cut the indexing of personal income tax. Only in that way will we begin not just to restore a basic element of fairness in our tax system but to wipe away some of the very serious damage to the fabric of our country already carried out by the Conservative Government after only a year and a half in office.

The amendment must be supported, Mr. Speaker. If it is not, Canadians certainly will be harmed, and they do not deserve to be harmed by this unfair Conservative Budget.

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I rise to support this amendment and to speak out against what the Government is planning to do by imposing this 3 per cent figure under which the taxation will not be indexed.

• (1530)

With the indexation of tax brackets and such things as the family allowance introduced in the 1970s, the Government was

taking an important step forward. It was making an important adjustment to the economic realities of that time. Indeed, those economic realities persist and are in some ways more pressing today. By taking the Government out of the inflation profits business, the Government was taking a responsible step, a step which eliminated an inherent conflict in the way in which Government was run or did its business. While there was no inflation indexing, the Government in a way was tempted to promote inflation because by having people move up the income scale, it benefited by gaining increased tax revenues or by an increased tax yield on the inflated incomes of those people. While it is a matter of public record that the previous Liberal Government succumbed to a large variety of temptations, we can at least give it credit for taking this particular temptation out of its way by the introduction of indexation of tax brackets and of those benefits.

The effects contemplated by these measures, or the effects which these measures will bring into being, are of course an increase in Government revenues over what they would be previously. However, it is worth pointing out that the increases about which we are talking will be cumulatively compounded, so that when we reach the 1990s the Government will perhaps be taking $2 billion or $3 billion out of the economy as a result of this very simple, seemingly small change proposed in the Income Tax Act. It seems that the Government has taken the decision to get back into the business of profiting by inflation. What is entailed in the legislation, Bill C-84, is that when there is an inflation rate of 3 per cent or less, the Government will take all the increase brought about by that increase in the inflation rate. When there is an inflation rate of over 3 per cent, essentially the Government will take the first 5 per cent of the inflationary increase in the nominal incomes of people.

It is very important to point out the difference between a real increase in income and the imaginary or illusory increase which inflation confers upon wage earners and indeed everyone who pays taxes. Those gains are totally illusory because they simply represent a redenomination of the income which the person has without any increase in the real value. Thus, to have the Government profit by the first 3 per cent of that redenomination gain is not only poor in an economic sense but in some ways smacks of immorality.

The Government has shown the House and the country that when it comes to its priorities, when it comes to the rewarding of its corporate friends, and when it comes to the bailing out of banks or oil companies, it is indeed a Government which has all the funding that apparently it could desire. We have not heard from the Government when it has been asked for a sort of on demand tax exemptions available only to the rich and powerful. We have not heard from the Government that it does not have the money to fund them. We have not heard the Government saying that it cannot afford to bail out 100 per cent of the deposits over $60,000 for the banks which failed. We have not heard the Government say to Gulf that it cannot provide the exact tax exemption for which it is looking. When it comes to requests from those interests, the Government has been all too accommodating. For example, when it comes to the requests for subsidies to institute an auto plant, before the request had even been made, the Government was out there with its cheque-book. That is a level of generosity which borders on the foolish. It is a level of generosity which has not been extended to ordinary Canadian taxpayers. It is a level of generosity that we know will not be extended to ordinary taxpayers by this Conservative Government which uses loosely the label "Progressive" in somewhat incoherent conjunction with the "Conservative" tag that it more fairly merits.

Another aspect of the deindexation of the tax brackets touched upon by the Hon. Member for Windsor West (Mr. Gray) is of course the effect that it will have on people at the lower end of the high income scale. We are talking about a comparison of those who are fairly comfortably off, those who are wealthy and those who are super rich. I think the figures were put accurately by the previous speaker when he mentioned the impact on those people in the $30,000 to $40,000 range compared with those people who enjoy the giddy heights of an income in the range of $200,000. The effect of the deindexation of tax brackets on the people in the lower end of that scale is significantly higher on a proportionate basis than it will be on those people who are higher up that scale. Of course the Hon. Member for Windsor West did not mention that that was the case because the Liberal Government, I believe it was in 1981, removed the progressive rates of income tax. This was a contributory factor to the greater impact of deindexation on middle-income earners. Perhaps it would be going a little too far to expect an acknowledgment of that deficiency of the previous Government, which I note the present Government has not done anything to remedy. It is worth adding to the point that was made by saying that we are not talking about a one time impact on the incomes of people in the range of $30,000 to $40,000. We are talking about an impact which repeats itself. Year after year, the people in the lower end of that range will see more of their income taken by deindexation than will the people in the upper end of the range.

If I might do so, without straying too far from the text and the sense of the amendment, I draw some comparisons between the Government's general treatment of people who are in the lower and middle-income brackets and those in the upper-income brackets. For example, we know that those people in the range above $150,000 of taxable income had something like ten times the amount of declared capital gains of people in the $20,000 to $30,000 range. Of course that is understandable. It is something that tax planners would be well aware of when they started doing any analysis and even before they needed to analyse the impact of tax measures. However, when we look at taxation and the measures which the Government is and is not taking, we need to compare the two sides. We need to look at what the professionals call, perhaps presumptuously some may say, tax expenditures. We need to consider the level of exemption which tax expenditures confer upon those in the upper ranges of the income brackets. The point has been made by a large number of speakers that capital gains tax exemption basically restores to the wealthy,

to the high-income taxpayers, the losses which they would be suffering by the exemption being taken away.

We have a scenario that the tax rates and the exemptions for the wealthy will balance off. In many cases they will balance off to the advantage of individual or corporate taxpayers. However, when it comes to the lower or middle-income taxpayers the Government is getting its share. The Government is going to take that money from the communities across this country and use it in Ottawa to pay the deficit. Frankly, the broader backs are not bearing the burden, and that is the legacy of this Budget, that is how this Budget will go down in the memory of Canadians. That is how this Government will be seen and will deserve to be seen.

• (1540)

[*Translation*]

**Mr. Maurice Tremblay (Lotbinière):** Resuming debate, Mr. Speaker, I want to take advantage of these few minutes, because it is all very well to sit and listen to the various speeches on Bill C-84, but after listening to the exaggerations of the Opposition parties, I felt it was necessary to set the record straight.

Mr. Speaker, we know that to govern is an art in itself. And surely—

**An Hon. Member:** You still don't know how.

**Mr. Tremblay (Lotbinière):** Well, those who thought they did saw that Canadians across the country were quick to put them in their place and cut them down to size. And if you go on the way you are now, the Canadian people will realize you not only failed to learn your lesson when you had every opportunity to do so . . . You had the time and the so-called competence.

You even . . . and I want to use the example mentioned by my hon. friend of the New Democratic party, namely that indexation of the child tax credit was introduced in 1970 by the Liberal Government. A tremendous idea. Very good. But remember that at the time, the economic situation was not what it is today, Mr. Speaker. What was true and logical at the time is not necessarily so today. The situation may have deteriorated, which means that a responsible government must be able to ensure that, when people are penalized by measures that made sense at the time they were introduced, they are treated fairly by changing the Government's policy.

Furthermore, Hon. Members will recall that at the time these measures were introduced, that same Government had far more room to manoeuver because at the time we had a Budget surplus. You will see—

**An Hon. Member:** The Minister isn't even aware of that.

**Mr. Tremblay (Lotbinière):** Never mind, my friend. By all means, look after the interests of your constituents if you can, and whenever you decide to go to the riding next to yours to visit the famous phytoculture centre I hope you will remember this occasion—the debates are recorded—and how stupid you were to refuse to see anything. We shall see. We shall see.

As I was saying, Mr. Speaker, at that time—

**An Hon. Member:** We shall see all right.

**Mr. Tremblay (Lotbinière):** Yes, yes, we shall see, we shall see. What? Rats never fail to find their hole. Of course, there are passing times when one has a high opinion of oneself. But justice usually prevails so that smart people find their place, whereas rats find their hole.

That being said, Mr. Speaker, at the time when the child exemption was indexed there was a budget surplus. Fifteen years later, Mr. Speaker, the budget deficit amounts to $220 billion. It is not a budget surplus.

These steps were taken at a time when we could afford them. However, if we did continue to shy away from our responsibilities, it is clear that sooner or later the poor would suffer more than the rich. The purpose of Bill C-84 is to make it possible for the needy, most of them women, to get—

**An Hon. Member:** At a cost of some $500,000 each.

**Mr. Tremblay (Lotbinière):** I will return to that in a little while—to get income tax reimbursements and be given advantages over affluent taxpayers.

**An Hon. Member:** Name these advantages.

**Mr. Tremblay (Lotbinière):** During the question period, Mr. Speaker, I listened to the Members of the New Democratic Party who were making ridiculous remarks about interest rates and asking the Minister of Finance to telephone the Governor of the Bank of Canada to prevent an increase in interest rates at noon tomorrow.

**Mr. Lapierre:** The Conservatives were doing that all the time when they were in the Opposition.

**Mr. Tremblay (Lotbinière):** As though it were as simple and as easy as that, Mr. Speaker. On the basis of their findings, it is clear that no telephone call to the Governor of the Bank of Canada would be necessary to prevent an increase in interest rates. It is not so simple as that, Mr. Speaker.

**Mr. Lapierre:** What is the solution?

**Mr. Tremblay (Lotbinière):** In connection with what Members of the Liberal Party were saying earlier about capital gains tax exemptions, Mr. Speaker, I said that governing is an art—

**Mr. Lapierre:** For the big shots!

**Mr. Tremblay (Lotbinière):** But we have a many-faceted economy and it is these measures as a whole that provide the country with the necessary confidence to attract investment, both domestic and foreign, that enable observers to realize that there is not only political stability, but people assuming their responsibilities.

Mr. Speaker, I am at a loss to understand the Hon. Member who rose before me and who dealt with priorities. That is exactly what Bill C-84 is concerned about. It was and is a priority for this Government to take steps to try and stop the widening of the gap between the poor and the affluent. The purpose of Bill C-84 is to close this gap which, because of the economic situation, had been widening. I can now say that over the one and a half year period since the election, the situation has been improving considerably, something the Opposition has been realizing slowly and quietly, as the Canadian people are finding out that the Government is achieving its mandate. The situation is improving. It is clear that Bill C-84 will eventually make it possible to reinstate the full indexation. That is our intention and we hope sincerely to attain this goal as soon as possible. However, first of all, we must take our responsibilities and this is precisely what we are doing through such measures in the hope that we can re-establish full indexation in the near future.

Mr. Speaker, I see that you want me to conclude. I am sorry about it, but if the flagrant attacks on such an essential piece of legislation continue, I shall use again my privileges as a Member of Parliament to say what must be said.

● (1550)

[*English*]

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I would like to begin my comments by reminding the Hon. Member who just spoke that history has proven that Governments in this country are not elected but are defeated. He would be wise to consider that the next time he makes a comment in the House.

I would like to deal with the amendment that would restore full indexation to tax brackets and personal exemptions. It is important to reverse the proposal put by the Government, and the Government should give this serious consideration. Last spring, we saw the senior citizens of Canada rise up to tell the Government that it could not tamper with their incomes and that it must continue the indexation of the old age security benefits. This fall and into 1986, we have seen families from all across Canada doing the same thing. Today, as has happened almost every day for many, many weeks, Hon. Members from all Parties have risen in the House to present petitions calling on the Government to scrap its plans for the deindexation of the family allowance benefits.

The deindexation of tax brackets and personal exemptions is no different. This plan will ultimately hurt ordinary Canadians, the people who can lest afford to have their incomes reduced in any way. With the deindexation program combined with the now climbing interest rates which will impact on the ability of people to keep roofs over their heads, we can see very clearly the direction the Government is taking. It is a direction that is moving away from fairness and from the concerns of many of those people who voted for the Conservative Party. The Government is moving in the direction of support for the corporate sector and the big people.

I wonder why there is this increased need for funding for the Government. We hear rhetoric about the need to reduce the deficit, but actions speak louder than words. There have been billion-dollar bail-outs for the banks. There have been tax remissions to Syncrude that may amount to something like $1 billion. Olympia & York may also be the beneficiary of tax breaks and perhaps even Genstar will be the beneficiary of such tax breaks. In the future, we will see more tax dollars going from the Government to the corporate sector. The only place the Government can get this money is from the wallets of ordinary Canadians.

The Government is out to squeeze as much from the people as possible. It is not doing this in an up-front way by saying that personal income taxes must be raised by 10 per cent. The Government is not being honest with Canadian people. It is going through the back door to pick pockets through a sleight-of-hand mathematical change that will reduce, over time, the amount Canadians will be able to deduct from income taxes payable.

Years ago, the ability of the electorate to recall the actions of Governments tended to be reasonably limited. However, with the modern communications technology that is now available and with the fact that there are thousands if not hundreds of thousands of Canadians watching us every day in action in the House of Commons, the electorate will remember the meanness involved in the attempt to deindex old age security benefits and the action to deindex family allowance benefits. The people of Canada will remember the decision made by the Conservative Government to reduce the ability of Canadians to have their deductions keep up with inflation. They will remember this when they go to the polls. Each Canadian will ask himself: "Can I afford another Conservative Government?" A great many Canadians will say: "No, my family and I cannot afford to have our incomes, our deductions and our lifestyles eroded by another Conservative Government," and they will search elsewhere.

I would ask the Government opposite to pay heed to this amendment and to consider its actions. I ask the Government to reverse its actions before it is too late.

[*Translation*]

**Mr. Michel Champagne (Champlain):** Mr. Speaker, I am happy to speak about motion No. 4 which concerns Section 65 of Bill C-84.

Mr. Speaker, I have trouble understanding why the two Opposition parties persist in letting such a Bill go forward, or rather in refusing that the bill go forward and in supporting this motion. Why, and I do not see many Members opposite, why do the two Opposition parties refuse to see the facts and

recognize that the child tax credit will increase by $140 during the next three years? Did you know, Mr. Speaker, that this $140 increase represents more then the average rate of inflation? Did the two Opposition parties say so when they travelled throughout the province and the country? Did they have the courage to do so? Did they have the political will? And most important, did they have the strength to do their job as Members of Parliament by telling the Canadian people, by telling Canadian mothers, by telling our poorest families, that the child tax credit would be reimbursable for the most disadvantaged families? This represents $35 the first year, $35 the second year and $70 the last year.

No, Mr. Speaker, we did not see this happen. We did not see it because, on the other side of the House, both New Democrats and Liberals have taken a rather demagogic attitude.

It is certainly shocking and even revolting, Mr. Speaker, when you sit across from them, to realize that, after 20 years in power, and we all know that the Liberals have been in power more often than not, the parties opposite, and especially one of them, were unable to develop a social policy which would be fair and equitable to every Canadian family, including the most disadvantaged.

For them, Mr. Speaker, the principle of equity is not complicated: Rich and poor should be treated the same. This is what the other side calls equity. They do not understand, or they refuse to understand for financial reasons which could be of benefit to them, that a family earning $15,000 a year and one earning $100,000 cannot be viewed in the same way.

They do not understand, Mr. Speaker, and if I may use my own situation as an illustration, that myself and my family now receive the same family allowances as the single mother who lives out in the countryside and who needs welfare benefits to pay the rent and feed her family. They do not understand that she should receive more. They do not understand that the actual thrust of our legislation should be in that direction. No, Mr. Speaker. To them, the principle of fairness is to have everyone on the same footing, whether rich or poor. You all get the same thing. And especially when I hear the Hon. Member for Richmond-Wolfe (Mr. Tardif) crying out in this House, even rising on occasion since he has been in Opposition, I am inclined to ask him one thing: Where was he when his own party was de-indexing? Where was he? In the House or away travelling around? Perhaps there were reasons for his travelling. Where was he, Mr. Speaker, when his own Government decided to change course with respect to family allowances? If he was in this House, I wonder why he did not rise to vote against that, since he is opposing it today. I am wondering. Maybe he was on a trip. But it does not matter.

Mr. Speaker, I am coming back to my subject for I had no intention of being distracted by the Hon. Member opposite. You know—No, I would rather not say it. Look, Mr. Speaker—

**Mr. Rossi:** Go ahead, say it.

**Mr. Champagne:** Oh no, I must not say it.

Mr. Speaker, I think that in this Bill, in this motion, we have to look at the facts as they are. Hon. Members opposite, especially Liberal Members, have asked us on many occasions to set politics aside and speak in an honest, accurate way. Well, I am ready to do so. And for sure all my colleagues are willing to do so. But under one condition: That we tell the whole truth. We must show exactly what shape our social system is in. Exactly what shape the deficit is in. We must state exactly how we, as a Government, as Members of Parliament, as representatives of the people, are going to work at building a society in which our children, our most needy families, all Canadians can live with a measure of fairness. This is all we are asking for, Mr. Speaker, this is what we are working on. This is what we are aiming at. This is what we want to achieve. Unfortunately, every once in a while, and too often in my view, especially when I see the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—

**Mr. Gauthier:** What did he do now?

**Mr. Champagne:** —I will tell you if you sit down ... good, I will say it ... they are there striving to boycott legislation. There they are opposite, trying to stop the course of events.

You know, Mr. Speaker, they were there for 20 years, and now that they sit in Opposition all they can do is bring in amendments, amendments, and more amendments. As you know, Mr. Speaker, such is the ingenuity of the Liberal Party. For 20 years, they acted as if they were sitting in Parliament, as if they were passing legislation, as if they were working for the whole of the Canadian community, except that they forgot one thing, Mr. Speaker. They are accusing our Government of helping the rich. But if my memory serves me right, the richest in our society were not paying any income tax. It is under this Government, with our new regulations that they will be paying a guaranteed minimum income tax. These are the facts Mr. Speaker, these are the facts and we are addressing them. These are the facts, my dear Member for Richmond-Wolfe, which will ensure that less privileged families will get more, because the principle of fairness will never apply in the same way to the rich and the poor alike. The fact must be addressed that there are have-nots. And this is what we are doing as a Government. Certainly this is a tough responsibility. Certainly it is a responsibility that Opposition parties do not understand. Because, as you see plainly: a $200 billion deficit, the most affluent who were not paying any income tax, multinationals and the big corporations which were getting handouts. This being said, I would like to remind the liberals who accused us regarding the Norbank and the other banks, that they did exactly the same thing in 1925. At that time, they reimbursed the depositors of the Home Bank. That is why I cannot accept, Mr. Speaker, their holier than thou attitude in front of the Canadian people, who had to put up with them for 20 years.

They have done the opposite of what they say should be done. I believe that our Party, our Government, is able to respond adequately to the demands of Canadians and in particular to the demands of the neediest families. That is what we are striving to do. Let us give more to the disadvantaged, let us make the rich pay and in this way, I am sure, we will create a more equitable system, a system of social justice, and we will be able to say that we are working for all Canadians.

• (1600)

**Mr. Carlo Rossi (Bourassa):** Mr. Speaker, I listened with interest to the Hon. Member for Champlain (Mr. Champagne), who is certainly to be congratulated on his efforts to score a few points for a Government that is going to the dogs, as they say. He tried to give us several figures, but the fact is we are now seeing percentages as low as 36 and 37 in the polls, which certainly does not bode very well for the future.

**Mr. Vincent:** Wait until 1989.

**Mr. Rossi:** We shall see.

Mr. Speaker, I also want to say that at the beginning of his speech, the Hon. Member for Champlain alluded to the fact that so few Members were present in the House. Mr. Speaker, I would like to draw the attention of the House to the fact that at this very moment, eighteen Conservative Members are present, out of 211. That is a lot more than the Members opposite can draw from.

I am pleased with this opportunity to take part in the debate on the amendment proposed by my hon. friend from Saint-Henri-Westmount (Mr. Johnston), aimed at amending a Bill whose sole purpose is to increase taxes, despite all the attempts of the Government to conceal this fact.

Yesterday afternoon, I heard another Member from Quebec, my hon. friend from Hochelaga-Maisonneuve (Mr. Desrosiers) say in his grandiloquent speech that the ultimate objective of Bill C-84 was to promote justice and fairness. Mr. Speaker, what a farce, coming from a Member who claims he wants to help the needy in his riding. This is incredible, coming from the Hon. Member for Hochelaga-Maisonneuve and other Quebec members, when we consider what is happening and what they are doing about it. It is incredible, because these measures are aimed directly at people who lack the financial resources to meet all their day-to-day needs.

The deficit being what it is, I believe that we all have a responsibility and that it is necessary to identify mechanisms by which we can improve the economic situation. Everybody realizes that. However, it seems the Government nearly always introduces measures that take money from the poor and the needy.

An attempt was made to impress Canadians. An attempt was made to impress Canadians by spreading the news, on the radio and just about everywhere else, that the Prime Minister (Mr. Mulroney) was going to take a salary cut of so many thousand dollars, and that his Ministers were going to do likewise. Mr. Speaker, this may seem very admirable, but when we are talking about a $10,000 cut out of $150,000 or $120,000, my admiration is not that great.

What frightens me the most in this message, Mr. Speaker, is the added mention that Canadians will have to do some belt tightening. That is what frightens me. To what extent will Canadians have to tighten their belts in 1986? What sort of message is the Government sending out? Will there be tax increases? Has the Government found new ways to dig in the pockets of the disadvantaged?

I notice my hon. colleague opposite. I do not know what riding he is from but ever since he came to the House some 15 years ago he has been a constant mumbler.

Finally, Mr. Speaker, my friend the Hon. Member for Champlain (Mr. Champagne) examined the situation quite thoroughly and came up with some figures, but he forgot to tell Canadians that during our election campaign, we said this or that. But your own leader the Prime Minister (Mr. Mulroney), wherever he went in the Province of Quebec and elsewhere in Canada, solemnly promised never to touch the Family Allowances or Old Age Security Pensions. Yet, the only way you have been able to raise money in the effort to cut the deficit has been at the expense of the poor in our society. All you have managed to do is to deindex the Family Allowances and Old Age Security Pensions.

**Mr. Girard:** Do you believe that?

**Mr. Rossi:** Sure, they believe me... And the proof that Canadians no longer believe you is that compared with September 4, 1984, when you had 54 or 56 per cent of the popular support, you now have only 37 per cent, according to the most recent survey.

What I am saying, Mr. Speaker, is that the Prime Minister and the Members of his Cabinet should keep their promise and stop getting money on the backs of the poor and the disadvantaged in our society.

They should stop giving away... They were talking about giving away $500,000 or more to the affluent—

**Mr. Vincent:** That is another motion.

**Mr. Rossi:** That is another motion which you will support in a little while. But your great strategy is to get money from the poor and the disadvantaged rather than from the rich.

• (1610)

[*English*]

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 4 standing in the name of the Hon. Member for Saint Henri-Westmount (Mr. Johnston). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 2 and 3 will now be grouped for debate and voted on separately.

**Hon. Donald J. Johnston (Saint-Henri-Westmount)** moved:

Motion No. 2

That Bill C-84, be amended in Clause 58 by adding immediately after line 39 at page 90 the following:

"(*d*) 'qualified Canadian property' of an individual means a property that was a Canadian security within the meaning assigned by subsection 6 of section 39."

Motion No. 3

That Bill C-84, be amended in Clause 58 by adding immediately after line 40 at page 91 the following:

"(*d*) the amount that would be determined in respect of the individual for the year under paragraph 3(*b*) in respect of the capital gains and capital losses if the only properties referred to in that paragraph were qualified Canadian properties."

He said: Mr. Speaker, this brings us to a very important motion with respect to the capital gains proposal contained in the budget document. I will explain the amendment in full in a moment. I hope I have the attention of Members on the other side of the House because I think anyone who looks objectively at what is being proposed will agree that this is a substantial improvement to the provisions set forth in the Budget. I am pleased to see the Hon. Member for Brampton-Georgetown (Mr. McDermid) is with us, as well as the Minister of Consumer and Corporate Affairs (Mr. Côté), the Minister of Supply and Services (Mr. McInnes) and the Minister of Communications (Mr. Masse). I hope the Ministers in particular will go back to their colleagues and reflect upon the significance of what is being proposed here.

If I may spend a moment on a technicality, Motion No. 2 will be subject to a very small technical amendment, which I understand will be proposed later, probably by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau). As I pointed out yesterday, the letter "(*d*)" should not be included inside the quotation marks in the amendment. That stands by itself, as it were, as a definition of qualified Canadian property.

That being said, allow me to explain to my friends in the House what this amendment is designed to accomplish. A definition of qualified Canadian property is found in Section 39(6) of the Income Tax Act. The thrust of this amendment is to give some focus to what the Government is attempting to do. We have made our arguments in principle that this is not an appropriate provision in the Budget, the provision of a $500,000 lifetime capital gains exemption. We might have been prepared to look at something more sensible in that regard. However, clearly it is inappropriate. It is costly and, beyond that, almost completely unfocused.

[*Translation*]

Mr. Speaker, it has been said many times how Canadian taxpayers can use that provision. One can sell condominiums in Florida, one can sell jewels, paintings, boats. The Budget does not contain any provision for channeling those investments towards productive sectors here in Canada.

[*English*]

It is in that spirit that this amendment is being proposed; to concentrate the benefit of any capital gain here in Canada for Canadian investors to create the jobs we need so badly and to spur economic activity in this country. The simple mechanism whereby that can be accomplished with this amendment is by defining qualified Canadian property using Section 39(6) of the Income Tax Act which defines a Canadian security as follows:

For the purposes of this section, "Canadian security" means a security (other than ... a prescribed security) that is a share of the capital stock of a corporation resident in Canada, a unit of a mutual fund trust or a bond, debenture, bill, note, mortgage, hypothec or similar obligation issued by a person resident in Canada.

There are prescribed securities for the purposes of Section 39(6) currently found in the regulations to the Income Tax Act and what is being suggested in this amendment is that a further prescribed class could be developed in the discretion of the Government to restrict the investment to qualified Canadian property. So there is ample discretion left within the terms of the motion which I have proposed.

[*Translation*]

For instance, the Government is quite capable of defining the fields where investments can be made, be they small- or medium-sized businesses or corporations operating on the Canadian market. It has sufficient leeway to concentrate the benefits here in the hands of Canadians so as to spur the economy and create jobs in this country. That is the purpose of my motion, Mr. Speaker.

● (1620)

[*English*]

As I said a few moments ago in French, Mr. Speaker, we think it is absurd to introduce a provision into our income tax system which, in fact, will encourage investors to invest elsewhere, especially when one looks at the other provisions which

are currently under study by the Government of the country. I refer particularly to this proposed minimum tax which makes Canadian equities less attractive. It makes them less attractive because of the treatment that will be accorded to dividend income under that proposed minimum tax. When one considers the combination of the tax-free capital gain of $500,000 and the minimum tax, clearly an investor has incentive to buy U.S. equities rather than Canadian equities.

The purpose of this amendment is to say that if the Government insists on proceeding on the capital side by providing a tax-free capital gain in the order of $500,000, then at least let us ensure that it is a benefit to Canada and Canadians, and does not simply result in the export of capital to other parts of the world. This is especially important during this present critical period when the dollar is under so much pressure because of the lack of confidence in the financial and economic management of the country.

I believe it was the Member for Ottawa Centre (Mr. Cassidy) of the New Democratic Party who, at one point in committee, proposed an amendment like this one, but not as refined, which is the reason I did not support it at the time. It was simply restricted to investments in Canada. I think we must go further than that. I do not think that we should be giving tax-free treatment to real estate investment in the country during this period, nor do I think that we should be giving tax-free treatment to the sale of jewellery, art—

[*Translation*]

—artworks here in Canada. What is more important is that those funds be invested in key sectors to stimulate the economy and create jobs. Mr. Speaker, that is the purpose of my motion which is now before the House.

[*English*]

Before I resume my seat, Mr. Speaker, I plead with my friends on the other side of the House. I know that there are many who understand precisely what I am saying. I am pleased with the number of them who are present in the House at this time. I see my friend, the Member for Selkirk-Interlake (Mr. Holtmann). We listened to him yesterday. He was very eloquent, but somewhat misinformed. However, he clearly understands the implications of what we are proposing.

We are reluctantly supporting the provision because the Bill has already been adopted in principle. As a constructive Opposition we are trying to make it better. I insist on that point, Mr. Speaker. Our job in Opposition is not simply to oppose, it is to improve. This amendment is a net improvement which any sensible Canadian would recognize. In fact, if one follows the commentary in the press, one will see that most Canadians have recognized this. However, those who consider themselves bound by Party discipline in Government policy have, unfortunately, so far refused to stand up and be counted on this very fundamental issue. They now have the opportunity because, as I say—

[*Translation*]

—what we have to do here is fair and logical, and it is in the interest of Canadians, particularly in the interest of our own economy. Honestly, Mr. Speaker, I find it hard to understand why our colleagues fail to see the merit of what we are proposing today.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am happy to speak about the motion presented by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston). The Hon. Member was speaking about the $500,000 capital gains exemption and, as usual, unfortunately, he found a negative side to this measure. Unfortunately, when the Government proposes something useful, profitable or economically attractive for Canadians, one or two Members of the Opposition always find fault with it. They say: Naturally, Canadians will go and invest in Florida, but most important, they will invest even more in Florida if there is a minimum tax. Mr. Speaker, they are misleading the House and the Canadian people. We all know that there is also a minimum tax in the United States.

The purpose of the $500,000 capital gains exemption is to encourage Canadians to invest more and to have a new approach to savings. We have heard and still hear a lot about small businesses: they are at the centre of our policy. Small businesses created the greatest number of jobs in Canada in 1984. Such an effort must be rewarded and we have done so by saying that, when small businessmen decide to retire, they will be allowed a capital gains exemption, they will be able to have somewhat lower costs in their businesses, young people will be able to become more involved in the business, to invest and continue to create jobs and make things work in Canada. That is the purpose of the capital gains exemption.

I shall not go into the details as concerns agriculture where this measure is of vital importance. If the Hon Member for Saint-Henri-Westmount had a single constituent in agriculture, he would understand what we are saying. But he is more representative of Westmount than of Saint-Henri and I can see that he is not familiar with agriculture.

Mr. Speaker, in the constituency of Trois-Rivières, I meet people every Sunday. I meet farmers every weekend. They are all very happy with our policies. Small businessmen are all very happy with our policies. People who have already retired and have assets in Canada are happy to be able finally to say that they have a better return on their investment. They are happy at the same time that this will help young people starting in business thanks to the capital gains exemption. That is the positive aspect that we should keep in mind.

Sometime ago, during the debate on Bill C-84, I heard a Member of the Opposition say that this was a complex Bill. This is a criticism which was made some time ago. However, the only purpose of the motion presented by the Hon. Member

for Saint-Henri-Westmount is to make the Income Tax Act even more complex than it already is. For our part, Mr. Speaker, we are working at changing the Income Tax Act. Yet, the Members opposite want to add something to the Act which could apply through regulations and whose result would be that the small investor would once again be footing the Bill. It is unfortunate that the Hon. Member for Saint-Henri-Westmount does not recognize this. When he says that he does not understand why his motion is not acceptable, I would like to tell him that it is for those reasons, Mr. Speaker.

He said that the Opposition must make a positive contribution. We quite agree with him, but such motions, which would make the Act even more complex and which criticize the capital gains exemptions that will help our businesses, do not constitute positive opposition, far from it.

• (1630)

[*English*]

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I just want to participate very briefly on this section of the debate to indicate that the New Democratic Party is not supportive of the amendment. We believe that capital gains are capital gains, regardless of where the money is earned. We do not think that someone who sells a condominium in Florida and receives the benefit should be taxed differently from someone who sells a condominium in Vancouver, Thunder Bay, or wherever. For that reason, we will not support this particular amendment.

[*Translation*]

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I would like to rise in this debate in support of Motion No. 2, presented by my colleague from Saint-Henri-Westmount (Mr. Johnston), to restrict the capital gains exemption to gains realized in Canada with respect to Canadian businesses or property.

Without going over the whole debate on second reading, I was surprised to hear the Hon. Member for Trois-Rivières (Mr. Vincent) make the kind of comments he did, because it is clear to me he did not really grasp the meaning of the amendment put forward.

In principle, we already have taken a position concerning the fact that a Government claiming to have no money to maintain full indexation of family allowances—we do not believe that a Government taking such an attitude, cutting indexation—we cannot understand how it can then say it has enough financial resources to give tax benefits to people who have enough income to invest and realize capital gains. This is a matter of equity and social justice, and as we know, according to published surveys that come from people in the Conservative Party, Allan Gregg, who says that: The main difficulty faced by the Government with its Budget of May 23, 1985, is that it is perceived as being unfair because it in fact is unfair—

And, besides, as we maintain, it is and is perceived as such. And the proof is, Mr. Speaker, that this Government, claiming it does not have the financial resources for first-hand social programs, had the resources available to give to the multinational oil corporations. And I will not discuss that any further because we could start anew on the second reading debate.

But as we look at it, and not just the Liberal Opposition, we can be blamed for playing politics although it is our role to oppose when in Opposition, and if it were our role to oppose in Opposition, we are not the only ones to do so.

And rather than rely on the views of people who have nothing to do with the administration of our tax laws, I would quote from an article published by the *Financial Post Magazine* after the Budget was tabled, long after it was tabled, and which reports on conversations and discussions held by the Canadian Tax Foundation. Of course the Canadian Tax Foundation includes in its membership chartered accountants, tax experts from all over the country. They had a convention and considered the effects of Bill C-84, of the Budget from a general standpoint, but especially the impact of such a repeal of the capital gains tax.

Several experts have expressed their views, and this is, for instance, what the article had to say. I am quoting from the *Financial Post Magazine* of November 30, 1985, as published under the signature of Mr. Gordon Pitts, the journalist who wrote that article. He attended the Canadian Tax Foundation convention.

This is what he wrote:

[*English*]

Finance Minister Michael Wilson's $500,000 capital gains exemption is meeting strong opposition from one group that has much to gain from it—the country's tax practitioners.

They will earn hefty fees from the fancy tax planning the exemption will spawn. But even so, many of the 1,500 accountants and lawyers attending last week's Canadian Tax Foundation conference here criticized the proposal as ill-conceived and poorly designed.

I would indicate to the Hon. Member for Trois-Rivières (Mr. Vincent) that this is not a comment made by a Liberal. It is not a comment made on a partisan basis. Those comments are made by lawyers and accountants who will benefit from this legislation because it is so complex that they will have to advise their customers and charge "hefty fees", to use the words in the article.

Mr. William Lawlor, a national tax partner with Ernst & Whinney, a firm that I understand is particularly close to the Conservative Party, sparked the debate by saying that this measure "will have disastrous effect structurally on the tax system".

[*Translation*]

Taking into account those remarks, and surely all those made by other experts, and because of those difficulties, we ask: "Why not try at least to improve the Bill and restrict the benefits of this exemption to capital gains realized on Canadian property in order to spare the taxpayers?" And I would like

to go along with the Minister of Finance (Mr. Wilson) who wants to reduce his deficit. Well, to achieve that end, he might first consider not applying the tax benefits provided for in his budget to gains realized on property owned abroad. I fail to see what good Canada will get out of that. If there are no other changes to the Bill, Motion No. 2 in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) should at least be accepted. According to the figures provided by the Department of Finance, that tax benefit as it stands will have cost the Canadian Government $4.5 billion in lost revenues by the end of the decade. That is not a long period, just a matter of four or five years. We must be aware of the extent of the enormous benefits that are handed out to a small group of Canadians, those whose income is high enough to allow them to invest and realize capital gains. Let us at least restrict the exemption to the capital gains on investments made in Canada, in order to attain the goal we are aiming at, that is supposedly to create jobs.

Naturally, if the objective had been something other than encouraging Canadian investment and creating jobs, other arguments could have been made, I suppose. But the stated objective was to help the economy and, therefore, I do not understand why we should use public money, at a time when we have so little that we cannot maintain the full indexation of family allowance. At least, we should limit its application to capital gains realized in Canada, on Canadian properties. That is the intent of Motion No. 2 which I support and which will be considered, I hope, Mr. Speaker, by the Hon. Members opposite since it would prevent wasting our financial resources on gifts to people who are going to invest, in the United States or elsewhere, in yachts, condominiums, race horses or something else. I believe that if we want to reach the goal that has been set we must restrict the application of this proposal.

The Hon. Member for Trois-Rivières (Mr. Vincent) said that it would be overly complicated, but, Mr. Speaker, it is already in the Act. It is in Section 6 of the Act. It has already been interpreted by the courts. All we have to do is use it to define Canadian properties in the same way as they are defined in the Income Tax Act, so I do not see any of the complications mentioned by the Hon. Member for Trois-Rivières.

To conclude, Mr. Speaker, I should say, in view of the remarks the previous speaker made, that there is a mistake in Motion No. 2, which reads:

That Bill C-84, be amended in Clause 58 by adding immediately after line 39 at page 90 the following:

We have a colon and the next line starts with "(d). That (d) should not be there. That is why, Mr. Speaker, I propose, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

That Motion No. 2 be amended by striking out the "(d) at the beginning of the proposed amendment.

**Mr. Deputy Speaker:** The amendment proposed by Mr. Garneau, and seconded by Mr. Gauthier, would remove the letter "*(d)* at the beginning of the second paragraph of Motion No. 2. Is that right? We resume debate on the amendment. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

• (1640)

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, I am very pleased as well to take part in this debate. A few minutes ago, the House heard the comments of the Hon. Member for Champlain (Mr. Champagne) whose speech as a whole can be summed up as follows. According to the Hon. Member for Champlain, the measures now before the House were aimed at increasing the contributing capacity of the neediest people through a tax break.

Later on, the Hon. Member for Trois-Rivières (Mr. Vincent) said to the House that when going around in his riding, he met with businessmen who were all very happy, very enthusiastic about the measures put forward in the same budget, the same legislation. Now, Mr. Speaker, there seems to be an obvious contradiction between these two speakers, which it is I believe the purpose of all speeches made by Hon. Members on this side of the House to point out.

Members on this side of the House are all aware of the fact that the financial situation of this country is such that we must join forces to consider measures, initiatives designed to reduce the tax burden in order to improve the financial situation. Except, Mr. Speaker, that up to now we have seen that each of these initiatives, each of those measures is unfortunately always aimed at the neediest, the have-nots and the amendment before us illustrates very well this openness, this generosity shown by the Government towars wealthy people. It grants a tax write-off on capital gains.

My colleague and seat mate who is an accountant, the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano), told me that in fact, this measure has been welcomed by businessmen, wealthy people, those who make important deals. They greeted this measure with some satisfaction. But what we are suggesting—and the Hon. Member for Saint-Léonard-Anjou had the occasion to raise another matter which in these circumstances would also have warranted a similar measure—is that you should have ensured that the gains accruing from those exemptions be reinvested in Canada. That would have meant a considerable improvement and I think that on this side of the House we would forthwith have supported such a step.

But what we are discussing now is what the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) said: We can live with the capital gain exemption, but let us ensure that it will apply specifically to goods and real estate located in Canada. This, Mr. Speaker, is in my view a basic, fundamental principle, it is something that should be built into that initiative, that allowance, because we are not only going to enable wealthy

people, very affluent people to divert substantial amounts of money from Canadian income tax, from Revenue Canada, we are not only going to give them that break, or make them that present, but we are also going to let them carry out transactions outside Canada and take advantage as I said of those same benefits in that situation as well.

I think it is needless to ask whether that money which is diverted from income tax revenue will be reinvested in Canada. Just putting the question is answering it. This measure could therefore in the present circumstances be considerably improved if we just took the trouble to assess the impact and appreciate the relevance of an amendment to restrict the scope of that measure specifically to the capital gains achieved within Canada. And I think the all-out supporters of that measure, considering the present financial situation of our country, would certainly welcome such an addition since they in particular are or should be involved in improving the state of our finance. But I would not be surprised if that amendment were met with scorn and opposition and eventually defeated in the next few days because the sole commitment of this Government seems to be to preserve a good image and to maintain good relations with those men and women who, in the circumstances, might be asked to contribute a commensurate share of their income and of their power and might help much more significantly to alleviate the tax burden of people with a much lower income.

This, Mr. Speaker, is what I wished to say, and in my opinion, this amendment is a blatant illustration of the fact that our Government does not give a damn about protecting the interests of average Canadians and is basically concerned solely with flattering, playing up to and maintaining good relations with the most affluent segments of Canadian society in order to protect friends and keep their support.

• (1640)

[*English*]

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, it is a pleasure for me to rise and speak against this amendment proposed by a member of the Opposition. It is important for capital gains exemptions to be offered to all people whoever they may be. I know some who have properties outside of Canada. They are not the wealthy, as I have heard members of the Opposition say and, as the Hon. Member for Richmond-Wolfe (Mr. Tardif) said, they are ordinary people who thought that they could make more money during the recession caused by the previous Government's National Energy Program.

People moved money out of Canada in order to make something better for themselves. Sometimes this worked. Other times it did not. Why should they not have the benefit of a capital gains exemption? These were the ordinary people, the small and medium-sized businessmen and women upon whom we have depended to make our country grow. It is a fact, according to the Canadian Federation of Independent Business, that during 1975 and 1982 practically 100 per cent of the job creation was made by small and medium businessmen and women. Why should they not get a benefit in order to create more jobs for people who need jobs? I feel it very important that the amendment not even be considered.

Members of the Opposition told us earlier this afternoon about the Prime Minister (Mr. Mulroney) who has cut his wages. He is the first Prime Minister in recent history who has had the daring to show his honesty and consideration for the people. The previous Prime Minister did not do that. Our Prime Minister is also paying for his food bills. The previous one did not do that. How can members of the Opposition tell us stories which are not true?

I feel it is very important that the capital gains exemption be given to everyone who deserves it. This will be on an ongoing and periodic basis. It will be given to farmers. They will get a $500,000 complete capital gains exemption. However, the exemption for businessmen and women is cumulative. It is $20,000 for the year 1985, $50,000 in 1986, $100,000 in 1987 and so on to 1990.

• (1650)

Property worth a great deal of money will not be completely affected at this time by the capital gains exemption. It is necessary for our Government to proceed with all possible haste so that the moneys recipients receive from the capital gains exemption will work toward the benefit of the country.

[*Translation*]

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I think it would be a good idea for all those who want to participate in this debate to read what was proposed by the Hon. Member for Laval-des-Rapides (Mr. Garneau). If you take the time to read it properly, it is quite obvious and clear, Mr. Speaker, that Hon. Members do not have the right to cancel the capital gain as suggested by the Wilson Budget. That is not our business. But it is our business, Mr. Speaker, to ask the Government to apply capital gains only to Canadian companies and jobs.

Even if the Hon. Member for Edmonton East (Mr. Lesick) means that we like capital gain, I would like to ask him to defend the capital gain which would be applied to condominiums in Florida, to diamonds in South Africa or anywhere in the world.

Mr. Speaker, I think we are talking about the Canadianization of profits coming from the budget. Because we know very well that this Government, with capital gains—if we talk about a specific case namely the case of farmers—is trying very hard to make the rich richer in Canada. This phenomenon shows clearly in the area of capital gains.

For example, Mr. Speaker, if we look at the average income of Canadians—

[*English*]

Let us take a look at Canadians who will benefit from the capital gains tax. We know, particularly by the surveys which were done at year end, that Canadians do not believe that the Government is fighting for the interests of ordinary working Canadians. Let us face it; the Government is paying the piper and the piper happens to be those people who are in the

$60,000, $70,000 and $80,000 per year salary range. In fact, those people will gain disproportionately, by thousands of percentages, as compared with a very poor family in Canada earning $10,000 per year. Poor families will not benefit from the capital gains exemption.

Let us look at people who have profited from capital gains. For example, using 1982, a person earning $10,000 took advantage of approximately $6 of capital gains. However, if we look at the person earning $200,000, this particular measure would mean a tax saving of $4,032. Once again the Government is aiming its tax measures at those Canadians who already have, and its Budget is aimed at those Canadians in the top four earning percentage of the population, those Canadians earning more than $50,000 per year.

Was the Government given that huge mandate on September 4, 1984, to fight only for Canadian earning over $50,000 per year? No, it was elected to speak for ordinary, average working Canadians who are being sold out—

[*Translation*]

—sold out by this budget. It does not deal with the problems of employment among Canadians.

With the amendment put forward by the Hon. Member for Laval-des-Rapides (Mr. Garneau), in fact we are asking the Government to reconsider the matter of capital gains for rich people, unless those gains are directed to Canadians companies, firms and jobs. Quite obviously, Mr. Speaker, the Conservatives are not interested in jobs. We saw that in Montreal East. In the case of *Gaz métropolitain* and Ultramar, we saw that this Government is not interested in jobs, it is not interested in canadianizing the petrochemical industry. This Government would much rather enrich people who already earn annual incomes of $200,000.

What the Liberal Party is proposing is an amendment which would guarantee that anyone likely to benefit from the capital gains provision will do so only by creating jobs or investing in Canada.

Mr. Speaker, there is nothing politically devastating in asking that tax policies be consistent with the interests of Canadian men and women.

[*English*]

It is not a revolutionary notion to suggest that tax policy be directed toward creating jobs in Canada for Canadians. That is the mandate of a Parliament. The Government and the Prime Minister (Mr. Mulroney) were elected, promising jobs, jobs, tens of thousands of jobs. In fact, in this one tax measure, this one proposition, the Government is saying to Canadians that it does not care if they spend their money propping up a regime in South Africa by buying South African diamonds, by investing in a condominium in Hawaii or by purchasing racehorses from Europe.

In this amendment we are not asking the Government to reconsider the whole question of capital gains. We do not have the right in this Parliament to make the Minister of Finance (Mr. Wilson) turn his back on this kind of fiscal irresponsibility. We are simply asking him to make a condition of the capital gains exemption that jobs and investment be created in Canada for Canadians. Is that such an heretical notion? Are we in the Liberal Party heretics because we want the Government to encourage tax policy which will result in Canadian investment by Canadians and for Canadians in Canada?

The Hon. Member for Edmonton East (Mr. Lesick) talked about small business. If the Government were so concerned about small business, it would have brought in a policy that permitted small business people to use capital gains for the sale of businesses within families. It chose not to do that. It chose to adopt an arms length attitude, which means that almost every small business in Canada will not be able to take advantage of the capital gains exemption unless they sell out to a foreign interest or to another interest unrelated to them or to their families. This giveaway or bail-out which is being accorded by the Prime Minister and the Minister of Finance is simply the continuation of a policy which has favored the rich, the "haves" and the wealthy at the expense of the middle class and ordinary working Canadians.

There is a fear which is gripping Canadians. I think it is particularly prevalent among the middle class. The workers in the east end of Montreal have seen their jobs abandoned by a Government which made promises it never intended to keep. The fear is that the Government, having been elected on a platform of jobs for Canadians and of serving the middle class and ordinary working Canadians, has abandoned that responsibility and answers only to its true constituency, that true constituency being those people who will benefit from this $500,000 capital gains write-off. Canadians realize that only 4 per cent of the population will have the opportunity to take advantage of this particular capital gains exemptions. About 54 per cent of the people who might be considered eligible already earn over $50,000 per year. Is it the responsibility of the Government to prop up those people who are earning $75,000 and $100,000 per year, without even making conditional any request for Canadian job guarantees, or is the responsibility of the Government to live up to the promise of the Prime Minister when he said that his absolute first priority would be jobs, jobs and more jobs for Canadians?

• (1700)

We do not think this amendment is particularly radical. We think it is defensible, believable and supportable by the people of Canada. I ask the Government to reconsider a budget measure which says send your money out of this country, invest it in Taiwan, Tokyo, Tampa, anywhere outside this country and you will get a half a million dollar capital gains write-off; keep that money in Canada and we will not give you a red cent of tax break.

That is the policy which was perpetrated by a Government interested only in helping its friends. It was not a policy introduced by a Government truly interested in developing jobs and in building the Canadian economy. By suggesting, as we have in our amendment, that the condition of Canadianism be

introduced into this particular legislation, what we are saying that we in the Liberal Party have a real belief in the ability of this country. We believe that as Canadians we can compete in the international market. We believe, as Canadians, we can build this economy and make it strong. We also believe that we have an interest in protecting our own economy. We have an interest in determining that this particular capital gains measure applies only to investment by Canadians for Canadians in Canadian jobs.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I only want to take a few minutes of the time of this House. I would like to make it clear to Hon. Members that the amendment proposed by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) concerns a tax measure that is incredibly regressive in the worst sense of the word, that is, it enables certain people in this country to invest, to make profits and to reduce their taxes by using this measure, this capital gains tax exemption of $500,000, over a certain number of years, which in my view represents a potential loss of revenue for the Government. If we go according to the figures we have seen, the potential loss of revenue for 1985-86 would be $300 million, which means that the Government is losing $300 million to the rich, while by 1991, the Treasury will have lost $1,250,000,000, and the money will then have to come from the average Canadian, from Canadians who work and who do not have enough income to take advantage of this tax measure.

[*English*]

The purpose of the amendment is very clear. It is a proposed amendment to Bill C-84 to amend Clause 58 by adding immediately after line 39 at page 90 the following, "qualified Canadian property of an individual means a property that was a Canadian security within the meaning assigned by subsection 6 of Section 39". It is complicated. It means essentially that investments that are eligible should be Canadian investments. That purpose of the amendment and only that purpose is to try and convince this Government that there is no benefit to Canadians by investing in foreign countries and allowing those investors to deduct that income from their income tax, or allowing them to use that deduction as a fiscal advantage in Canada.

I do not want to speak too long because we want to get to other amendments. I endorse what my colleagues on this side have said. We must try and convince this Government that there is a Canadian reality, that there is a Canadian interest at stake. For God's sakes let us not give these advantages to people who invest in foreign countries. Let's have our investments here in Canada, make jobs for Canadians and allow Canadians to use those advantages to the betterment of the Canadian economy.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I do not intend to go over all the criticisms of the Budget which we have made in previous debates. Members of the House including Members on the Government side should know that the Budget proposals have been criticized and attacked by virtually every group representing our senior citizens, family groups, welfare groups, anti-poverty organizations. Recently the Anglican Church published a report entitled "Poverty in Canada". In dealing with this Budget it said, and I quote:

> In the midst of some of the most difficult social problems we have ever faced as a nation the federal Government presented its Budget. This Budget was to be the response of a caring Government after months of consultation and negotiation with big business, labour, small business, churches and community groups. The result was an economic move to the right that will directly affect the lives of millions of Canadians who are already feeling the effects of poverty.

Dealing with this particular proposal of the Government to take away any taxation on the $500,000 capital gains which any Canadian may accomplish, it said, and I again quote:

> The capital gains tax will boost substantially all those people who already have money.

That argument has been put forward not just by the kind of people who try to represent the interests of ordinary Canadians who are in the lower income brackets. Opposition to the Government's proposal has been made by people who have not been particularly interested or involved in defending the rights of ordinary citizens. It has been made by tax experts who usually spend their time telling wealthy individuals and corporations how they can avoid paying taxes, how they can reduce their tax burdens.

William Lowler, a former official in the Department of Finance Tax Policy Division, and a technical adviser to the Conservative Task Force on Revenue Canada in 1984, reported in *The Financial Post* of November 30, 1985, in connection with this proposal of the Government that it will have a disastrous effect structurally on the tax system. He said regarding this particular proposal:

> Its scope is too broad. Although many would support lower taxes from the sale of Canadian common stock, practitioners fail to see how tax free gains on the disposition of jewellery, summer cottages, or Florida condominiums provide much benefit for the economy.

Then he said:

> The exemptions destroy the neutrality which has existed between the taxation of dividends and capital gains.

He says that this neutrality is vital to the successful integration of corporation and personal income tax. John Bossons, an economist at the University of Toronto Institute for Policy Analysis, stated:

> The prime beneficiaries of the tax exemption will probably be real estate speculators.

I ask Members on the Conservative side who are so concerned, as we all are, about finding jobs for the 1,125,000 Canadians who have not got jobs about making our manufacturing industry more efficient so that it can compete both in Canada and in international markets for sales, thereby providing profits for the companies and jobs for the workers. How will this kind of real estate speculation provide jobs? Who will it benefit except those speculators? Who will it benefit but those speculators?

● (1710)

In a study done by the Department of Finance in 1980, this is what was said about the removal of taxes on capital gains. It was said that this removal would:

Discourage investment in high-risk and start-up ventures;

Channel investment funds out of riskier ventures and into safe bets like real estate;

Encourage real estate speculation and higher land prices;

Do little to stimulate over-all investment;

Discourage the small investor;

Provide a generous windfall for the rich without requiring them to invest further;—

Let me put on the record the views of another tax specialist who works in the Ottawa office of Coopers & Lybrand, one of the largest accounting firms in this country. *The Globe and Mail* quotes Allan Lumsden as saying:

"I wouldn't have thought you'd solve Canada's unemployment problem by exempting capital gains," Mr. Lumsden says.

Our Party is very suspicious of tax proposals such as those which would permit large-scale avoidance of taxes on capital gains. One could make a case for that if those proposals were directed at encouraging useful programs in Canada. I can understand a proposal which would help farmers tranfer their farms to their children when they want to retire. I can understand a proposal which would help companies which manufacture goods or provide services become more efficient. However, this exemption of virtually all capital gains for purposes which really benefit no one but the people who have the money to make these gains is something which we certainly cannot support.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Motions Nos. 2 and 3 were grouped for debate and will be voted on separately. Prior to that, we will vote on the amendment to Motion No. 2, standing in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Is it the pleasure of the House to adopt the amendment to the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Pursuant to Section 11 of Standing Order 81, a recorded division on the proposed motion stands deferred. Because of the amendment, the vote on Motion No. 2 will also be deferred.

The question is on Motion No. 3, standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston). Is it the pleasure of the House to adopt the said motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Pursuant to Section 11 of Standing Order 81, a recorded division on the proposed motion stands deferred.

[*Translation*]

We shall now proceed with Motion No. 5.

**Hon. Donald J. Johnston (Saint-Henri-Westmount)** moved:

Motion No. 5

That Bill C-84, be amended by deleting Clause 82.

**Mr. Deputy Speaker:** The Hon. Member for Hamilton East (Ms. Copps).

[*English*]

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I am happy to be able to support his amendment on behalf of my Party. Obviously young Canadians who in the past and future had hoped to take advantage of what was called a Registered Home Ownership Savings Plan were looking forward to the opportunity to continue to contribute to this plan which helped many young Canadian families get together downpayments for their first homes. In the 11 years of the program's existence, almost 2.5 million Canadians have taken advantage of the tool of RHOSP, the small tax deduction the Government allowed families and single parents who were trying to buy their first homes. Unfortunately, in one fell swoop the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) removed this initiative to home ownership for young people.

We saw no evidence presented in the House to buttress the argument of the Government that this particular measure was not helping those who needed help the most including young, middle and low-income families. We are not talking about a half a million dollar capital gains tax write-off. That capital gains tax write-off has been supported by the Conservative Party. Here we are talking about a program which allowed young Canadian single parents and couples to put away $1,000

per year toward the purchase of first homes. That is not a fortune. That is not half a million dollars. However, the Government chose to stamp out the only Government initiative which was permitting young people to get into the housing market-place.

In most major cities, the dream of home ownership which our parents and many of the older Members of the House were able to achieve is being impeded by the Government's decision to cancel, annul, finish, annihilate and destroy the RHOSP Program. The amendment with which we are now dealing calls upon the Government to reintroduce a program that over its 11-year history was able to help two and a half million Canadians.

The Government has said that the program was not helping young Canadians. In fact, the figures will show otherwise. The figures show that in 1983, of the 539,719 Canadians who participated in the Registered Home Ownership Savings Plan, 431,610 were Canadians between the ages of 20 and 34 years. That is not the age of the average Member of the House but the age of the average young person who wants to get a leg up into the housing market.

In Toronto, Halifax, Vancouver and other major urban centres, most renters are paying more and more for accommodation at a time when vacancy rates are shrinking. The natural alternative of home ownership is being impeded by this particular initiative. The cancellation of the RHOSP coupled with the decision to increase the taxes on building materials indicates that the Government has, in the only 15 or 16 months since that fatal blow to the Canadian taxpayers which occurred on September 4, 1984, directly increased the cost of home ownership by anywhere between $500 and $1,500 depending upon estimates. That $500 to $1,500 is reflected in the increased cost of building materials alone. I can see Members opposite straining to hear my comments on interest rates. It is true that interest rates have been attractive enough in the recent past to allow young people to obtain that investment out on the open market. We have also seen that the interest rate situation is not a result of this Government's policies. In fact, the hapless Minister of Finance wrung his hands in the House today and shook his head while telling us to talk to the Governor of the Bank of Canada. He told us that he could do nothing about the declining Canadian dollar or rising interest rates. We can be sure that the Minister of Finance will take the credit when interest rates decline. When interest rates begin to rise, as we have seen them do over the last couple of weeks, the Minister will wash his hands of the situation, just as he washed his hands of any responsibility which the Government has to encourage home ownership through programs such as the Registered Home Ownership Saving Plan.

● (1720)

Canadians will look at the two government initiatives before us which we are debating today. On the one hand they will see a $500,000 capital gains write-off which will benefit the top 4 per cent of the Canadian population. The Government stands four-square behind that capital gains write-off. On the other hand, it nickels and dimes to death those young Canadians who wish to see a $1,000 tax break in order for them to put the money together for a downpayment on their first family home. That is the Conservative philosophy. It is the philosophy of a Party which says to young people: "We do not care that you cannot save $1,000 a year". It is not a great deal of money. It is not enough money to necessarily permit a couple to move into a higher bracket in terms of home ownership. It is not an amount of money which will make a vast difference to many of these couples. However, it may permit them to put together $5,000 or $10,000 or, in the case of a couple, $15,000 or $20,000, which will help them break into what is becoming an increasingly prohibitive housing market in Canada.

When our parents were young most of them could aspire to owning their own homes at some point in time. Many young people today have given up on that particular option. If they can pursue the option it is only because they are "two income families". That is the only way they are able to keep up with mortgage payments and the cost of home ownership which has escalated incredibly over the last number of years. In fact, the Government suggests that this money was not being used for the purchase of homes. Even if the Government were to introduce the demise of the RHOSP would one not think it would make sense to get the money out of those bank accounts and into the market-place? The latest figures indicate that approximately $2.2 billion will be removed from RHOSP accounts and moved into other areas. Would it not have made sense for the Minister of Finance to suggest that this money be directed to either home ownership or toward the purchase of durable Canadian goods such as refrigerators and automobiles? That would provide a stimulus to the economy. Instead, we see our Government imposing a tax measure without providing any documents to buttress its argument that the money is not being spent to buy homes. The Government suggests that this money be taken and used to buy condominiums in Florida, diamonds in South Africa or racehorses in Europe, thus taking advantage of the same type of tax break that would otherwise have been in place.

It would have made sense for the Government to say that if it is eliminating this program then the money which is in those accounts should be freed up and used to invest in Canadian goods and services or Canadian durables such as furniture. However, the Government chose not to follow that course. In its short-sighted view it is sacrificing the hopes and dreams of young Canadians. It is sacrificing those dreams in order to bail out the banks and pay 4 per cent of the population which will benefit from the $500,000 capital gains write-off. In this way it will keep the only promise that it is likely to be able to keep to anyone, that is, the promise to help its friends to line their pockets since this is a Government of the rich, by the rich and for the rich.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is a pleasure to have an opportunity to say a few words with respect to the amendment which is before us. I too share many of the concerns mentioned by the previous speaker. I find it

peculiar that we are now debating an amendment which, fundamentally, is seeking to help young families who wish to purchase their first home. Basically, that is the purpose of the Registered Home Ownership Savings Plan. The Government has now moved to remove this provision. I am more concerned with the symbolism involved in this particular act. I am concered with the type of signal it sends out to young people in Surrey and Richmond in the greater Vancouver area who are working hard to save for the purchase of their first time.

**Mr. Blenkarn:** It is just a small tax shelter we are getting rid of for those who can afford to save an extra $1,000 a year!

**Mr. Riis:** To those people who obtain incomes from capital gains the Government is saying that there will be no taxes imposed in this respect.

**Mr. Blenkarn:** It is just a small tax shelter—merely a loophole.

**Mr. Riis:** The Hon. Member for Mississauga South (Mr. Blenkarn) indicates that this is a tax loophole which, presumably, we wish to keep in place. He is absolutely correct. We feel that this is a tax expenditure with a great deal of merit. We feel there are other tax expenditures which have little, if any, merit. I will mention one of them just for the interest of the Hon. Member.

I refer to the decision that no tax be paid on capital gains of up to $500,000. That is the type of expenditure which will cost the people of Canada a considerable amount of money—in fact, hundreds of millions of dollars. Those people who derive their incomes from capital gains at the moment only pay tax on half of those gains. We feel that is wrong. We also feel it is wrong to pay no tax at all on the first $500,000 of income spread over a number of years. One can call it a loophole or whatever one likes. One can even call it a boondoggle. We say it is ethically inappropriate and morally wrong. It is simply not the right way to treat people in our tax system.

On the other hand, we feel there are some tax expenditures which do make sense. We believe everyone should have access to decent shelter and that they should be able to purchase their own homes if they so wish. Because of the Government's high interest rate policy and because of a number of other reasons which have caused the prices of homes to inflate beyond the means of most Canadians, we feel that this provision could encourage people to save for that very important first down-payment. I have no hesitation in saying that that is the type of tax expenditure which we would like to see more of. We would like to see people being encouraged to save for their first home. We like to see people being encouraged to start their own business and being encouraged to find ways and means to start their own farms. Those are legitimate uses for tax expenditure programs.To even think that they are not being used for those purposes and that we want to eliminate this particular provision is wrong. This amendment simply suggests it be restored. In this way young Canadians could save for the purchase of their first home while being assisted through our tax system.

I would like to hear my hon. friend from Mississauga South stand in his place and explain why he feels that this particular amendment is inappropriate. I would like to hear him once again wax eloquently with respect to those people whose incomes are derived from capital gains and who should not pay any income tax. I would like to hear him explain the thought that if one obtains income from capital gains then tax should only be imposed on half of that gain. Perhaps he could go back a bit further and go into other administrations in order to explain that. In other words, he seems to say that dollars earned by capital gains are evaluated differently from dollars earned by labour. He says that labour should be taxed on the whole dollar. However, if you obtain your income from capital gains, only half of that should be taxed. Now, none of that will be taxed up to $500,000 over a number of years.

• (1730)

This is the kind of useful debate I think we should be hearing in this House and I assume my colleague from Mississauga South will be reacting to some of these comments. I simply want to say that we feel Motion No. 5 is certainly in order. The revenues lost to the federal Government will be more than offset by the generation of investment in new homes, home furnishings, and the assistance that would provide to our manufacturing, construction and forestry sectors. We feel very strongly about this amendment and we will certainly be looking forward to supporting it when the opportunity to vote arrives.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 5 standing in the name of the Hon. Member for Saint Henri-Westmount (Mr. Johnston). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

We will now proceed to Motion No. 6.

**Mr. Don Blenkarn (Mississauga South)** moved:

Motion No. 6

That Bill C-84, be amended in Clause 132

(*a*) by striking out lines 13 to 16 at page 210.

(*b*) by striking out lines 19 and 20 at page 210 and substituting the following therefor:

"deducted after a day to be fixed by proclamation."

**Mr. Gauthier:** Point of order, Mr. Speaker. I may be mistaken but I think Motion No. 6 and No. 7 should be grouped together for debate. They are identical so I suggest we group them for debate.

**Mr. Blenkarn:** The same principle is involved even though the issues are slightly different.

**Mr. Deputy Speaker:** The ruling was that they would be debated separately. However, if the House agrees to debate them together?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** Very well.

**Mr. Don Blenkarn (Mississauga South)** moved:

Motion No. 7

That Bill C-84, be amended in Clause 135

(*a*) by striking out lines 19 to 22 at page 219.

(*b*) by striking out lines 25 and 26 at page 219 and substituting the following therefor:

"deducted after a day to be fixed by proclamation."

He said: Mr. Speaker, in the course of the committee hearings concerning the sections referred to in Motions Nos. 6 and 7, amendments were introduced to provide that the particular clauses would not come into force and effect until they were specifically proclaimed. Unfortunately, in the rush to put the Bill through and complete it during the day, the detail with respect to the particular clauses was missed. The concept is that employers required to deduct and remit CPP, unemployment insurance and income tax remittances to the Crown must do so and they become a first charge or trust arrangement on those moneys. A problem arises in connection with an insolvency or bankruptcy, however. In the last Parliament there was an offer by the then Minister of Consumer and Corporate Affairs that if special arrangements were given to allow some preference to wage earners in a bankruptcy or insolvency over and above the preferences presently allowed secured creditors, meaning the banks in particular for those who are not quite sure how this arises, and in connection with floating charge debentures, the Crown would waive its preference. The thrust of this Bill was to reinforce the Crown's preference to this money over and above secured creditors and the like.

There have been a number of discussions between the Minister of Consumer and Corporate Affairs (Mr. Côté) and the Minister of Finance (Mr. Wilson). The result is that the Government would like the matter to rest with the clauses passed but not necessarily proclaimed with this statute. I understand that the clauses will not be proclaimed until such time as the new Insolvency Act is available for discussion in this House and the matter has been brought to the attention of the House. The consequences are, Sir, that if these amendments pass, the preference in favour of the Crown will not exist until proclaimed. That will certainly enable things to be proceeded with in a much easier way with respect to the Insolvency Act when it comes before the House. I therefore ask the House to accept these amendments which are of a technical nature and indeed are already contained in a number of other amendments passed in committee.

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I just want to underline the fact that the Hon. Member for Mississauga South (Mr. Blenkarn), with his usual candour, pointed out that it was in the "rush"—I underline that word—to push this Bill through that these provisions were inadvertently dropped. I would remind the House that this was the very point made by Members on this side of the House, including the NDP. One does not rush one of the most fundamental amendments to the Income Tax Act which we have seen in many years. That is the point I would like to make.

**Mr. McDermid:** Tell us how it took you three years to pass a Bill when you were in Government.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 6 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** On division.

Motion agreed to.

**Mr. Deputy Speaker:** The question is now on Motion No. 7 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to.

**Mr. Deputy Speaker:** The House will now proceed to the taking of the deferred divisions at report stage of Bill C-84.

Call in the Members.

• (1800)

*And the division bells having rung:*

**Mr. Speaker:** The House will now proceed to the taking of the deferred divisions on Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act. The first vote will be on the amend-

ment to Motion No. 2. Mr. Garneau, seconded by Mr. Gauthier, moves:

That Motion No. 2 be amended by deleting (*d*) therefrom.

The House divided on the amendment (Mr. Garneau) which was negatived on the following division:

(*Division No. 167*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gauthier | Mitchell |
| Althouse | Gray | Nystrom |
| Axworthy | (Windsor West) | Orlikow |
| Benjamin | Guilbault | Parry |
| Berger | (Saint-Jacques) | Penner |
| Caccia | Heap | Prud'homme |
| Cassidy | Hopkins | Riis |
| Chrétien | Hovdebo | Robichaud |
| Copps | Johnston | Robinson |
| Deans | (Saint-Henri-Westmount) | Rodriguez |
| de Corneille | Kaplan | Rompkey |
| Dingwall | Keeper | Rossi |
| Epp | MacLellan | Tardif |
| (Thunder Bay-Nipigon) | Malépart | (Richmond-Wolfe) |
| Finestone | Marchi | Turner |
| Foster | McCurdy | (Vancouver Quadra) |
| Frith | McDonald | Young—47. |
| Gagliano | (Broadview-Greenwood) | |
| Garneau | | |

NAYS

Members

| | | |
|---|---|---|
| Andre | Gormley | McLean |
| Attewell | Gottselig | Minaker |
| Bernier | Grisé | Nicholson |
| Bertrand | Gurbin | (Niagara Falls) |
| Binns | Gustafson | Nickerson |
| Blais | Halliday | Nielsen |
| Blenkarn | Hardey | Oberle |
| Bouchard | Hawkes | Paproski |
| Boyer | Hicks | Pennock |
| Bradley | Hnatyshyn | Peterson |
| Brightwell | Hockin | Plamondon |
| Brisco | Holtmann | Ravis |
| Browes | Horner | Redway |
| Cadieux | Howie | Reid |
| Cardiff | Jacques | Reimer |
| Champagne | James | Ricard |
| (Champlain) | Jardine | St. Germain |
| Clark | Jelinek | Schellenberger |
| (Brandon-Souris) | Jepson | (Wetaskiwin) |
| Cochrane | Jourdenais | Scowen |
| Collins | Kempling | Shields |
| Cooper | Ladouceur | Siddon |
| Corbett | Landry | Sparrow |
| Cossitt | La Salle | Speyer |
| Côté | Leblanc | Stackhouse |
| (Lac-Saint-Jean) | Lesick | Tardif |
| Darling | Lewis | (Charlesbourg) |
| Della Noce | Lopez | Taylor |
| Desjardins | MacDonald | Thacker |
| Dick | (Kingston and | Towers |
| Dorin | the Islands) | Tremblay |
| Duguay | MacDougall | (Québec-Est) |
| Duplessis | (Timiskaming) | Tremblay |
| Edwards | MacKay | (Lotbinière) |
| Epp | Mailly | Tupper |
| (Provencher) | Malone | Turner |
| Fennell | Marin | (Ottawa-Carleton) |
| Ferland | Martin | Valcourt |
| Fraleigh | Mazankowski | Vincent |
| Fraser | McCain | Weiner |
| Fretz | McCrossan | Wilson |
| Friesen | McDermid | (Swift Current- |
| Gagnon | McDougall | Maple Creek) |
| Gass | (St. Paul's) | Wilson |
| Gérin | McInnes | (Etobicoke Centre) |
| Gervais | McKinnon | Winegard |
| Girard | McKnight | Wise—124. |

**Mr. Speaker:** I declare the amendment lost.

Order, please. We do not want to have Question Period noise spilling over into our vote taking.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**Mr. Deans:** Mr. Speaker, I rise on a point of order. In order to expedite the proceedings I suggest that it might be possible to apply the vote just taken to all of the remaining Motions, with the exception of Motions Nos. 2 and 3. Our intention would be not to vote in the same way on Motions Nos. 2 and 3. It may be necessary to take the vote on Motion No. 2 and apply it to Motion No. 3, and apply the first vote on the amendment to the all the remaining motions.

**Mr. Gray (Windsor West):** Mr. Speaker, I have been consulting with my colleague, the House Leader for the New Democratic Party. This approach would certainly be satisfactory to the Official Opposition.

**Mr. Hnatyshyn:** Mr. Speaker, I attempted to get in touch with the House Leader of the New Democratic Party, but I was unable to do so. What he says seems to be reasonable to me.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** I think I know what we are doing. I must, however, put the question on Motion No. 2 because it has not yet been put to the House. Only the amendment was put earlier. The question is on Motion No. 2 standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it.

*And more than five Members having risen:*

**Mr. Speaker:** Shall I dispense with the ringing of the bells?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** I take it that on Motion No. 2 Members wish to apply the vote in reverse?

**Mr. Deans:** No.

● (1810)

**Mr. Speaker:** We will call the vote on Motion No. 2 and apply it to Motion No. 3. Therefore the question is on Motion No. 2. Mr. Johnston, seconded by Mr. Guilbault (Saint-Jacques), moves:

Motion No. 2

That Bill C-84, be amended in Clause 58 by adding immediately after line 39 at page 90 the following:

"(*d*) 'qualified Canadian property' of an individual means a property that was a Canadian security within the meaning assigned by subsection 6 of section 39".

The House divided on the motion (Mr. Johnston), which was negatived on the following division:

(*Division No. 168*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | MacLellan |
| Axworthy | Garneau | Malépart |
| Berger | Gauthier | Marchi |
| Caccia | Gray (Windsor West) | Penner |
| Chrétien | Guilbault (Saint-Jacques) | Prud'homme |
| Copps | Hopkins | Robichaud |
| de Corneille | Johnston (Saint-Henri-Westmount) | Rompkey |
| Dingwall | Kaplan | Rossi |
| Finestone | | Tardif (Richmond-Wolfe) |
| Foster | | Turner (Vancouver Quadra)—29. |
| Frith | | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Epp (Provencher) | Leblanc |
| Andre | Fennell | Lesick |
| Attewell | Ferland | Lewis |
| Benjamin | Fraleigh | Lopez |
| Bernier | Fraser | MacDonald (Kingston and the Islands) |
| Bertrand | Fretz | |
| Binns | Friesen | MacDougall (Timiskaming) |
| Blais | Gagnon | |
| Blenkarn | Gass | MacKay |
| Bouchard | Gérin | Mailly |
| Boyer | Gervais | Malone |
| Bradley | Girard | Marin |
| Brightwell | Gormley | Martin |
| Brisco | Gottselig | Mazankowski |
| Browes | Grisé | McCain |
| Cadieux | Gurbin | McCrossan |
| Cardiff | Gustafson | McCurdy |
| Cassidy | Halliday | McDermid |
| Champagne (Champlain) | Hardey | McDonald (Broadview-Greenwood) |
| Clark (Brandon-Souris) | Hawkes | |
| Cochrane | Heap | McDougall (St. Paul's) |
| Collins | Hicks | McInnes |
| Cooper | Hnatyshyn | McKinnon |
| Corbett | Hockin | McKnight |
| Cossitt | Holtmann | McLean |
| Côté (Lac-Saint-Jean) | Horner | Minaker |
| Darling | Hovdebo | Mitchell |
| Deans | Howie | Nicholson (Niagara Falls) |
| Della Noce | Jacques | |
| Desjardins | James | Nickerson |
| Dick | Jardine | Nielsen |
| Dorin | Jelinek | Nystrom |
| Duguay | Jepson | Oberle |
| Duplessis | Jourdenais | Orlikow |
| Edwards | Keeper | Paproski |
| Epp (Thunder Bay-Nipigon) | Kempling | Parry |
| | Ladouceur | Pennock |
| | Landry | Peterson |
| | La Salle | |

Members

| | | |
|---|---|---|
| Plamondon | Siddon | Turner (Ottawa-Carleton) |
| Ravis | Sparrow | Valcourt |
| Redway | Speyer | Vincent |
| Reid | Stackhouse | Weiner |
| Reimer | Tardif (Charlesbourg) | Wilson (Swift Current-Maple Creek) |
| Ricard | Taylor | |
| Riis | Thacker | Wilson (Etobicoke Centre) |
| Robinson | Towers | Winegard |
| Rodriguez | Tremblay (Québec-Est) | Wise |
| St. Germain | Tremblay (Lotbinière) | Young—142. |
| Schellenberger (Wetaskiwin) | Tupper | |
| Scowen | | |
| Shields | | |

**Mr. Speaker:** I declare the motion lost. The next vote is on Motion No. 3. Mr. Johnston, seconded by Mr. Guilbault (Saint-Jacques), moves:

Motion No. 3

That Bill C-84, be amended in Clause 58 by adding immediately after line 40 at page 91 the following:

"(*d*) the amount that would be determined in respect of the individual for the year under paragraph 3(*b*) in respect of the capital gains and capital losses if the only properties referred to in that paragraph were qualified Canadian properties".

I take it that the final vote just taken on Motion No. 2 will apply to this motion.

The House divided on the motion (Mr. Johnston), which was negatived on the following division:

(*Division No. 169*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | MacLellan |
| Axworthy | Garneau | Malépart |
| Berger | Gauthier | Marchi |
| Caccia | Gray (Windsor West) | Penner |
| Chrétien | Guilbault (Saint-Jacques) | Prud'homme |
| Copps | Hopkins | Robichaud |
| de Corneille | Johnston (Saint-Henri-Westmount) | Rompkey |
| Dingwall | Kaplan | Rossi |
| Finestone | | Tardif (Richmond-Wolfe) |
| Foster | | Turner (Vancouver Quadra)—29. |
| Frith | | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Darling | Halliday |
| Andre | Deans | Hardey |
| Attewell | Della Noce | Hawkes |
| Benjamin | Desjardins | Heap |
| Bernier | Dick | Hicks |
| Bertrand | Dorin | Hnatyshyn |
| Binns | Duguay | Hockin |
| Blais | Duplessis | Holtmann |
| Blenkarn | Edwards | Horner |
| Bouchard | Epp (Thunder Bay-Nipigon) | Hovdebo |
| Boyer | | Howie |
| Bradley | Epp (Provencher) | Jacques |
| Brightwell | Fennell | James |
| Brisco | Ferland | Jardine |
| Browes | Fraleigh | Jelinek |
| Cadieux | Fraser | Jepson |
| Cardiff | Fretz | Jourdenais |
| Cassidy | Friesen | Keeper |
| Champagne (Champlain) | Gagnon | Kempling |
| | Gass | Ladouceur |
| Clark (Brandon-Souris) | Gérin | Landry |
| | Gervais | La Salle |
| Cochrane | Girard | Leblanc |
| Collins | Gormley | Lesick |
| Cooper | Gottselig | Lewis |
| Corbett | Grisé | Lopez |
| Cossitt | Gurbin | MacDonald (Kingston and the Islands) |
| Côté (Lac-Saint-Jean) | Gustafson | |

Members

MacDougall (Timiskaming)
MacKay
Mailly
Malone
Marin
Martin
Mazankowski
McCain
McCrossan
McCurdy
McDermid
McDonald (Broadview-Greenwood)
McDougall (St. Paul's)
McInnes
McKinnon
McKnight
McLean
Minaker
Mitchell
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nystrom
Oberle
Orlikow
Paproski
Parry
Pennock
Peterson
Plamondon
Ravis
Redway
Reid
Reimer
Ricard
Riis
Robinson
Rodriguez
St. Germain
Schellenberger (Wetaskiwin)
Scowen
Shields
Siddon
Sparrow
Speyer
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vincent
Weiner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Young—142.

**Mr. Speaker:** I declare the motion lost. The next question is on Motion No. 4. Mr. Johnston, seconded by Mr. Gray (Windsor West), moves:

Motion No. 4

That Bill C-84 be amended by deleting Clause 65.

I take it the intention is to apply on this vote the same vote as was taken on the amendment to Motion No. 2, the first vote we took tonight.

The House divided on the motion (Mr. Johnston), which was negatived on the following division:

(*Division No. 170*)

YEAS

Members

Allmand
Althouse
Axworthy
Benjamin
Berger
Caccia
Cassidy
Chrétien
Copps
Deans
de Corneille
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Tardif (Richmond-Wolfe)
Turner (Vancouver Quadra)
Young—47.

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Binns
Blais
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Brisco
Browes
Cadieux
Cardiff
Champagne (Champlain)
Clark (Brandon-Souris)
Cochrane
Collins
Cooper
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Darling
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
Edwards
Epp (Provencher)
Fennell
Ferland
Fraleigh
Fraser
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Grisé
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques
James
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Ladouceur
Landry
La Salle
Leblanc
Lesick
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Marin
Martin
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McInnes
McKinnon
McKnight
McLean
Minaker
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
Paproski
Pennock
Peterson
Plamondon
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberger (Wetaskiwin)
Scowen
Shields
Siddon
Sparrow
Speyer
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vincent
Weiner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—124.

**Mr. Speaker:** I declare the motion lost. The next question is on Motion No. 5. Mr. Johnston, seconded by Mr. Gauthier, moves:

Motion No. 5

That Bill C-84 be amended by deleting Clause 82.

I take it the intention is to apply to Motion No. 5 the same vote just applied to Motion No. 4.

The House divided on the motion (Mr. Johnston), which was negatived on the following division:

(*Division No. 171*)

YEAS

Members

Allmand
Althouse
Axworthy
Benjamin
Berger
Caccia
Cassidy
Chrétien
Copps
Deans
de Corneille
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Tardif (Richmond-Wolfe)
Turner (Vancouver Quadra)
Young—47.

(*Division No. 171*)

NAYS

Members

| | | |
|---|---|---|
| Andre | Gormley | McLean |
| Attewell | Gottselig | Minaker |
| Bernier | Grisé | Nicholson (Niagara Falls) |
| Bertrand | Gurbin | Nickerson |
| Binns | Gustafson | Nielsen |
| Blais | Halliday | Oberle |
| Blenkarn | Hardey | Paproski |
| Bouchard | Hawkes | Pennock |
| Boyer | Hicks | Peterson |
| Bradley | Hnatyshyn | Plamondon |
| Brightwell | Hockin | Ravis |
| Brisco | Holtmann | Redway |
| Browes | Horner | Reid |
| Cadieux | Howie | Reimer |
| Cardiff | Jacques | Ricard |
| Champagne (Champlain) | James | St. Germain |
| Clark (Brandon-Souris) | Jardine | Schellenberger (Wetaskiwin) |
| Cochrane | Jelinek | Scowen |
| Collins | Jepson | Shields |
| Cooper | Jourdenais | Siddon |
| Corbett | Kempling | Sparrow |
| Cossitt | Ladouceur | Speyer |
| Côté (Lac-Saint-Jean) | Landry | Stackhouse |
| Darling | La Salle | Tardif (Charlesbourg) |
| Della Noce | Leblanc | Taylor |
| Desjardins | Lesick | Thacker |
| Dick | Lewis | Towers |
| Dorin | Lopez | Tremblay (Québec-Est) |
| Duguay | MacDonald (Kingston and the Islands) | Tremblay (Lotbinière) |
| Duplessis | MacDougall (Timiskaming) | Tupper |
| Edwards | MacKay | Turner (Ottawa-Carleton) |
| Epp (Provencher) | Mailly | Valcourt |
| Fennell | Malone | Vincent |
| Ferland | Marin | Weiner |
| Fraleigh | Martin | Wilson (Swift Current-Maple Creek) |
| Fraser | Mazankowski | Wilson (Etobicoke Centre) |
| Fretz | McCain | Winegard |
| Friesen | McCrossan | Wise—124. |
| Gagnon | McDermid | |
| Gass | McDougall (St. Paul's) | |
| Gérin | McInnes | |
| Gervais | McKinnon | |
| Girard | McKnight | |

**Mr. Speaker:** I declare the motion lost. Motions Nos. 6 and 7 were carried on division earlier, therefore no vote is required.

**Hon. Michael Wilson (Minister of Finance)** moved that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, as amended, be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it.

*And more than five Members having risen:*

**Mr. Speaker:** Shall I dispense with the ringing of the bells?

**Mr. Gray (Windsor West):** Mr. Speaker, I think there would be a disposition to have the very first vote we took applied to this measure as well.

**Mr. Speaker:** I take it that some Members of the House would like it applied in reverse.

The House divided on the motion (Mr. Wilson (Etobicoke Centre)), which was agreed to on the following division:

(*Division No. 172*)

YEAS

Members

| | | |
|---|---|---|
| Andre | Gormley | McLean |
| Attewell | Gottselig | Minaker |
| Bernier | Grisé | Nicholson (Niagara Falls) |
| Bertrand | Gurbin | Nickerson |
| Binns | Gustafson | Nielsen |
| Blais | Halliday | Oberle |
| Blenkarn | Hardey | Paproski |
| Bouchard | Hawkes | Pennock |
| Boyer | Hicks | Peterson |
| Bradley | Hnatyshyn | Plamondon |
| Brightwell | Hockin | Ravis |
| Brisco | Holtmann | Redway |
| Browes | Horner | Reid |
| Cadieux | Howie | Reimer |
| Cardiff | Jacques | Ricard |
| Champagne (Champlain) | James | St. Germain |
| Clark (Brandon-Souris) | Jardine | Schellenberger (Wetaskiwin) |
| Cochrane | Jelinek | Scowen |
| Collins | Jepson | Shields |
| Cooper | Jourdenais | Siddon |
| Corbett | Kempling | Sparrow |
| Cossitt | Ladouceur | Speyer |
| Côté (Lac-Saint-Jean) | Landry | Stackhouse |
| Darling | La Salle | Tardif (Charlesbourg) |
| Della Noce | Leblanc | Taylor |
| Desjardins | Lesick | Thacker |
| Dick | Lewis | Towers |
| Dorin | Lopez | Tremblay (Québec-Est) |
| Duguay | MacDonald (Kingston and the Islands) | Tremblay (Lotbinière) |
| Duplessis | MacDougall (Timiskaming) | Tupper |
| Edwards | MacKay | Turner (Ottawa-Carleton) |
| Epp (Provencher) | Mailly | Valcourt |
| Fennell | Malone | Vincent |
| Ferland | Marin | Weiner |
| Fraleigh | Martin | Wilson (Swift Current-Maple Creek) |
| Fraser | Mazankowski | Wilson (Etobicoke Centre) |
| Fretz | McCain | Winegard |
| Friesen | McCrossan | Wise—124. |
| Gagnon | McDermid | |
| Gass | McDougall (St. Paul's) | |
| Gérin | McInnes | |
| Gervais | McKinnon | |
| Girard | McKnight | |

NAYS

Members

| | | |
|---|---|---|
| Allmand | Dingwall | Guilbault (Saint-Jacques) |
| Althouse | Epp (Thunder Bay-Nipigon) | Heap |
| Axworthy | Finestone | Hopkins |
| Benjamin | Foster | Hovdebo |
| Berger | Frith | Johnston (Saint-Henri-Westmount) |
| Caccia | Gagliano | Kaplan |
| Cassidy | Garneau | Keeper |
| Chrétien | Gauthier | MacLellan |
| Copps | Gray (Windsor West) | Malépart |
| Deans | | |
| de Corneille | | |

Members

| | | |
|---|---|---|
| Marchi | Parry | Rompkey |
| McCurdy | Penner | Rossi |
| McDonald | Prud'homme | Tardif |
| (Broadview-Greenwood) | Riis | (Richmond-Wolfe) |
| Mitchell | Robichaud | Turner |
| Nystrom | Robinson | (Vancouver Quadra) |
| Orlikow | Rodriguez | Young—47. |

**Mr. Speaker:** Therefore, the motion is adopted on the same recording as the one on the amendment and on Motions Nos. 4 and 5 but in reverse.

Motion agreed to.

**Mr. Speaker:** When shall the Bill be read the third time?

**Some Hon. Members:** Now.

**Some Hon. Members:** Never.

**Mr. Speaker:** At the next sitting of the House?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** It being after six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

# HOUSE OF COMMONS

**Thursday, January 16, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Monday, December 16, 1985, consideration of report stage of Bill C-70, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from a legislative committee; and Motions Nos. 4 and 6 (Ms. Mitchell), Motions Nos. 5 and 7 (Mr. Malépart) (p. 9391), and Motion No. 9 (Mr. Redway) (p. 9392).

**Mr. Speaker:** I have had the opportunity to review the procedural comments made by the Hon. President of the Privy Council (Mr. Hnatyshyn), the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Gander-Twillingate (Mr. Baker) on Monday, December 16, 1985, relating to the report stage motions in amendment to Bill C-70.

[*Translation*]

And on December 11, I stated my position on Motions Nos. 1 and 3.

The comments made by the President of the Privy Council (Mr. Hnatyshyn) have confirmed my position, and I have no hesitation in declaring Motions Nos. 1 and 3 out of order.

I would refer Hon. Members to Beauchesne's Parliamentary Rules and Forms, Fifth Edition, Citation 773, (5) and (7).

[*English*]

Motion No. 2 has given the Chair some concern from the outset. On December 11, I said I was disposed to give the Hon. Member for Vancouver East (Ms. Mitchell) the benefit of the doubt. I must say the procedural issues raised by all sides in respect to this amendment are strong. At first blush, the amendment does appear to reinstate the parent Act after one year and does appear to contradict the principle of the Bill as adopted at second reading. On the other hand, the Hon. Member for Hamilton Mountain claimed the amendment is a sunset clause, and that if the Bill is to become law for one year this amendment, therefore, cannot be a true negative of the Bill.

I am prepared to find that the amendment is not a true negative, but I cannot agree that the amendment qualifies as a true sunset clause. It appears to be a sunset clause to which future provisions are attached.

That being said, and having expressed my reservations, I am, nevertheless, disposed to give the Member the benefit of a debate and to allow the House to decide on the merits of such an amendment. Motion No. 2 will, therefore, be debated and voted on separately.

[*Translation*]

The Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Gander-Twillingate (Mr. Baker) have made representations to the Chair on grouping Motions Nos. 4 to 5 for debate.

I can assure them I listened very carefully to their comments, and I agree that Motion No. 4 does not affect the same provision as Motions Nos. 5 to 9.

[*English*]

All these amendments are, from a thematic point of view, however, closely related. That is why they are grouped for debate, but in terms of where they are offered in the Bill, they must be voted on separately. Hon. Members have offered comments as to the contents of the amendments, but I have not been convinced that, for procedural reasons, separate debate should be allowed. Therefore, the grouping as announced on December 11, 1985, will stand.

[*Translation*]

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I expect everyone remembers Bill C-70, which arises from one of the Budget proposals of the Minister of Finance (Mr. Wilson). When this legislation was introduced in the House by the Minister of National Health and Welfare (Mr. Epp) for the purpose of de-indexing family allowances, it also included amendments concerning what is referred to as "presumption of death".

Mr. Speaker, the Official Opposition, women's groups, family organizations, the clergy and the entire population have organized a vast movement against this Bill, not only against de-indexation of family allowances but also against the concept that the Minister would have the authority, after a child had disappeared for a certain time, to send a certificate to the parents, to presume the child dead and to close the department's file, strictly for administrative purposes, and not, contrary to what some people would have us believe, to help families settle their insurance claims.

• (1110)

Mr. Speaker, strong opposition from most Canadians was instrumental in blocking the adoption of this measure before the Christmas recess. Quite appropriately they expected the Government not to change anything in the family allowances program without their consent and the approval of the House of Commons. Unfortunately it did not turn out that way. Worse still, Canadians who happened to watch television before the festive season were able to witness the Prime Minister's outright refusal to meet with the Canadian coalition made up of family organizations, women's representatives, the clergy and many other interest groups.

It is with sadness that we are resuming the debate today on an issue about which the Government has shown utter indifference towards a Canadian family policy. Contrary to what had been advocated in the Speech from the Throne, contrary to what had been promised during the election campaign, for the umpteenth time, Mr. Speaker—and we have given up counting—the Prime Minister of Canada misled the people and the House, in the sense that the Speech from the Throne, a statement of the Government's official position, made it quite clear that the Government was indeed prepared to open the debate on a family policy.

Mr. Speaker, it is important to go over past events so that Canadians and all Conservative Members might recall that the Government had tabled another document urging all citizens to express their views on the outcome of consultations held by a parliamentary committee. Bearing the official signature of a Government representative, namely the Minister of National Health and Welfare (Mr. Epp), this document stated clearly that amendments and discussions related to the income support program for families with children would not have anything to do with deficit reduction. Every group, every witness and every Canadian had absolutely no reason to question the intellectual honesty of the Prime Minister and of the Minister of National Health and Welfare. All Members of the Opposition and, I am sure, even the Progressive Conservative Members who sat on that committee took the Prime Minister's word. Unfortunately all of them soon came to realize they were mistaken about the Prime Minister's intellectual integrity when the Minister of Finance (Mr. Wilson) tabled his Budget containing provisions which were quite different from the Government's avowed commitments.

As a result of the debate and the many questions directed to the Government in the House of Commons, we have managed to force the Minister of Finance to admit that the purpose of his amendments to the Family Allowance Program was to reduce his deficit, and as is the case concerning several other issues, whether the Old Age Security Pension or the tragedy which I experience now with the job losses in Montreal East, the Prime Minister, the Minister of Finance, the Minister of National Health and Welfare and all the other members of this party are making contradictory statements.

Mr. Speaker, today I doubt very much that we could make members of the Conservative party aware of the situation, not to mention the Ministers and the Prime Minister himself who did not have the guts at least to meet the representatives of the coalition against the Family Allowance de-indexation.

As to the presumption of death which is dealt with in this bill, I sent for a Montreal mother who is suffering the tragedy of the disappearance of her child. Had it not been for the objection raised by the Official Opposition to this clause, the Minister of National Health and Welfare would have sent this mother a presumption of death certificate. Mr. Speaker, I asked that that mother, Mrs. Métivier, be heard in committee. In order not to delay the debate on this Bill, I even offered to give up ten minutes of my time to allow this mother who has personal knowledge of such a situation to advise us as to the personal impact of such a decision; by a nominal vote, however, P.C. members refused.

Mr. Speaker, Canadians will remember these members, and especially the Prime Minister. It is not too late. Although I still have some hope, I do not keep my fingers crossed, because unfortunately P.C. members much too often have disappointed the Canadian people. There remains a possibility—

**An Hon. Member:** That is not true!

**Mr. Malépart:** —I would like the Hon. Member who says that this is not true to have the courage to rise and say clearly that he agrees with the decision of his Government to provide only a 31 cents a month increase to mothers while this same Government is pushing through legislation which will provide a $500,000 capital gains exemption for the rich.

Mr. Speaker, if the Hon. Member who has just spoken and the name of whose constituency I do not recall, but whom I could name has the courage to rise and admit publicly that he wants to defend the rich and not the poor, that is his problem. However, if he really wants to get involved in this debate or to help Canadian families, I shall not ask him to speak publicly, but ask him instead to do his job as a Government Member and raise this issue in caucus during the weekend. When the Conservatives have their caucus meeting during the weekend, they have an opportunity to put pressure on the Prime Minister and Cabinet so that, if they do not want their Prime Minister to lose face, they could perhaps not necessarily withdraw this measure immediately, but ask that the Government re-establish full indexation of allowances in the next budget.

[*English*]

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am asking that the Government withdraw Bill C-70, a Bill to partially deindex family allowances and cut family allowances by 3 per cent per year regardless of how much higher the cost of living goes. I am asking the Government to withdraw this Bill for four reasons.

First, this Bill picks on defenceless kids. The Government tried a trick like this last year on the senior citizens. The senior

citizens fought back so hard that the Government ran away and did not even place the legislation before us that it had announced. Now the Government has decided that kids cannot defend themselves so well, so the Government is going after the kids. A good many senior citizens in Spadina are among the hundreds and hundreds who have signed petitions on this point. I know them by their names and addresses. They perhaps feel that the kids deserve defence. They may also feel that if the Government gets away with attacking the kids this year, it might go after the senior citizens' pensions again.

• (1120)

Second, the Government should withdraw the Bill because it reflects a loss of faith in Canada. In Canada, Mr. Speaker, we are losing faith in providing for children. While parents individually will give all they can and endure all they can for their children, the country is cutting back the money for health, for education and for social housing.

The same Party that governs in Ottawa now in the decades when it governed in Ontario encouraged adult only apartments, apartments where children are forbidden, outlawed. The Conservative Government of Ontario repeatedly refused to address that injustice with human rights legislation.

A country that says we are too poor to provide for our children clearly has no faith in its future. Therefore, this Bill should be withdrawn.

The Bill should be withdrawn also because it is hypocritical and unjust. This same Government has increased hand-outs to the rich, rich corporations and rich individuals, with billions of dollars of tax giveaways and grants, while trying to squeeze money out of the children of the country.

This Government preaches user-pay, but it does not want to pay for the things that it uses. Right here on the Hill, secretaries, assistants, waitresses and other staff, who are underpaid by any general standard, are charged $395 a month if they want to bring a child to the day care centre on the Hill.

**Mr. Malone:** What about our *Hansard* reporters? Look after them too.

**Mr. Heap:** The Government says that a mother who wants to work for the Government must pay $395 to the Government to look after her child, yet the Government does not want to pay her a salary that would cover the cost. The Government wants the poor to pay the expenses of the rich. That is hypocritical—

**An Hon. Member:** That is you.

**Mr. Heap:** —and the hypocrisy is reflected in this legislation.

Finally, I am asking the Government to withdraw this Bill because it is pushing it through with indecent haste.

I come to Clause 15(1) which will give the Minister the power to declare a missing child dead. The Minister does not know what he is talking about, of course, and is not required by law to know what he is talking about. The Minister decides to save $31.50 a month—

**Mr. Epp (Provencher):** No. That is what you pay.

**Mr. Heap:** —for the deficit by telling parents: "Forget it. Your child is dead", and by ordering the insurance company to stop searching, to stop funding a search for a child, to pay the claim instead and to send a death certificate, probably after three months. It is not clear from the unclear wording of the Act just what exactly is intended, but it gives the Minister wide discretion to tell parents, "Forget your child. Stop looking for him. He is dead. I am not going to pay family allowance anymore for your telephone calls and letters you have to pay for to search for your child". That point has not been dealt with in consultation with the parents concerned or by the child find group. It is simply an arbitrary decision. It is such a mean one, Mr. Speaker. It is mean to pick not only on the children but on the parents who are shocked and damaged by the fact that their child is missing, and then to give them a further blow by saying: "Forget it. Your child is dead. We are ending our payments".

**Mr. Thacker:** Your abortion policy is not very kind.

**Mr. Heap:** That is a sole decision of the Government to attack the living in the name of the dead, the dead being the money that is owed to the banks by the Government. That money is not live stuff. It is not live people. It is dead stuff. At best it is the result of the past work of this country. This Government is willing to attack the parents and perhaps even the still surviving child by an act of ultimate meanness that makes pre-Christmas Scrooge look like Santa Claus. The Government is going to cut $31.50 a month from the family that is struggling to find its missing child. That is not just mean, that is sick. A Government that will do that is sick.

**Mr. Thacker:** You have forgotten about the child tax credit.

**Mr. Heap:** A Government and its back-benchers, who like to prate and preach against abortion but will attack the living children in that way, are sick or worse than sick.

I plead with the Government to withdraw the whole Bill, but at least if the Government does not have the good conscience to withdraw the whole Bill, then let it withdraw Clause 15(1). That is the section empowering the Minister to tell parents of children who are missing when the Minister does not know the facts that their child is dead and that there will be no more search and no more money to pay for telephone calls. I plead with the Government to withdraw the whole Bill, but if not, then let it at least withdraw Clause 15(1).

**The Acting Speaker (Mr. Paproski):** The Hon. Minister of National Health and Welfare (Mr. Epp).

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I will not speak for very long. I have decided to speak on Clause 2 to repeat what has already been discussed concerning Clauses 4 to 9. I do so because practically every-

thing the Hon. Member for Spadina (Mr. Heap) said was wrong, dead wrong.

**Mr. Orlikow:** You are the only person who thinks so.

**Mr. Epp (Provencher):** I simply cannot leave the matter on the record and allow the debate to continue on points made by the Member that are wrong.

First, he said that the Government was withdrawing $31.50 a month from the family allowance. That is wrong. That is the payment, first, on a monthly basis.

**The Acting Speaker (Mr. Paproski):** Order, please. I must have unanimous consent to allow the Minister to speak again because I notice he spoke on December 11. Is there unanimous consent for the Minister to speak?

**Some Hon. Members:** Agreed.

**Ms. Mitchell:** No.

**The Acting Speaker (Mr. Paproski):** I regret that the Minister cannot continue. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I would have loved to have heard the rest of the Minister's speech. I had a feeling that his next statement was going to be that he wanted to withdraw the Bill. If he can give us an assurance that that is what he was going to do next, I am sure I could get our colleague who disagreed to reconsider her decision and so give the Minister the opportunity to withdraw this hideous piece of legislation before us today. However, we should not hold our breath.

Here we are again giving a last kick at the can on Bill C-70, a last attempt by members of this House to convince the Government either to withdraw its Bill, to amend it, or to improve it.

**An Hon. Member:** No way.

**Mr. Boudria:** A Tory Member across the way has said not to count on that. This is the same group of Members who in the past were speaking in favour of the Bill to deindex senior citizens pensions when the Government was in the process of withdrawing that particular measure. I warn the Hon. Member across the way who says that the Government will not withdraw this legislation that if he and others were a little more dedicated to working in the interests of their constituents, instead of supporting the Government on positions not even knowing whether the Government will pursue them in the future, his interests and those of the electors whom he purports to represent would be far better served.

• (1130)

[*Translation*]

Mr. Speaker, I would like to remind you of the representations received by the House of Commons on Bill C-70. I want to point out that, on September 25, 1985, the *Réseau d'action et d'information pour les femmes* wrote a special delivery letter to the Prime Minister (Mr. Mulroney) to inform him that the Bill to de-index family allowances was "a disaster".

Mr. Speaker, on November 4, 1985, the *Confédération des organismes familiaux du Québec* presented a submission to the Parliamentary Committee also expressing the view that Bill C-70 should be withdrawn.

On October 23, 1985, the *Fédération des unions de familles incorporée* made similar comments.

On October 21, the *Fédération des femmes canadiennes françaises, section Sacré-Cœur* of Ottawa, also expressed the same views.

[*English*]

The National Action Committee on the Status of Women also expressed disagreement with this budgetary measure.

[*Translation*]

The Federation of Quebec Women, in October 1985, also presented a similar brief. In October 1985, the Federation of Quebec Associations of Single-Parent Families opposed the measure.

Another group, AFEAS, also stated in a brief on October 30, 1985, that the legislation should either be withdrawn or amended.

The Canadian Advisory Council on the Status of Women has also objected to Bill C-70.

[*English*]

Also we received a submission from the Deputy Minister and the Minister of Community and Social Services of the Government of Manitoba concerning this Bill. As well, the Calgary Coalition for the Support of Persons on Welfare sent a brief expressing disapproval of this budgetary initiative. We have received briefs from countless organizations across the country.

The Government claims to be one that consults with Canadians. We have heard that in the past. The Tories have said in the House and elsewhere that they were not a Government of confrontation, I guess that is the word they used. They have indicated that they want to consult and truly represent the people of Canada. Today is the last chance they have to prove that in the case of Bill C-70 they in fact consult the people, listen, participate fully in the consultative process and come out of it, not only having heard the briefs but having listened to them. That is the part that is important. This is the last chance that the Government has to prove that it listens to the people of Canada.

[*Translation*]

Mr. Speaker, in October 1985, a group of Liberal Members of Parliament chaired by myself had several Canadians, several groups submitting briefs to them on the Budget. One group of Canadians who submitted a brief to the Liberal Forum in August 1985 was the Prescott and Russell union of social assistance recipients, in my constituency. And without reading

the whole brief, because time does not allow, let me however quote from it, especially the conclusion which reads as follows:

In conclusion, we can therefore state that the Budget brought down by Minister Wilson extorts still more money from our members and causes concern to our group, the Prescott and Russell union of social assistance recipients, for the years after 1988. Our members and the small wage earners should be made aware of that and told about the Government's current position.

Mr. Speaker, in other words, this group of low-income people from my constituency wanted at that time to rally people to protest against Bill C-70 and other parts of the Budget brought down by the Minister of Finance (Mr. Wilson). And this has been done, Mr. Speaker. From then on, we kept receiving day after day large numbers of petitions, and as we know, before Christmas, as you certainly remember, Mr. Speaker, entire days were spent in this House presenting petitions signed by Canadians from across the country who were expressing their disagreement on the Bill providing for partial de-indexation of family allowances.

[*English*]

In summary, let us look at the impact of the Budget on families with children. The Government of Canada, through abolishing family allowances, will gain $15 million in the year 1985-86; in 1986-87, $80 million; and in 1987-88, $140 million. If saving money is a justifiable excuse—and I am not prepared to concede that it is on this particular measure—let us look at what it is doing. There are other measures in the Budget which will reduce revenues for 1986-87 by $75 million, for 1987-88 by $205 million, and for 1988-89 by $300 million. They are not saving money. They are merely taking away from those people who can least afford it and they are redistributing those funds, but not to the people who need them. They are taking away from the poor and giving to those who have more. The people who will benefit from capital gains exemptions are not the ones who have no money. Those people have no gain on which to capitalize, so how can they receive benefit from a capital gains exemption? It will make the poor poorer and the rich richer.

In conclusion, I tell the Minister that this is his last chance to withdraw this budgetary measure.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I want to deal briefly with the amendment which we are now discussing. Before doing so, I would like to direct the attention of the Minister to an article which appeared in today's edition of *The Toronto Star*. It is headlined: "Groups send PM Petition to stop Baby Bonus Bill" and it indicates the following:

Twenty major church, native, labour and women's organizations—speaking for millions of Canadians—want the federal Government to drop plans to deindex family allowances.

The groups telexed a petition to Prime Minister Brian Mulroney late yesterday in an attempt to stop the Conservative Government from passing amendments to the Family Allowances Act.

It continues:

Yesterday, three more MPs, including Tory MP Moe Mantha (Nipissing) delivered petitions from constituents strongly opposed to the changes.

Thousands of petitions have been presented. I have a dozen or more to present today. However, the story continues:

Among organizations included on the telex are: the National Action Committee on the Status of Women, National Farmers Union, Native Women's Association of Canada, Canadian Conference of Catholic Bishops, Canadian Day Care Advocacy Association, Canadian Labour Congress, National Anti-Poverty Organization, Yukon Status of Women Council, Quebec Native Women's Association, Quebec Federation of Women, Metro Family Services Association, Metro Social Planning Council, Registered Nurses Association of Ontario, the United Church of Canada, Coalition of Provincial Organizations of the Handicapped, Citizens Against Child Poverty and the Federation of Women Teachers' Associations of Ontario.

● (1140)

I do not know, Mr. Speaker, when there has been such broad opposition, if ever, to any proposal brought forward by any Government. This is a Government that has prided itself on the idea that it is going to consult. Well, the consultations have taken place and the evidence is very clear that the broad mass of Canadian people do not want this Bill, they want it to be withdrawn.

Let me, Mr. Speaker, deal for a few moments with the particular amendment which we are now dealing with, and that has to do with the presumption of death. We believe that the presumption of death, and therefore the issuance of a certificate, has been the prerogative of the provincial or territorial jurisdiction within which the death occurred. We suspect, even going beyond that, in the case of deaths which had occurred or were presumed to have occurred in jurisdictions outside of Canada, that it would be necessary to obtain the death certificate from that jurisdiction before a decision could be made to discontinue the payment of family allowance. We believe it would be improper for us to give to the Minister in legislative form the power to make a presumption and issue a certificate, inasmuch as we would come into conflict with a very serious constitutional question.

I would ask the Minister that he not proceed with that as he already has the power now to discontinue the payments for any child who it can be proven is not in the custody of the person to whom the payment is normally made. With that power the Minister is able to achieve all that is required of him at this moment. We submit that that being the case, this section of the Bill is not necessary. We say to the Minister we would much prefer that he operate with the power he now has, that he recognize the potential for constitutional dispute. Not only is there the Constitution within Canada, but there is also a serious question of jurisdictional dispute between the Government of Canada issuing a certificate of death, on the one hand, and the jurisdiction outside of Canada which would have the authority and the requirement to investigate the facts surrounding the death of any person and clearly establish for all time who it was that died before any action taken by the federal Government could be considered legal and therefore proper.

Mr. Speaker, the other reason I have for proposing this clause in the Bill is that it is opposed by all the child find groups. The child find groups in Nova Scotia, Quebec, Ontario, British Columbia, Saskatchewan, Alberta have sent telegrams to the Minister asking him to withdraw this section until proper consultation has taken place with them. They, I understand, have sent a special delivery letter to the Minister

outlining their concerns about this section. Their concerns are as follows, if I can summarize them. One, that they were never consulted; two, that insurance companies will be compelled to pay out claims instead of the current practice of hiring private investigators to try to find a missing child; three, that it is simply not necessary to give the Minister such God-like powers of discretion; four, that the whole clause is so poorly worded that no one has a clear idea when the Minister would invoke these powers; and, five, that their experience is that family allowance has been cut off after the child has been missing after three months as opposed, according to our information, to an average of six months.

Given the constitutional problem and the concerns of the organizations most directly concerned, that is, the child find organizations, I cannot understand why the Minister is so insistent on proceeding with this section when, first, he has not consulted sufficiently with the organizations representing missing children, who are the most concerned about this problem and who have the most information about what really happens, and what should be done; and second, when the constitutional problems and the jurisdictional differences between the federal Government and the provinces have not been solved. As I said, we believe that under the other provisions of this Bill the Minister has all the power he needs to deal with this question, and therefore we intend to oppose this clause of the Bill. That is why we are supporting this amendment.

**Mr. Benno Friesen (Surrey-White Rock-North Delta):** Mr. Speaker, I rise to speak on this particular amendment with some hesitation, and really some chagrin. What is more important, I wish to correct some of the misimpressions, and I guess I have to say distortions, that have been created in the House of Commons, particularly during the past half hour, especially by the Hon. Member for Spadina (Mr. Heap).

I speak to this because I think Members will accept that I have had considerable involvement in past years with regard to missing children. I want to underscore the fact that no Party, no Member, has exclusive jurisdiction over compassion. All of us have a concern about missing children. All of us have a concern about the anguish that faces parents when they are worried about where their children are, and perhaps the torture that their missing children have experienced or are experiencing. Therefore, I am not a little bit upset that some Members want to make this an argument about who has more compassion over missing children, the Opposition or the Government. There is no exclusivity about this.

I challenge the Opposition Members—

**Ms. Mitchell:** Which Party is deindexing the family allowances?

**Mr. Friesen:** I challenge the Members. I worked for six years on one Criminal Code amendment so that we might find abducted children. The Opposition may give three weeks to debate on this and collect a few petitions. I challenge them to work six years for missing children.

So I come here with some feeling on this subject and some objection to some of the things that the Opposition Members have been saying about this and trying to make it look as though the Government and the Minister of National Health and Welfare (Mr. Epp), in particular, are looking for opportunities to cut off funds to those parents who have missing children. That is false, and that Party over there that wants to pride itself on being so interested in human rights ought to correct its misstatements.

**Some Hon. Members:** Hear, hear!

**Mr. Friesen:** It should stand for the truth rather than for distortion.

**Some Hon. Members:** Hear, hear!

**Mr. Friesen:** How can they, on the one hand, talk about justice and at the same time promote injustice on this particular subject? I want to tell those Members who are objecting so much to Clause 5 that there is a good and a proper reason for which the Minister needs this particular clause, and it is this; under the present Act the Family Allowances Act calls upon the Minister and his Department to cut off family allowances one month after the child is found to be missing. Now, it so happens that the Department has been carrying on payments for six months in contravention of the Act as a way to help people who are experiencing this anguish, so much so that the Auditor General, with his good accountant's mind who sees only numbers and the strict provisions of the Act rather than the anguish that people face, is objecting to the fact that the Minister of Health is not following the strict provisions of the Act and is overpaying parents who have missing children. If the Act reads as it does, how can the Minister obey the Act and still be compassionate? Therefore, he is looking for authority to carry on payments after a child is missing without compounding the anguish parents already face.

• (1150)

Second, what happens when a child is missing, the parents have been receiving payments for two or three years and the child is then found dead? A certificate of death is then produced to the Minister of National Health and Welfare in order to deal with the legalities of this deplorable case. By law, the Minister must collect from those parents three years of overpayments. How would you like to do that, Mr. Speaker? How would you like to tell those parents who have been grieving and mourning for three years that they owe the Government three years' worth of family allowance back payments because they have now filed a certificate of death?

For a change, I would like Opposition Members to be honest about their own feelings, about the nature of this case, about the leadership shown by, and the motives of, the Minister of National Health and Welfare. Please do not play around with the hurt and the feelings of parents across Cananda.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I welcome the opportunity to speak to this amendment, especially after what I just heard. I heard one of my colleagues on the Government side inform the House that the Opposition Parties were distorting the provisions of this Bill and that we were playing on people's sentiments with our comments on the disappearance of children.

I do not think it is purely a partisan position, because if you look at the coalition of women's groups that made a joint representation on this question—and I will mention just those from Quebec—we have the *Association féminine d'éducation d'action sociale,* the *Comité d'action sur le statut de la femme*, the *Comité de la condition féminine, Action Travail Femmes*. There are quite a few. There are also parents who come to testify and asked to have these allowances maintained.

My hon. friend said earlier: What do you think the Government should do when a family has been receiving family allowances for three years and the child is found dead? I simply want to comment that the loss or disappearance of a child is followed by a period of mourning. When someone dies, there is a period of mourning that may last from one to three years. When a child disappears, the situation is quite different, because there has been no death to confirm the child is dead.

And that is why families whose children have disappeared cannot say after three or six months: My child is dead and the file is closed. So when we are talking about playing on the sentiments and feelings of families, I think my Government colleague has his sentiments mixed up and does not know what he is talking about.

It is also true that the families receiving these family allowances are spending the money wisely. Families where a child has disappeared have told us that the small amount they receive is used to pay companies and individuals to trace the child, and there are also lawyers' fees, and so forth.

So I am very sorry but I don't think it is up to the Government to decide that when a child has disappeared, the period of mourning ends after six months. I don't think the Government can legislate this. In fact, I think we should listen to the groups that came here to submit briefs and who also supported the steps taken by Mrs. Métivier.

There is also the Association of Quebec of Human Rights Committees, the *Association pour la défense des droits sociaux du Québec métropolitain*, the *Centre communautaire sud-asiatique*, the *Centre d'éducation d'action des femmes*, the *Centre des femmes de Laval*, and I could go on. When we are talking about emotional honesty, I think and I don't want to be biased or be accused of partisanship but I think that we are now legislating something that does not have to be legislated, and I think anyone who knows the Minister of National Health and Welfare (Mr. Epp) and recognizes the qualities of the Minister as mentioned by my hon. colleague would agree he could reconsider the legislation and meet the request for maintaining family allowance payments. I have not spent six years studying this kind of legislation, but I have worked long enough with families, especially needy families, to realize that the Government can act with a measure of compassion, and I don't think anyone would blame the Government for doing so. Therefore, I do not agree and cannot support this motion.

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I rise to say a few words and set the debate in its proper context. My colleague who has just resumed her seat referred to missing children and the anxiety of families whose children have died or simply vanished. The Bill does not deal with such cases. Here is how Clause 5 of the Bill reads:

—under circumstances that, in the opinion of the Minister, raise beyond a reasonable doubt a presumption that the child is dead—

Not that he is missing, but that he is dead.

—the Minister may issue a certificate declaring that the child is presumed to be dead—

It has nothing whatsoever to do with missing children whose whereabouts are unknown. The downed Air India aircraft has often been given as an example since in fact, beyond any reasonable doubt, all children aboard the aircraft were presumed to be dead. This is where the Bill applies, not in cases where children have simply disappeared.

[*English*]

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, I know that a number of the previous speakers from the Government side have attempted to suggest that members of the Opposition are using a political approach to this particular clause. If there was some evidence to show that the Government was being compassionate across the board, we might accept the fact that this particular clause was put in place for compassionate reasons. However, we have no evidence of that. The very Bill attacks the entire area of support for families. Therefore, there is no reason for us to believe that one particular clause is compassionate while the Bill itself is anything but compassionate.

The Government would have us believe that Clause 5 is there for the benefit of parents of missing children. That is obviously not the reason for this particular clause. It is supposed to eliminate the need for the Government to collect possible overpayments, as was suggested by a previous speaker, in a case where the actual death of a child occurred while the payments were being made. However, although I was not there that particular day, the committee was told by officials from the Department of National Health and Welfare that the present, unamended Act allows the Minister not to collect in such cases. Therefore, for that reason, this particular clause is not at all necessary.

• (1200)

If one were to look at the committee report one would find that an official from the Department of National Health and Welfare made a statement which suggests that the unamended Act allows the Government to remit the overpayment. If that is the case, then why does this clause give the Minister the power to issue a death certificate? Why does he need the power to issue such a certificate when he already has the power of compassion which exists in the present legislation?

It just does not make too much sense to suggest that the reason for having this provision is to help missing children. The reason is that it is obviously a bookkeeping measure which ignores the feelings and the hurt of the parents of missing children. It does not recognize the fact that they are spending a great deal of money to try to find their children. Until the child has been actually found they will continue their search.

As the President of the Child Find organization expressed to the committee, parents never stop looking for their missing children. Even in hopeless cases they never stop looking. They never stop spending money in their search. I refer to long distance telephone calls, advertisements, and so on. As the Hon. Member for Spadina (Mr. Heap) suggests, the removal of the sum of approximately $31 from the parents of missing children means that they do not have that little extra amount to spend which would make them feel as if they were actually doing all they could in order to find their missing child. The Government is saying that we cannot afford that little bit extra which helps parents to search for their missing children. The claim that the Government is doing this for compassion's sake does not make sense. It is withdrawing $31 from parents, thus reducing their ability to go out and search for a child who has disappeared. The type of expenses which parents expend in search of missing children, such as expenses for printing thousands of copies of pictures, expenses for long distance telephone calls, legal advice and private investigators, are all expenses which parents must face if they are to continue their search for their missing child. Apart from that, imagine the impact upon yourself, Mr. Speaker, if your child were missing and the Minister suddenly issued a death certificate.

The family allowance was originally created in recognition of the parenting role. The money was paid out to families to allow parents to do the best job possible in raising their children. However, if the payment is stopped when a child has gone missing for some reason, then the help which is part of parenting is withdrawn. If a child walks down the street and disappears for a couple of hours, the parents of that child are worried. They go out and use their best resources to find their child. If their child disappears for a couple of years, they continue to use their resources to find the missing child. Consequently, the family allowance pays for the continued responsibility of parenting which these people with missing children have.

Our suggestion is that we look at the whole clause and bring in something which recognizes either the present legal death requirement, which is seven years, or the fact that death should not be assumed until the missing child reaches the age of majority. Let us not suddenly withdraw from parents the type of support which they need and then say that what we are doing is approaching compassionately the whole area of concern. We suggest putting this clause in place so that parents do not have to repay the money which they have received during the period in which their child has been missing in the event the child is eventually found dead.

I believe that every Member of the House has been approached by parents not only with respect to this particular clause but with respect to the entire Act. If the Government truly feels compassion for children, then it should recognize that there is a large group of parents in the country who need this $30 and the increase each year. I refer to the increase attributable to inflation. The Government should recognize that these funds should not be cut off, or the real dollar value reduced each year, until somewhere down the road, perhaps in ten years' time, the value of the family allowance will be so small that it will not have any real affect upon the assistance given to a parent who is attempting to take good care of his or her children.

Before me I have a number of telegrams which deal with this very point. They are critical not only of the clause to which I refer but of many clauses. In fact, they are critical with respect to the whole approach taken by the Government in terms of the family allowance. I wish to refer in particular to one of the telegrams which was received. The original of the telegram was sent to the Minister of National Health and Welfare (Mr. Epp). It is from members of a home and school association. It states that the individual family unit does not have a special type of organized lobby group and, thus, they feel concern with respect to many family issues. As members of a home and school group they feel the responsibility to take issue with these proposed changes, since parents groups are not organized in the same way in which senior citizens groups are organized. I have a series of telegrams from home and school associations from across the country who feel that not only is this clause incorrect but that the Government should withdraw the whole Bill.

• (1210)

[*Translation*]

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, I too am very pleased and proud to take part in the debate on Bill C-70.

Earlier today a Government Member said that no one has exclusive jurisdiction over compassion, that he and his colleagues feel the same kind of compassion and sympathy as Opposition Members do with respect to families and parents that have lost a child. In my judgment one only needs to read the clause to realize that compassion does not even come into play. The clause itself proves beyond any doubt that the people who drafted it do not even know the meaning of the word compassion. I know that a lot of viewers who follow House debates on television may have some difficulty understanding the purpose of this amendment.

For their information, Mr. Speaker, I should like to read, if I may, Clause 15 of the Bill:

Where a child has, either before or after the coming into force of this section, disappeared under circumstances that, in the opinion of the Minister—

God the Father.

—raise beyond a reasonable doubt a presumption that the child is dead, the Minister may issue a certificate declaring that the child is presumed to be dead and stating the date on which the child's death is presumed to have occurred, and thereupon the child shall be deemed for all purposes of this Act to have died on the date so stated in the certificate.

The Minister behaves like God the Father and decides unilaterally, in his wisdom, that a child died on such and such a date.

In the following subclause, His Lordship the Minister keeps for himself a right or privilege, to wit:

If, after issuing a certificate under subsection (1), the Minister is satisfied from new information or evidence that the date of death is different from that stated in the certificate, the Minister may revoke the certificate and issue a new certificate stating a different date, in which case the child named in the certificate shall be deemed for all purposes of this Act to have died on the date so stated in the new certificate.

Under this Bill which he would like us to adopt, the Minister wants to have the right to decide, following the report of some official, that a child is dead. Depending on how he feels, the Minister can decide that a child is dead one day and alive the next.

Mr. Speaker, I feel that only a person who has no children or who ignores the feelings of parents towards their children could think of such provisions. I think it is altogether odious and scandalous for them to write such provisions in the Bill when we know the tragedy parents have to go through when one of their children disappears. Surely those who drafted these provisions never came close to meeting these people or discussing this issue with them. It is a fact that compassion may not be a feeling exclusive to the Opposition, but I think that the Government and its spokesmen apparently have no notion of the word "compassion".

On the other hand, Mr. Speaker, it is not surprising to find such a provision in this Bill, because the Bill as a whole is itself altogether unacceptable. This is my third term as a Member of Parliament, and my riding has had to face a great many problems and difficulties, but since I was elected for the first time seven years ago, never has a Bill raised such a spontaneous reaction in my riding. Never has my office received so many petitions and letters from mothers living in all parts of my riding who write: we cannot be heard. The only way for us to be heard is through you, and we ask you to present these petitions on our behalf. What the Opposition has done and is doing in this fight, Mr. Speaker, does not just concern the Opposition; it is not just talking for the sake of talking, or objecting for the sake of objecting. It is a matter of performing in this House as millions of Canadian men and women are expecting us to do.

Mr. Speaker, the Opposition in this fight is not merely conveying, voicing the very numerous statements that have poured into our constituency offices. In my constituency, for instance, I have received hundreds of petitions, and on that issue, that one legislation alone. I have received more petitions concerning Bill C-70 than on any other issue since I came into politics.

This shows without the shadow of a doubt, without any question, that mothers, parents, are squarely in disagreement with this Bill.

This piece of legislation also is an excellent demonstration, an excellent illustration, which very clearly depicts this Government's kind of administration. Families are being ridiculed, drained, abused, especially children, for the sake of getting a few million dollars under the pretence that public finances must be put back into order.

On the other hand, those few million dollars being snatched from the pockets of the poor, of the have-nots, of the single-parent families, of all those men and women who have every difficulty making ends meet, those few million scooped in that way are literally wasted in other areas, or handed out to large multinational corporations, or given away to the very affluent as capital gains exemptions.

Finally, Mr. Speaker, the Government is depriving the most in need, those who definitely are not in a position to face tough living conditions, and redistributing that money to people who in these circumstances could contribute a lot more to putting public finances back into order.

Mr. Speaker, I have before me a table that shows quite clearly what the Government will be getting, what it will be scooping.

For 1985-86, there are to be $15 million. For 1986-87, the figure is $80 million. For 1987-88, the figure is $140 million, and for 1988-89, $200 million. That money will be scraped, will be taken from families with children. That is the kind of money that will be snatched from the pockets of those families for whom family allowances in many cases are simply vitally needed.

Mr. Speaker, what is just as important in my view is that during the last election campaign, those people were peddling around pious promises: the program of universality would not be tampered with; social programs would not be tampered with; the have-nots would be looked after.

But hardly eighteen months later, they are savagely attacking families, they are savagely attacking children after having tried to do the same thing to senior citizens.

It seems to me, Mr. Speaker, that the amendment put forward by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is extremely worthwhile in the circumstances, in view of the fact that the clause in its present form, as it is now worded, is not just unacceptable, but quite simply odious,

shameful, an insult to a very, very, very human problem. It is my hope that in the coming weeks, the Government will wake up and bring in the corrections needed to that famous clause so that it will be a little more humane.

• (1220)

**Mr. Michel Champagne (Champlain):** Mr. Speaker, it is too bad that the Hon. Member for Richmond-Wolfe (Mr. Tardif) has left the House. However, I would like to go over his concluding remarks. It is odious, shocking, revolting and even blasphemous, and I am not talking about what our Government is doing, but about what he and his party are saying about family allowances. How can they say that we are cutting back on programs for low-income families, how can they say that we are not taking care of the most disadvantaged families in the country, how can they say that we, as a Government, having inherited a terrible situation, with debts of $200 billion, a situation where, for 20 years and even longer, the Liberals did not make the rich pay any taxes and did not take their responsibilities—

Then, people like the Hon. Member for Richmond-Wolfe and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) tell us what we should be doing. I am sorry, Mr. Speaker, but I cannot accept that. When they talk about honesty and impartiality, they should perhaps look at what Bill C-70 says. What this Bill says, Mr. Speaker, is that there will be a child tax credit. If the Hon. Member does not understand what this means, I can tell him that it means that people will receive a payment.If we provide a payment, Mr. Speaker, we do so for those who do not pay taxes. When the Liberals were in power, Mr. Speaker, those who did not pay taxes were the wealthy. Under our Government, it will be the poor. The poor will receive the tax credit that will amount to $70 the first year. This is much more than the 31 cents mentioned by the Hon.Member for Montreal-Sainte-Marie. Much more. Mr. Speaker, it is more than the average rate of inflation. Why do the Liberals not say so? Why do the New Democrats not recognize it? This means $70 this year, $35 next year and $35 the year after that, and this is a tax credit.

I would like the Hon. Member and his colleagues on the other side to keep this in mind. If we want to be honest, Mr. Speaker, we have to speak about it. We have to tell the facts as they are. I am not certain that the Opposition has done so. I am not sure that they have, Mr. Speaker, because they would not have received so many petitions if they had told Canadian families that we are really going to work for the most disadvantaged. I am not sure, Mr. Speaker, that Canadian families, mothers and womens' groups in all Canadian provinces including Quebec would have signed the petitions of the Members opposite if they had been told that there would be a tax credit for the most disadvantaged and that the universality principle is not being attacked as suggested by the Hon. Member for Richmond-Wolfe.

Mr. Speaker, the universality principle does not mean that rich and poor should be treated the same. It means that, as a responsible Government, we are going to give the advantage to the poor and make the system equitable.

I said so yesterday. Unfortunately, the Hon. Member did not understand. If I take my own case as an example, it is not normal for me and my family to receive the same family allowances as a single parent family on welfare with the same number of children. That family deserves more, because of its disastrous economic situation. I know, Mr. Speaker, that the Government will help me when I need it. That is the objective of the Bill before us.

It is only natural, Mr. Speaker, that we should have to limit the cost of governing this country. It is natural because, when we took over in 1984, the deficit was $200 billions. During the 20 years that the Liberals spent on this side of the House, they claimed they were working for Canadians. Well, they must have worked hard, because they put them deeply in debt. During those 20 years when they formed the Government, they were telling us that they were managing the public purse. Yes, Mr. Speaker. Where was the Hon. Member for Richmond-Wolfe when his Government limited the indexation of family allowance to 6 and 5 per cent, at a time when inflation ran at 11 and 12 per cent? Where was he, Mr. Speaker? I asked him today, but he did not answer.

Since we are talking about honesty and integrity in this House, Mr. Speaker, we should stand up and say precisely what matters in this Bill. We should emphasize, Mr. Speaker, that we are going to help those families which are the most in need, while making the wealthiest pay. It should be said, Mr. Speaker, that social justice has more than one meaning, it is not merely the Liberal philosophy, a philosophy for the wealthy. Today, they are telling us that, as a Government, because of the tax exemption, because of the capital gain exemption, we are giving only to the rich. That is false, Mr. Speaker, absolutely false. I know farmers in my riding who are now going to be able to sell their farms at a lower price to their sons, who will now be in a position to take over. I know homeowners, Mr. Speaker, who will be able to sell their houses and not be indexed or affected by this legislation, who will realize capital gains after having worked all their lives in factories, for low wages. Members of the Opposition think of them as rich people; they want to deny them that opportunity and have them penalized, but I can say this: Liberals are hiding the facts. There are certain words I cannot use because they would be unparliamentary, but they are the ones I sincerely mean. If ever Opposition Members want to act as honest Members of Parliament and not engage in demagogy, then I am sure all Members on our side of the House will be willing to work with them. Building a country does not mean forever sitting across the aisle and reacting negatively to each and every legislative proposal. Building a country means co-operating, working together in solidarity.

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

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Richmond-Wolfe (Mr. Tardif) on a point of order.

**Mr. Tardif:** Mr. Speaker, the time allowed the Hon. Member is running out and I realize he has not yet said anything about the amendment before the House.

[*English*]

**The Acting Speaker (Mr. Paproski):** The Hon. Member's time is not up, and that is not a point of order.

**Mr. Epp (Provencher):** You're not the Speaker.

[*Translation*]

**Mr. Champagne:** Mr. Speaker, this is just another example of how the Liberals proceed. They try to cut our speaking time. I was speaking to the same subject he was speaking to—

**Mr. Tardif:** The amendment!

**Mr. Champagne:** —and he rose to say I did not speak to the amendment. And what was he speaking to?

**Mr. Tardif:** The amendment.

**Mr. Champagne:** No, he did not speak to the amendment. He said he travelled around Quebec and across Canada, and that families had signed petitions. That is what he talked about. Mr. Speaker, he forgot to tell the truth, just like the Hon. Member from Montreal-Sainte-Marie who travelled across Quebec and forgot to say that the child tax credit would be refundable—

**Mr. Malépart:** It has always been refundable.

**Mr. Champagne:** The rich will not get a cent. It is all going to the poor. And it is refundable and it is more than the average indexation. And I am saying this again for the benefit of the Hon. Member from Montreal-Sainte-Marie.

**The Acting Speaker (Mr. Paproski):** Order. The Hon. Member from Montreal-Sainte-Marie (Mr. Malépart), on a point of order.

**Mr. Malépart:** Mr. Speaker, on a point of order. To avoid misleading the public, Mr. Speaker, the tax credit has always been refundable.

[*English*]

**The Acting Speaker (Mr. Paproski):** That is not a point of order.

[*Translation*]

**Mr. Champagne:** Mr. Speaker, I hope that this time they will at least allow me to complete my remarks.

Mr. Speaker, I am aware that the tax credit has always been refundable, but what he failed to say is that it was increased by $70 this year, that it will be increased by $35 next year and again $35 the following year. His party has failed to tell that to Canadian and Quebec families, and then they claim that we are concerned only with the rich. Who is going to benefit from the tax credit, Mr. Speaker? It's the poor and disadvantaged families, something the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has failed to say, although he rises in the House every day to talk about honesty. He rises in the House every day to talk about co-operation.

**Mr. Tardif:** That is what you should do.

**Mr. Champagne:** Mr. Speaker, I suggest that the Hon. Member for Montreal-Sainte-Marie and most of his colleagues should be honest and responsible and recognize that the Minister has done a very good job and introduced a Bill with a tax credit which will benefit the poorer families and re-establish the equity that has always characterized the Liberal system, that is, the rich will stay rich and the poor will get richer—

**Mr. Malépart:** No, poorer!

**Mr. Champagne:** Richer, Mr. Speaker, because in those days they themselves did not make any difference, they never did, they always thought a family was a family, they never bothered about the income. But now we realize what has happened, and it is my honest and definite view that Members opposite might find it useful to read what we bring forward in terms of legislation rather than getting carried away on matters which they did not dare defend when they had their turn, when they were the Government. We hear today, Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie, we hear other Members crying out in this House, and there is one thing I want to tell the Canadian people: Be careful for they have piled up a $200 billion debt on your shoulders. Be careful for they have destroyed jobs. Be careful for they have failed to defend you when it was time to do so.

**An Hon. Member:** They are no longer in power, they have gone.

**Mr. Champagne:** They have gone, there is not one left in this House—

**An Hon. Member:** Yes, there is one left.

**Mr. Champagne:** Yes, there is one left, I am sorry. Be careful, and I am telling this to the Canadian people, be careful, beware! Look at the facts with unbiased eyes and you will find that this Government is working in the interests of the majority of our people, and especially in the interests of the most in need.

• (1230)

[*English*]

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, the five amendments to Bill C-70 with which we are dealing are generally linked together because they deal with the administrative and legal problems that arise when we try to make changes, as the Minister has attempted to do, in the manner in which we deal with the question of missing children. In order to establish whether a child is presumed missing or dead, the Minister has proposed an amendment which would apparently give him the power to presume that the child is dead and, therefore, enable him to stop the family allowance payment.

There has been much discussion in the House about compassion and honesty, but in the few minutes I have to speak on this set of motions I simply want to point out that laws like this do not come up for review very often. The House has much business before it and, therefore, the chances of this particular Bill being reconsidered in the near future are very remote. Therefore, rather than considering the effects of this new legislation one year hence, as seems to be suggested by the Hon. Member who just spoke, we should do so five or six years hence.

I remind the House that the economic effects in 1990, which is only five years hence, have been spelled out quite clearly. They are not particularly good for poor people. The fact is that the losses from the proposed deindexation will be more than the proposed offsetting child tax credit increase which will only be in effect for a year or two. In short, poor families will be worse off in four or five years than they are under the current system.

Furthermore, this Bill also proposes changes to the child benefits on our income tax forms which will have the effect of cutting back child benefits by $600 million each year by 1990. That is a tremendous difference in the amount of aid going to child benefits. I want to put those facts on the record to illustrate the economic effect that these proposals will have on families, particularly poor families.

The common denominator of the amendments before us is an attempt to deal with the question of missing children. That is why Your Honour has deemed that they should be discussed as a unit.

I believe there are two thrusts to these amendments. The first is administrative and based on legal interpretations in an attempt to deal with the legal aspects of this question. The House is aware that the traditional legal presumption of death has been when a person—child or adult—has been missing for seven years. One could also assume that the family allowance payment would stop for a missing teenager once he or she reached the age when those payments would stop even though the seven years had not expired.

I believe that the Minister's proposals present constitutional problems. As we know, according to the Constitution, the responsibility of the provinces to look after vital statistics in this country is provincial. The provinces keep track of when we are born and when we die and, therefore, the provinces decide when a death certificate should be issued.

The proposal in Bill C-70 would attempt to change that and effectively give the Minister of National Health and Welfare (Mr. Epp) the right to declare a child dead and issue a death certificate because the child had been missing for a period of time deemed adequate by the Minister. According to available information during the committee stage of this Bill, it appears that that period of time would be from three to six months. There is conflicting testimony between some officials of the Department who say that this presumption of death does not occur until after six months and the child find groups, who represent parents of missing children throughout the country, who indicate that it is a three month period.

A number of concerns have been raised since the committee stage which I believe indicate that the Government should withdraw this particular amendment. There are various individuals and groups involved in this issue who were not consulted. They wish to be consulted, and we believe it would make sense for more consultation to take place with the provinces whose constitutional powers are being usurped by this proposal. Since we believe that proper consultation has not taken place on this issue, the propsoal should be dropped and the *ad hoc* arrangements that have been in existence should continue without becoming a law that is of questionable constitutionality.

This is not simply a point of view held by Opposition Members because the motions we are dealing with today include amendments by government Members who have also attempted to approach the administrative and constitutional problems that have arisen. It is my understanding that these amendments will be voted *en bloc*. The discussion will take place now—

**Mr. Epp (Provencher):** No.

**Mr. Althouse:** The ruling was not that the vote be taken *en bloc* but that we vote on each motion separately if we so desire.

It is then that we will see whether the Minister decides to instruct his Members to vote for the back-bench motions before us, Motions Nos. 8 and 9.

**Mr. Epp (Provencher):** I have already put it on the record that we will vote for it.

**Mr. Althouse:** The Minister says that he is definitely going to vote for it. We will find out later in the day. The relevant points have already been made in this debate.

• (1240)

Let me simply reiterate before I take my seat that in the debate, while it was very emotional and involved because it is a political issue, we have had a lot of discussion about compassion and honesty. We might have believed that this was a compassionate move if a compensating proposal had been made by the Government to increase funds and resources used to search for missing children. As it is, the Government is left

with the unhappy circumstance of appearing to be cutting funding not only to poor families over the long term, the five or six year period for which I quoted statistics, but is also leaving the appearance of pulling the very small amount of money for the child allowance from families who have a missing child, apparently providing no compensating assistance through legal or search means to help those families who are already under great stress, both emotionally and financially. I regret that the Government has not seen fit to provide some recognition of the need for funds and resources in that regard.

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** I rise to speak again on Bill C-70. This Bill provides for the deindexing of family allowances. I was interested in the lecture which the House just received a short time ago from the Hon. Member for Champlain (Mr. Champagne) on truth and honesty, two very important subjects. I have here in my hand a Tory ad from 1980 which has been quoted. I think it deserves repeating at this time in light of the Hon. Member's comments. This Tory ad spoke about deindexing as follows:

—deindexing is a form of taxation that would have staggering consequences for every Canadian taxpayer, especially the low-income earner—deindexing is a scheme to guarantee that you'll pay higher federal income taxes year after year.

We also have the Prime Minister (Mr. Mulroney) on record saying he would not pay off the deficit by attacking social programs. What are we doing here today, Mr. Speaker? We have a deindexing Bill on family allowances. It is a social policy and this legislation is providing for the deindexing of family allowances.

The main thrust of the Tory Budget of May 23 was that of a classical Conservative document. It aimed at widening the disparity between the rich and the poor. The Tory Government has broken many of its promises with this Budget. The Prime Minister and the Minister of National Health and Welfare (Mr. Epp), whom I am glad to see in the House at the present time, promised to maintain over-all social spending by not using social program funds to reduce the deficit and maintain the universality of programs for seniors and families. However, what do we have? We have an erosion of the family benefits package, which means less benefits by 1990 to low and middle-income families. This is not a short-term measure by any means.

We have had increased consumer and gasoline taxes. I remember in the last Parliament and in previous Parliaments that every time fuel prices went up we would hear those screaming speeches from the Tory opposition benches. Now the Tories increase taxes on gasoline and other fuels without even batting an eyelash. I wonder where all their self-righteousness has disappeared to. I give you this, Sir, in the light of the speech made by the Member from Champlain on truth and honesty. The people of this nation have come to realize where the Government stands when it comes to keeping promises and being honest with them.

It is interesting to note in this debate, Mr. Speaker, that several Conservative back-benchers have stood in this House and read off petitions from their constituents asking that the family allowances not be deindexed. These Tories are doing their duty as Members of Parliament for their constituents, but how are they going to vote when the final decision comes? Will they vote against their constituents on whose behalf they have stood to read petitions? It will be a very interesting moment, Mr. Speaker.

The Government is famous in passing costs back to the provinces. This has been done with transfer payments, by cutting grants and by putting the onus on individual taxpayers, by throwing Department of Transport facility costs back to local municipalities, and by increasing taxes at the individual homeowner level where it affects all families directly. The Government says it is doing it in the interests of the deficit. I suppose that is a very honourable aim.

We have seen the Tory Government bail out the Canadian Commercial Bank and the Northland Bank to the tune of $875 million through a special Bill to pay back depositors in those banks whose money was not guaranteed. That does not include all the depositors who had $60,000 or less in the banks, who have to be paid off too. That was a billion dollar bill. How does the Government pick up that money? By deindexing family allowances and, in the long haul, deindexing child tax credits; by cutting Government services; by pushing expenses back onto the provinces and the municipalities; and by letting civil servants go, although I understand the Government has slowed up considerably in that regard because it found that that was not very practical. The Government has also meddled with the unemployment insurance policies by taking severance pay which people earned during working days and classifying it as income to stop payments of unemployment insurance. Then we have the Armed Forces. People are required to retire while children are still in school. That severance pay is counted as income, and the individual cannot collect unemployment insurance, insurance that has been paid for ever since it was first introduced into the Armed Forces. That is not fair.

We come now to the hatchet man himself, the Deputy Prime Minister (Mr. Nielsen). As we know, he is the chairman of the review committee of Cabinet. A better title would be: "chairman of the chopping block". He is the one who is going through all Crown corporations and Government departments to find out where he can cut next. What has he found on his travels? On many military bases across the country we have schools for the families of military personnel. The Deputy Prime Minister and Minister of National Defence, the man in charge of chopping, has an ongoing review of these Department of National Defence schools. What is the aim of this review? The aim is to slough off the children of DND personnel onto the local county or regional administration, to get rid of the schools. He is not interested in the children of those families who have to move from posting to posting, sometimes as many as six or seven times during their first eight years in school. He is going to throw them into a standard county system where the other children attend school day in and day out for several years at a time. These students will have to find their own way in that crowd. With schools on military bases, the teachers are familiar with the problems, and the school-

board are DND personnel and dependants. They understand the problems faced by children who change from school to school all the time. This does not strike the Deputy Prime Minister. If anyone should rise in defence of the families of military personnel, it should be the Deputy Prime Minister and Minister of National Defence. He should not be meandering into his committee meetings trying to find out where he can save a couple of million dollars here and there at a time when the Government is being blamed for not controlling the deficit. Analysts are giving that as the reason for the value of the Canadian dollar. The Tories are meddling around with little things, making huge promises which they know they cannot keep and in the end are taking it out on low-income families.

• (1250)

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I am rising today to speak on the amendments to Bill C-70, an Act to amend the Family Allowances Act. Unlike the previous speaker, I will confine my remarks to the subject at hand, that is, the issue of missing children and the presumption of death.

We object most strenuously to the whole Bill. It is oriented to deindexing the family allowance. It shows great insensitivity to the needs of families across the country. Every family will be affected. However, the amendments with which we are dealing now affect only a very small number of people. The amendments which the Government has put forward are wrong, and we have an alternative which we think is very much better.

While the Government consulted the community about the family allowance and the whole child benefits support package, it ignored the advice it was given. In the case of missing children and the presumption of death, there was not even a consultation. What happened was that the Government stuck in a few clauses in the Bill on family allowances deindexing. We are faced with having to deal with quite a different subject, the jurisdictional problems and the lack of consultation problems that arise.

Let me begin with the failure of the Government to consult on the whole issue of presumption of death. Only one group was allowed to present a brief before the legislative committee. It was Child Find Quebec. It certainly provided some information, but many other groups would have liked to have been consulted. There was not an opportunity for the groups which work on these issues to get together and come up with a united front. The clause was sprung upon the groups on very short notice. They had to respond without adequate opportunity for their own consultations. When suggestions were made that there should be additional consultations, these were turned down, although the Government admitted that consultation had been inadequate and that the groups might have something practical to offer at committee stage. It admitted that, but did not in fact follow its own advice, as it were, to listen to that information.

Rather than take the opportunity to consult, the Government has taken a very simplistic approach, that is, to give the Minister unwarranted powers. This is not simply an administrative matter of who will decide about presumption of death. I want to note some objections to that and the fact that there are some real consequences. Families will be hurt if this amendment as it is currently framed goes through. The parents of missing children will have their family allowances cut off. This is at a time when they may well be very energetically continuing the search for their missing children. Sometimes the family allowance can be cut off sometimes after three months and sometimes after six months of the child being missing. In any event, many families may search for their children for a greater period of time than that. They are faced with costs. They are making long-distance telephone calls, consulting lawyers, hiring private investigators and placing ads in newspapers. They are using money to pursue the search for their own children. At a time when they need support, the Government will take away from them the very modest amount of support which is presently being given through the family allowance.

Death should not be presumed by the Minister on the basis of any kind of arbitrary criteria. The laws of the country very clearly indicate that the presumption of death, as other matters of vital statistics, comes under the purview of the provinces. There has been a long tradition of that, and legislation very clearly indicates it. This is an example, for the administrative convenience of the federal Minister of National Health and Welfare (Mr. Epp), of an invasion of a traditional provincial field. There is no reason for it; there are alternative ways to deal with the matter.

Our proposal contains four parts. It begins:

> Where a child has, either before or after the coming into force of this section, disappeared under circumstances that raise a presumption that the child is dead, the Minister may apply to a court of competent jurisdiction in the province or territory where the child usually resides for an order declaring, according to the law of the province or territory, that the child shall be presumed to be dead; thereupon the child shall be deemed for all purposes of this Act to have died on the date stated in the court order.

If we did this, we would have full respect for provincial jurisdiction in this area and in a way which is entirely practical. It continues:

> If, after obtaining a court order under subsection (1), the Minister receives new information or evidence that the date of death is different from that stated in the court order, the Minister may, with leave of the court, apply to the court for an order to vary, amend or revoke the order previously made, in which case the child named in the court order shall be deemed for all purposes of this Act to have died on the date so stated in the new court order.

That is perfectly self-explanatory. It continues:

> If, after obtaining a court order under this section, the Minister is satisfied from new information or evidence that the child named in the court order is alive, the Minister shall forthwith cause to be paid any allowance that would have been payable in respect of the child if the order had not been made.

Again that is quite self-evident. Finally, it continues:

> Subject to subsection (3), the Minister is bound by the law of the province where the child normally resides in respect of the issuance and revocation of death certificates and the making, variance and revocation of orders of presumption of death.

This makes clear that there is no reason in the case of a federal matter such as family allowances to invade the jurisdiction of the provinces.

In my remaining minute I should like to point out that we are continuing to obtain new information from groups which want to be heard on this subject. Groups are bringing forward their difficulties on child searches and the presumption of death. As a result, we would suggest that either our proposal be adopted or that the entire section be dropped. It would be far better not to have any section on it than to proceed with the present proposal of the Government.

**The Acting Speaker (Mr. Paproski):** Before calling it one o'clock, I should like to indicate that the Hon. Member for Broadview-Greenwood (Ms. McDonald) will have three minutes remaining in her speech when orders of the day are called.

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

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## AGRICULTURE

### BRITISH COLUMBIA FRUIT GROWERS—STABILIZATION PAYMENTS ADVOCATED

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I rise to bring to the attention of the House a grave injustice which the Minister of Agriculture (Mr. Wise) and the Government have inflicted on B.C. fruit growers. This is an association of some 1,800 producers in the Okanagan Valley of British Columbia who have been facing very tough times this last couple of years due to depressed fruit prices, high input costs, and falling land values. Indeed the financial distress in this group of producers is even worse than the national farm debt figures as reported by the Farm Credit Corporation.

They applied for assistance under the Agricultural Stabilization Act for the 1983 apple crop and would have qualified for this if the regular criteria of 90 per cent had been applied. The Minister of Agriculture applied a factor of 80 per cent, thus effectively shutting these hard pressed producers out of $2 million worth of stabilization payments, payments that were desperately needed and are needed right now.

Many of these producers, especially some of the younger ones who bought their orchards in the late 1970s, are facing foreclosure this very winter. I call on the Government to



reverse this decision which is unprecedented, unfair, and outright banditry by the Government of Canada of a benefit which is due and payable to these B.C. fruit growers.

* * *

## MINES AND MINING

### DENISON MINES LTD. WITHDRAWAL FROM BRITISH COLUMBIA NORTHEAST COAL PROJECT

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, the Minister of State for Mines (Mr. Layton) and the Minister of Energy, Mines and Resources (Miss Carney) have some explaining to do to the people of Canada. It was announced yesterday that Denison Mines, half owner of Quintette Coal Ltd. in northeast British Columbia, is writing off its entire $240 million investment in that project. Mr. Speaker, this could hardly be considered a major surprise. The northeast coal project has been bad news from the beginning. It was only a matter of time before investors acknowledged what independent mining analysts have said all along. Even the most diehard Tory and Socred should have realized something was wrong when a provincial Socred cabinet Minister in British Columbia admitted that the hole was in the wrong place.

Still the Conservative Government pressed on, and the federal Government aided and abetted its kissing cousin in B.C. It has imposed a monstrous fraud on the citizens of British Columbia.

When I raised the question of the federal Government's half a billion dollar investment in infrastructure for that boondoggle last May, the Minister of State for Mines referred to it as, and I quote, "growing pains only related to startup conditions". Growing pains, Mr. Speaker! Death throes would be a more accurate description. Not only have the federal and provincial Governments wasted billions of dollars of taxpayers' money but they have also been responsible for devastating the economy of southeastern British Columbia. Mr. Speaker, isn't it time the Government acknowledges this project is a fiasco? If they are honest with the people of Canada, these two Ministers, especially the Minister from British Columbia, will admit to this the House that their ideological soulmates in British Columbia couldn't run a peanut stand.

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## EXTERNAL AFFAIRS

### CALL FOR WITHDRAWAL OF RUSSIAN FORCES FROM AFGHANISTAN

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, as the world focuses on the resumption of the Geneva talks, we must all continue in our efforts to encourage the peace process. However, on the periphery of those talks, conflicts around the world continue to warrant our attention.

*S.O. 22*

One such conflict is the war in Afghanistan. On December 27, 1985, the war entered its seventh year. This has been a seemingly endless conflict between the Soviets and the Afghans. The cruel facts about the war remain. One million Afghans have perished from violence and famine. Four million have been driven from their homes to developed countries. Three million are in refugee camps in Pakistan, and one million more in Iran. A total of nine million are dead or displaced.

While some people focus on the war between Iran and Iraq, or the conflict in Central America, the war in Afghanistan is clearly the more tragic in terms of humanity and human cost.

We should not let this issue fade in our consciousness. It is a continuing tragedy of Soviet interference and aggression. When we talk of a durable peace between the superpowers, we should not weaken our resolve that basic human rights should be defended. This means telling the Soviets to get out of Afghanistan.

* * *

[*Translation*]

## THE ECONOMY

GOVERNMENT'S PERFORMANCE

**Mr. Nic Leblanc (Longueuil):** Mr. Speaker, the most recent economic indicators tell us that the Quebec economy continues to show sustained growth. Since the election, 136,000 jobs have been created in Quebec, an average of 9,067 jobs a month, as opposed to the total 37,000 jobs created by the Liberal Government in 55 months, an average of 673 jobs a month.

The unemployment rate has declined from 12.8 per cent in September 1984 to 11.7 per cent in December 1985.

Over the first ten months of 1985, the value of building permits has reached $819 million, a 29.9 per cent increase over the same period in 1984.

According to a recent survey made by the Canadian Federation of Independent Businessmen, 37 per cent of SMBs intent to increase their capital expenditures between now and the year-end.

Retail sales have increased 12 per cent over 1984.

During the first eleven months of 1985, bankruptcies have declined by 12 per cent over the same period in 1984.

Those figures show once again that our economic performance has significantly improved since the election of a Progressive Conservative Government in September 1984. For the business world, this party's coming to power is a genuine cause for optimism.

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

• (1405)

[*English*]

## HUMAN RIGHTS

RAOUL WALLENBERG—CALL FOR INTERCESSION WITH SOVIET UNION

**Mr. Roland de Corneille (Eglinton-Lawrence):** Forty-two years ago tomorrow, a young Swedish diplomat named Raoul Wallenberg who was in Hungary on a mission to save Jews from the Nazi holocaust was arrested by the Soviet Union shortly after it captured Budapest. Theoretically the Soviet Union was our ally, and the ally of those who fought the Nazis. However, the Soviets made Wallenberg a prisoner, and to this day no charges have been laid and he has not been given a trial. Despite the claims of the Soviet Union that Wallenberg died of a heart attack in the Soviet prison in 1947, he has been seen alive on many occasions by many witnesses ever since.

Wallenberg is a hero of humanity because he risked his life to save tens of thousands of Jews condemned to the Nazi gas chambers of Auschwitz. For this reason our Parliament proclaimed Raoul Wallenberg as the first person ever to be made an honorary citizen of Canada, on Human Rights Day, December 10, 1985, just a few weeks ago. In view of this, it is now incumbent upon the Government of Canada to look after the interests and safety of one of our own citizens.

In 1979 and in 1981, before Wallenberg was a citizen of Canada, our Government made representations to the Soviet Union. Now we are in a very sound legal position to make much stronger efforts on his behalf and, as I had provided in my Private Member's Bill of last April, I again call upon the Secretary of State for External Affairs (Mr. Clark) to take all possible steps to find out the whereabouts of Raoul Wallenberg and to secure his return to freedom.

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

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## CANADIAN BROADCASTING CORPORATION

BROADCASTING OF "NEAT TO BE DEAD" SONG—DEMAND FOR APOLOGY AND RETRACTION

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, is it neat to be dead? The CBC seems to think so. I have always been a strong supporter of the CBC and particularly of its radio programming. However, as a concerned parent I was throughly appalled to listen to a segment of *Frantic Times* which was broadcast nationally on Saturday, December 14, at the noon hour, a time when children and young teenagers would be listening.

This is a brief excerpt from the song about death, a tape of which I have in my office:

Then they take you downtown and drain out all your blood,
Then fill you up with alcohol and all this other crud.
It is neat!
Neat!
It is really neat!
What a joke. It's fun to croak. It is ever neat!

The song finishes with the following:

It is neat!
Neat!
It is super super neat! Oh boy it's cool, it sure beats school! It is ever neat!
Neat!

During the 120-second clip, the phrase "neat to be dead" in one form or another is mentioned 21 times. This is irresponsible broadcasting. Given that 281 young children and teenagers committed suicide in Canada in 1984, this is a serious problem and not a laughing matter. To suggest on prime time radio, or for that matter at any time, that death is neat and a joke is appalling. The CBC should act responsibly by carrying an apology and a retraction on *Frantic Times* indicating that death is not neat nor is it a joke.

**Some Hon. Members:** Hear, hear!

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## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

### CONCENTRATION OF TELEVISION STATIONS' OWNERSHIP IN SASKATCHEWAN

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, Saskatchewan has recently seen a dramatic concentration in private television ownership with the acquisition by the John Bassett interests of Toronto of four out of five private television stations. This has been accomplished without any public protest from the Minister of Consumer Affairs (Mr. Côté), or from Conservative Members who have been able to count on Mr. Bassett as an enduring and loyal friend. However, the Canadian Radio-Television and Telecommunications Commission stated in a 1978 ruling that, to the extent that concentration of ownership and control increases, diversity of opinion and information to Canadians are potentially reduced. It is this very real threat, that John Bassett will be presiding over an homogenized private broadcasting system in Saskatchewan, that has many people concerned.

● (1410)

Saskatchewan is only one step from being the media conglomerate that New Brunswick already is and which the Kent Royal Commission on Newspapers attacked for not having "diverse voices, correcting and balancing one another".

The Kent Commission also recommended that Armadale divest itself of one of its two daily newspapers in Regina or Saskatoon. This should also apply to television stations in Regina and Saskatoon, which are among the most profitable in the country, with profit margins of 40 per cent.





It is an abuse of dominant market position when stations this wealthy contribute so little in terms of local production, public affairs, and news coverage. I predict the Government's competition law will not disturb the profits of John Bassett, and the CRTC—

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

* * *

[*Translation*]

## ENVIRONMENTAL AFFAIRS

### AMERICAN DECISION ON LOCATION OF NUCLEAR WASTE DUMP SITES

**Mr. François Gérin (Mégantic-Compton-Stanstead):** Mr. Speaker, we were delighted to hear that the United States had decided not to develop a nuclear waste dump site near the Canadian border and across from my riding of Mégantic-Compton-Stanstead, in the province of Québec.

The people of the whole region are pleased with this decision which, otherwise, could have had a very negative impact on the environment and economy of the Eastern Townships as a whole.

I wish to emphasize the major public awareness campaign led by the *Standstead Journal*, the CANDU environmental groups, the Lake Memphrémagog and Lake Mégantic protection associations, as well as the information media generally. The Members of Parliament representing the Eastern Townships had agreed to work together in this endeavour and we are satisfied with the job done.

Also, we are glad that the United States have accepted to include the international aspect in their selection criteria for, by ruling out the proposed dump sites situated in their country but requiring that geological research be done in Canada, they have demonstrated their respect for Canadian sovereignty and autonomy.

Mr. Speaker, that is indeed a great victory.

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## REGIONAL ECONOMIC DEVELOPMENT

### REQUEST THAT REPRESENTATIONS BE MADE SEEKING GOVERNMENT APPROVAL FOR PAPERMILL IN MATANE

**Hon. Jean Lapierre (Shefford):** For the past 20 years, Mr. Speaker, the Gaspé-Lower St. Lawrence area has been spending millions of dollars together with the governments to develop its forest industry, train the necessary manpower and update its sawmills. As you know, for the past few years, the people involved in this industry have been trying to set up a

papermill which could be the final achievement of this infrastructure.

Mr. Speaker, they have set their hearts on this project which would make possible for people in the area to earn a decent living and would consolidate a few thousand jobs. We know that this project is now being discussed by the Quebec Government, private investors and sometimes the federal Government.

But the Government of Canada apparently has been dragging its feet. People from the area are presently in Ottawa to sensitize all Members of Parliament to the importance of this project for the Gaspé-Lower St. Lawrence area.

M. Speaker, I dare hope that they will return home with the commitment that the project will become a reality with the co-operation of both levels of government. That is why I ask all Hon. Members to make representations to the Prime Minister and the Minister of Regional Industrial Expansion, to make sure that this very important project for the economic development of the Gaspé area is supported by the Government and that the Matane area gets its papermill.

* * *

[*English*]

## INSURANCE

LACK OF REINSURANCE FACILITY IN CANADA

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, there is a crisis in the property and casualty insurance industry making it virtually impossible for Canadian business, municipalities, boards of education, hospitals, truckers, and others, to obtain liability insurance at realistic cost.

Liability insurance is essential to the smooth running of our society. The problem is that the property and casualty insurance industry in Canada is fragmented. There are literally hundreds of companies, some with minimal capitalization, and the reinsurance industry, with very few exceptions, is almost totally foreign. Because of the poor financial performance of the property and casualty industry caused by outrageously low premiums and a bad claims record, the international reinsurance industry refuses to stand behind the needs of Canadian property and casualty insurance companies.

France faced this problem, and the French organized a reinsurance company to provide the reinsurance required. We can do the same thing.

I call upon the Government to get together immediately with leading insurance companies to set up a new reinsurance facility in Canada and that, at the outset, the Government, if necessary, and then only for a short time, take a piece of the responsibility so that reinsurance will be available and so that the distress, caused by the lack of ability to find liability coverage, will be alleviated.

The matter is urgent. Trade is affected. Municipalities are hampered. School boards are damaged. Indeed, our way of life is threatened.

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## AIRPORTS

INCREASED SECURITY MEASURES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I wonder if the Deputy Prime Minister would care to enlighten the House, and the country, on the reason for the extra security at major Canadian international airports. And would he be in a position to give some assurance to those planning air travel?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, there was stepped up security at some Canadian airports after the RCMP received a threat—so far unsubstantiated—that there was a security threat against an aircraft at the Ottawa International Airport and the travelling public. A joint RCMP-Ottawa Police investigation, in co-operation with other police forces, continues, and the increased airport security will continue until that investigation is complete. Further comment right now could jeopardize the investigation and I would not want to interfere with the work of the police, nor would I want to arouse public anxiety unduly.

INTERNATIONAL IMPLICATIONS INQUIRY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, without trespassing upon the last words of the Deputy Prime Minister, would he be in a position to advise the House whether there are any international implications?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** I am in no position to make such a confirmation, Mr. Speaker.

GOVERNMENT'S KNOWLEDGE OF SECURITY THREAT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, would the Deputy Prime Minister favour the House with the information as to how long the Government has known about this particular threat and how long he anticipates the additional security might last?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I believe that a response specifically to that question might be harmful to the investigation itself and might arouse that anxiety which I hope could be

avoided. The security will last as long as is necessary to ensure the safety of the travelling public.

* * *

[*Translation*]

## INDUSTRY

SALE OF GULF REFINERY—OFFER MADE BY LAVALIN INC.

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

Yesterday and today it was reported that Lavalin Inc. is making offers to buy the Montreal East Gulf refinery, and we learned this morning that Ultramar appears to be reluctant.

Could the Prime Minister make it clear whether the offer made by Lavalin Inc. to Ultramar is aimed at maintaining the 450 jobs in Montreal East?

**Right Hon. Brian Mulroney (Prime Minister):** As far as I know, Mr. Speaker, Lavalin's offer on behalf of other interests as well applies to the purchase of the facilities located in Montreal East, as much as possible with a view to keeping them as a going concern, in the legal sense of the word. Similar operations are involved.

REQUEST FOR PROTECTION OF PETROCHEMICAL AND REFINING INDUSTRY

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Considering the news we heard this morning, Mr. Speaker, would the Prime Minister be prepared to make personal representations to Ultramar management urging them to accept the offer made by Lavalin Inc. and the other groups he mentioned so as to ensure that both the petrochemical and the gas and heating oil refining industries will be protected?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie is referring to news he heard this morning concerning the private sector. Indeed, but for weeks now we have been trying to get something going to help Montreal East.

We hope that, within days or weeks, the private sector will be able to come up with a constructive solution in this important case.

As to the other question concerning the Montreal petrochemical industry, Mr. Speaker, it is because we feel that the economic future of Greater Montreal is at stake that we reversed the decision of the previous Government to close Petromont because of lack of funds. We made a $69 million capital injection to save that basic industry in Montreal East.



● (1420)

## THE ECONOMY

REQUEST FOR EXPLANATION OF INTEREST RATE INCREASES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Minister of Finance. A few minutes ago, the Bank of Canada announced an increase in interest rates. The Minister indicated yesterday that the economic crisis was temporary. If so, why did the Minister accept this new increase in interest rates?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Bank of Canada rate is set once a week, every Thursday, as the Member well knows. The Treasury Bill rates came up immediately after last week's tender and have been quite stable this week at the 10.13 to 10.15 level. In fact the rate is somewhat lower at the tender than it was indicated earlier in the week.

GOVERNMENT POLICY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister of Finance also knows very well that since the first of this year the prime rate has gone up a full percentage point. The banks are now likely to proceed with another increase. However, even up to now, according to the calculations of the Minister of Regional Industrial Expansion when he was on this side of the House, Canada will lose some 25,000 jobs because of that 1 per cent increase in the interest rate.

Given all the negative consequences that come to Canada from this persistent increase in interest rates, will the Minister not acknowledge that his refusal to intervene amounts to refusal to accept Government responsibility for interest rate policy?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not happy with the increase in interest rates, but this is a result of international influences over which we do not have as much control as the Hon. Member would like.

I would like to set straight one thing which he said in the preamble to his question. The increase in the Treasury Bill rate today is unlikely to result in an increase in the prime rate.

**Mr. Broadbent:** You may regret that.

**Mr. Wilson (Etobicoke Centre):** The key point that I think the Member should recall is that, if we are able to get our fundamentals right—and one of those fundamentals is getting control of the budgetary policy of the Government of Canada—we will see some reduction in the rates, as we have seen since September 4. As I said yesterday in the House, mortgage rates are down between 2.5 and 3 percentage points from September 4, 1984.

**Mr. Broadbent:** Mr. Speaker, I point out to the Minister of Finance that my second question was, almost word for word, a question asked a couple of years ago by the then Leader of the

*Presence in Gallery*

Opposition, the present Secretary of State for External Affairs.

MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister is aware of the negative consequences for jobs and mortgages and, indeed, for the deficit, as he pointed out when he was in Opposition. If he is really concerned that an increase in interest rates will in fact lead to an increase in the deficit, which is what he said when he was on this side of the House, why is he pursuing such an inconsistent policy by talking about deficit reduction on the one hand, and permitting interest rates to go up on the other?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I took the Hon. Member aside and into my confidence yesterday and explained to him the background to the policy. I indicated to him the difficulty—

**Mr. Turner (Vancouver Quadra):** Real cosy.

**Mr. Wilson (Etobicoke Centre):** I will take the Leader of the Opposition aside too and teach him something, because he has an awful lot to learn.

**Some Hon. Members:** Hear, hear!

**Mr. McDermid:** That's too big a task.

**Mr. Wilson (Etobicoke Centre):** The point that Hon. Members must recall is that during the course of the last 16 months interest rates have come down—

**Mr. Broadbent:** They are going up now, Michael.

**Mr. Wilson (Etobicoke Centre):** —and we have created 450,000 jobs. Investment intentions are up by 11 percentage points and housing starts are up by 30 per cent. That is the true nature of the policy of the Government, and that policy will continue.

**Some Hon. Members:** Hear, hear!

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PREMIER OF PRINCE EDWARD ISLAND

**Mr. Speaker:** May I advise Members of the presence in our gallery today of the Premier of Prince Edward Island, the Hon. James Lee.

**Some Hon. Members:** Hear, hear!

PRESENCE IN GALLERY OF UNITED STATES SECRETARY OF AGRICULTURE

**Mr. Speaker:** May I also advise Members of the presence of the Secretary of Agriculture for the United States of America, Mr. John Block.

**Some Hon. Members:** Hear, hear!

* * *

• (1425)

## THE ECONOMY

INTEREST RATE LEVELS—ACTION TAKEN BY BANK OF CANADA

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, my question is directed to the Minister of Finance. On Monday in the House I asked the Minister of Finance if it was the Government's policy to let interest rates to go up to defend the dollar. The Minister of Finance responded that: "The simple answer to the question is no". Well, 25 minutes ago the Bank of Canada raised its bank rate by 17 basis points to reach 10.38 per cent in order to defend the dollar.

Will the Minister of Finance retract his words from Monday and tell the House if he fully supports this action of the Governor of the Bank of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, in response to a question from the Leader of the Opposition I indicated to the House that I fully support the policy of the Bank of Canada. As I have said in the House on a number of occasions, that policy is that the Bank of Canada will moderate the movements in the market-place, both in interest rates and exchange rates, upwards and downwards. That is the policy that has proven to be successful in the past 18 months, and that will continue.

[*Translation*]

INTEREST RATES—GOVERNMENT POLICY

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, last October, there was a difference of about 150 base points between American and Canadian interest rates. This difference has now reached 300 base points. How can the Minister of Finance say that it is not the policy of his Government to let interest rates go up?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is a former banker. He should understand the movements of interest rates and the pressures in the international markets.

It is not possible for the Governor of the Bank of Canada or the Minister of Finance, as I said yesterday, to wave a magic wand and say this is what will happen to interest rates—

**Mr. Benjamin:** Try it.

**Mr. Wilson (Etobicoke Centre):** The Member from Saskatoon—

**Mr. Hnatyshyn:** No, no!

**An Hon. Member:** Regina.

**Mr. Broadbent:** You just don't understand the West, Michael.

**Mr. Wilson (Etobicoke Centre):** The property values in Saskatoon nearly went down.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** The international influences on both the exchange market and on interest rates are much bigger than the ability of the Bank of Canada to influence in a lasting way. We moderate them on a short-term basis and will continue to do so. That is the policy of the Bank of Canada.

EFFECT ON DEFICIT

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance. He will remember when he was sitting on this side of the House in opposition as the Finance spokesperson for the Official Opposition that he said higher interest rates mean larger deficits and more debt for the country.

Considering that interest rates have gone up 1 per cent since January 1, to what extent will this add to the country's debt, and to what extent will it add to the country's deficit?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have not made a calculation of what effect that short-term change in interest rates will make on the size of the deficit. At this point it will not be meaningful one way or the other. However, on a long-term basis the best way that we can lower the deficit, the debt of the country and interest rates, is to continue to work at bringing the size of the deficit under control.

As I said yesterday—

**Mr. Broadbent:** Talk about a circular answer. I will take you aside after, Michael.

**Mr. Wilson (Etobicoke Centre):** I will take you aside too, Ed. The best way to meet the objectives that he and I want, which is lower interest rates and a healthy economy, is to lower the deficit. I look forward to his support when we bring down the Budget.

MINISTER'S POSITION

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, is the Minister of Finance saying, after standing in the House time after time and virtually being traumatized by the deficit and debt facing the country, that he or his Department has not made any calculations to determine what a 1 per cent increase in the interest rate means to a deficit increase in this country? Is he actually admitting that he does not know that figure?

● (1430)

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, that is not what I said.

**Mr. Riis:** It is what you said.

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member will look in the budget papers of last year, he will see exactly what the amount will do—

**Mr. Broadbent:** Tell us what it is.

**Mr. Wilson (Etobicoke Centre):** —over a one year basis.

The question which the Hon. Member put to me just a minute ago was what would the 1 per cent increase in interest rates that we have seen in the last two weeks do to the deficit. That is over a two-week period. No, I have not done that calculation because I do not think it is a lasting change.

* * *

[*Translation*]

## INDUSTRY

ESTABLISHMENT OF PAPERMILL IN MATANE, P.Q.—GOVERNMENT POSITION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, I have a question for the Right Hon. Prime Minister. He will be aware that, for about 20 years, there have been major investments by the people of the Matane region in Gaspé for forestry development, manpower training and sawmill modernization.

As the Prime Minister knows, a project submitted to himself and his Government proposes that the long-awaited regional Matane papermill finally go forward.

I know that the Quebec Government has given its approval—

[*English*]

**Mr. Speaker:** Order, please. This is the third statement in the preamble. Could we have a question please?

[*Translation*]

**Mr. Lapierre:** Mr. Speaker, I would like to ask the Prime Minister: What is the position of the Federal Government now that the Quebec Government has given its approval and that the private sector is interested?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member is quite right when he speaks about the people of the Gaspé region who have been in favour of a regional papermill for 20 years and who have been coming to Ottawa to plead their case before the Liberal Government only to have their requests refused. The answer of the Liberal

Government in Ottawa was no for 20 years. Thanks to the intervention of the Hon. Member for Matane and other Members of the region and thanks to the co-operation of the Provincial Government, we can hope that something will finally happen for the first time in 20 years.

REQUEST FOR GOVERNMENT ACTION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, I would like to ask a supplementary.

The first reply that those involved received from this Government was a no in the case of the advance ruling, and the Prime Minister knows it. This is the answer that he gave them.

The people want to know whether the Prime Ministr can rise today and honestly say: Yes, this will go forward! It is not a case of shilly-shallying and of saying "maybe". This is what you have been saying for months. Yes or no, will you be going forward with the Matane papermill? The people are fed up and want some answers.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, progress will be made in the Lower St. Lawrence region like elsewhere in Quebec. I can tell you this: With a Conservative Government, Quebecers will not have to wait for 20 years before benefiting from a new prosperity in Canada.

FUTURE OF G.M. PLANT AT SAINTE-THÉRÈSE, P.Q.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Yesterday, at the opening of the *Salon de l'automobile* in Montreal, Mr. Gary Henson, manager of the General Motors plant in Sainte-Thérèse, declared at a press conference that GM had no plans for its Sainte-Thérèse plant beyond 1987.

Could the Prime Minister promise the House today to meet with Mr. Henson as soon as possible to discuss this question and provide some reassurance for the workers at the Sainte-Thérèse plant?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I want to thank my hon. friend for his excellent question which concerns a matter that is very important for Quebec.

We are of course working with this industry that is so vital to the well-being of Quebec and Ontario. In fact, Southwestern Ontario plays a very important role in the economic life of this province.

For us in Quebec, the Sainte-Thérèse plant was the only one we could count on. And until quite recently . . . in fact the Conservative Government was the first government in twenty-five years to do something about getting automobile manufacturers to build new plants in Quebec. But that is a new development.

I think that answers the concerns of my hon. friend, and I can assure him we intend to co-operate very closely with management at GM and other companies to ensure this sector will not only be present but flourishing within Quebec's economy.

[*English*]

REQUEST THAT PRIME MINISTER MEET MANUFACTURERS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, as a supplementary question may I ask the Prime Minister whether he will engage immediately in meetings with those who represent all of the automobile manufacturers in Canada, including the more recent import manufacturers, to set up a plan that puts all automobile manufacturers on the same basis, so that suppliers of traditional plants will be protected, while at the same time the new plants will be operating on the same fundamental basis as those against whom they are competing?

**Right Hon. Brian Mulroney (Prime Minister):** The Hon. Member should have stayed with French. He was doing well, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** I met with all of the automobile manufacturers in Canada four weeks ago, and I dealt precisely with those problems.

**Mr. Deans:** What happened? What did they say?

[*Translation*]

G.M. PLANT AT SAINTE-THÉRÈSE—INVESTMENT PROJECT—REPRESENTATIONS MADE BY GOVERNMENT

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Prime Minister. On November 7, 1984, that is more than a year ago, the Right Hon. Leader of the Opposition asked the Prime Minister—

**Mr. Masse:** Which one?

**Mr. Guilbault (Saint-Jacques):** —to meet with General Motors which had just announced it was going to cancel its plan to invest $700 million in the Sainte-Thérèse plant.

The Prime Minister answered, and I quote:

The Leader of the Opposition has every reason to be concerned over that question, and the Minister and I will take this up with the management of that corporation—

I want to ask the Prime Minister what kind of discussions he has had with General Motors and why that corporation is now talking about closing its plant instead of investing $700 million?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, if I may answer the Hon. Member's question, I have not only had one but several meetings with

Jack Smith of General Motors of Canada. During those meetings we have, of course, discussed the Ste.-Thérèse plant. I can assure the Hon. Member that we have discussed the longer range planning for Ste. Thérèse referred to yesterday.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER WILLING TO MAKE REPRESENTATIONS TO G.M.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I was asking the Prime Minister to report to the House on his meetings. I am concerned, because the meetings the Minister had with General Motors have not lead to an investment of $700 million but to the company's planning to close down the plant—

[*English*]

**Mr. Speaker:** Order, please. The Hon. Member was reasonably long the first time.

[*Translation*]

**Mr. Guilbault (Saint-Jacques):** I would like to know whether the Prime Minister is prepared to take this up personally with GM in order to protect these jobs, as he promised the Leader of the Opposition on November 7, 1984.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, all this was done ages ago. We have—

**Mr. Lapierre:** And look at the results!

**Mr. Mulroney:** Yes, as the Hon. Member for Shefford says, look at the results. And we have results, Mr. Speaker. They are there for all to see, and I want my hon. friend to correct me if I am wrong. He probably will, but the fact is that in fifteen months we have created 137,000 new jobs in Quebec, while the Liberals only managed to create 37,000 in fifty-five months.

Mr. Speaker, I never claimed we were perfect—

**Ms. Copps:** It doesn't look good in Quebec!

**Mr. Mulroney:** —but the fact is that we are creating jobs thirteen times as fast as the former Liberal Government was able to do.

SALE OF GULF REFINERY—ALLEGED BEHAVIOUR OF MULTINATIONAL CORPORATION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I too have a question for the Prime Minister.

According to *Gaz métropolitain*, Ultramar management imposed a precondition yesterday so as to prevent the sale of their Montreal East refinery to any prospective competitor on the Quebec market.

My question is this, Mr. Speaker: In light of that information, I would ask whether the Prime Minister finds that this kind of behaviour on the part of a foreign company in Canada is acceptable?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we are not aware of the existence of such a condition.

REQUEST FOR INQUIRY

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, given such a condition as reported in this morning's newspapers—I hope the Prime Minister reads Canadian newspapers—competition will be restricted.

As a supplementary question, is the Prime Minister prepared, once he has been fully briefed, to launch an investigation pursuant to the provisions of Section 32 of the Canadian Combines Investigation Act? This is an important matter to Quebecers.

**Right Hon. Brian Mulroney (Prime Minister):** Yes, Mr. Speaker, this is an important matter to Quebecers. Not only are we considering the issue raised by my colleague, but perhaps more important still in certain fields, the hard fact is that over the past three years, from 1982 to 1984, three major Montreal East refineries closed their doors, and the Liberals tried to close Petromont and kill one of our leading companies. We are doing our best to revive them all, including the Gulf refinery.

I think our efforts deserve not only the encouragement of the Hon. Member but also the official support—which we are seeking—of all Liberal Members of the House of Commons, hopefully so that for once they will stand up and defend the interests of Quebecers.

* * *

● (1440)

[*English*]

## ENERGY

MAJOR OIL FIND IN BEAUFORT SEA

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, in the absence of the Minister I will direct my question to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. Could the Government confirm and describe what is apparently a major new oil find in the Amauligak structure of the Beaufort Sea? Will production from this field be speedily encouraged?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, needless to say we were ecstatic when we heard about the discovery of a delineation well in the Beaufort Sea. The production results show that there will be delivery of some 35,000 barrels of oil

per day in the Beaufort Sea. We are looking forward to production. We recognize that there has to be further delineation wells, but we are hopeful that production from the Beaufort will not take too long. I might add that, when these discoveries are made, of course it encourages oil companies to continue exploration in our frontier areas.

**Some Hon. Members:** Hear, hear!

* * *

## INSURANCE

LIABILITY PREMIUM INCREASES—REQUEST FOR COMBINES INVESTIGATION

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is directed to the Minister of State for Finance and concerns the insurance crisis. So that the Minister can understand the importance of this crisis, I will give an example of the terrible tragedy. The General Hospital of Toronto had to pay an increase of some 700 per cent this year over last year for liability insurance. Does the Minister believe that the insurance industry is doing something wrong? Will she support today the demand for an investigation made by 10 Members of Parliament asking Director O'Farrel to investigate the insurance crisis?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think I should explain to the Hon. Member that several times in the House I have expressed my concern for this issue. I have tried to explain to the House the importance between our area of responsibility and that of the provinces. The provinces have taken some appropriate action to deal with what is indeed a very real problem and one about which we care a great deal. Our policy concerns have to do with solvency and the capital base. Those are the kinds of issues which we will be bringing to the House in the process of our entire examination of the financial services industry.

Yes, I do care a great deal, and we are in touch with the industry on this basis. However, it is important not to leap into someone else's area of responsibility every time there is a problem.

[*Translation*]

REQUEST THAT MINISTER INTERVENE ON BROAD BASIS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** I have a supplementary, Mr. Speaker. The Minister of Fitness and Amateur Sport has said here and elsewhere, and as recently as this morning on television on the program *Canada AM*, that he would take action to help the Canadian Ski Team. Why could the Minister not do the same for the municipalities, hospitals, school boards, businesses and individuals faced with these insurance problems?

[*English*]

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think this question has been answered in the House several times over the past few days. It concerns the fact that there is a very difficult situation in a number of areas affected by insurance. We are dealing within our area of responsibility, and we will continue to do so.

* * *

[*Translation*]

## INDUSTRY

GAZ MÉTROPOLITAIN OFFER—PRIME MINISTER'S POSITION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Prime Minister. Is he not aware that the *Gaz Métropolitain* company announced yesterday that it had to withdraw its purchasing offer because it could not obtain a guaranteed external market for all its sales as required by Ultramar? Will the Prime Minister put pressure on Ultramar so that Quebecers will not be paying excessive prices because of the monopoly this company wants to establish?

**Right Hon. Brian Mulroney (Prime Minister):** I think that my honourable friend is wrong. Ultramar has been associated with the economic development of Quebec for many years. As concerns job creation, they have made a commitment to the Quebec Government and ourselves for another capital investment of $150 million, I believe, to create more jobs in Quebec. We in Quebec therefore consider Ultramar a good corporate citizen. However, what we want first of all is more job creation and reasonable prices for the consumers. We are going to meet both objectives by favouring Quebecers and economic recovery in Quebec.

**An Hon. Member:** Absolutely!

[*English*]

REQUEST FOR COMBINES INVESTIGATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, in light of the fact that all the evidence which has surfaced so far indicates that Ultramar has a precondition on the sale of its refinery that any purchaser cannot sell into the Quebec market, is the Prime Minister prepared to initiate, under Section 32 of the Combines Investigation Act, an investigation to ensure that the consumers of Quebec are not held to ransom by an oil monopoly?

**Some Hon. Members:** Oh, oh!

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I had some difficulty understanding the question, but I think that I have heard it now and that I can fully assure my friend that the Federal Government, led by a Quebecer and

with a very strong and impressive Quebec representation, will protect the interests of Quebecers in all areas, including the price of gasoline in Quebec.

* * *

[*English*]

## YOUNG OFFENDERS ACT

### INTRODUCTION OF AMENDMENTS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, my question is directed to the Solicitor General. Yesterday he announced plans for a major overhaul of the Young Offenders Act. While I applaud his swift action in preparing these draft proposals, I would remind him that time is of the essence to remedy the problems society is facing because of the many flaws in the Act. How soon will the Minister bring the required legislation into Parliament?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I have now had a chance to meet with those people who have to work with the Young Offenders Act. I have listened to them. It is apparent to me that the Act is in need of reform. I intend to introduce legislation in Parliament as soon as possible after I have met with my provincial colleagues. Having done that, I will be seeking the co-operation of members of the Opposition to have this legislation passed before the summer recess.

* * *

## FOOD AND DRUGS

### USE OF ILLEGAL DRUG TO INJECT CALVES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It concerns the 12,000 veal calves which were injected with the illegal anabolic steroid, trembolone acetate. Yesterday the Minister of Agriculture did not explain why the animals were allowed to be injected with this illegal drug or why 2,000 carcasses of adulterated meat were allowed to be sold. Could the Minister explain why his Department allowed this illegal drug to be imported into Canada in such large quantities?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I want to tell the Hon. Member—and with his background I think he will know this—that Health and Welfare did not approve the importation of TA, nor did the Department of Agriculture approve its importation. It is an illegal drug in Canada, and it is for that reason that it came under the Food and Drug Act and is being investigated by the Department and the appropriate authorities.

### LEGALIZATION INQUIRY

**Mr. Maurice Foster (Algoma):** Mr. Speaker, in view of the very large volume of animals injected with this drug, has the Minister received any representation from his cabinet colleagues to legalize the drug retroactively?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, that is not the manner in which caucus has approached these questions. Rather, the drug is illegal and that is why the Minister of Agriculture took action. That is why we are taking action. That is why we are using whatever authority we have. The point is that there has not been any of that representation, and I hope his question is not of the same nature.

* * *

## INVESTMENT CANADA

### PROPOSED ACQUISITION OF CINEPLEX ODEON BY UNITED STATES CORPORATION

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my question is directed to the Minister responsible for Investment Canada. It concerns the 33 per cent acquisition of Cineplex Odeon on the part of MCA in the United States. Would the Minister agree that this shows that there is a serious loophole in the regulations, when this 33 per cent makes the operation a majority shareholder and is *de facto* control? Does he plan to do anything about it?

● (1450)

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, we in Investment Canada have of course noted the proposed acquisition to which the Hon. Member has referred. Our staff have had certain discussions with the legal representatives of the company concerned. I can only tell you at the present time that no application has been made to Investment Canada. There has been no ruling sought as to whether this is a reviewable item, and we will be asking the company to give us more detail of what their plans are.

### FILM INDUSTRY—TASK FORCE REPORT RECOMMENDATIONS

**Ms. Lynn McDonald (Broadview-Greenwood):** My supplementary on the same issue is directed to the Minister of Communications. I wonder if he would tell us what he plans to do about this, if he sees that this is a contradiction—assuming the acquisition goes through—of the Canadianization policy in the film distribution industry, and if this might light a fire under him to do something about the recommendations of the report of the task force on the film industry.

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** As indicated by the Minister responsible for Investment Canada, Mr. Speaker, we will have first to look into this aspect of the issue and then decide together whether it is necessary to deal with the second part of the question.

[*English*]

## LOTTERIES

REQUEST FOR INTRODUCTION OF TAX ON WINNINGS

**Mr. Alan Redway (York East):** Mr. Speaker, my question is of the Minister of Finance. Each year in Canada millions and millions of dollars are paid out in lottery jackpots. In the United States jackpot winnings are taxable. Will the Minister of Finance consider introducing a tax on Canadian lottery winnings in the forthcoming Budget as part of his efforts to reduce the deficit?

**Some Hon. Members:** No, no, no.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, obviously there are a lot of lottery buyers in the House today. I will take the Hon. Member's question as a representation. At this point he knows I am not able to comment one way or the other on such representations.

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## VISIBLE MINORITIES

GOVERNMENT'S NEGOTIATIONS WITH REPRESENTATIVES OF JAPANESE CANADIANS INTERNED DURING WORLD WAR II

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. Today we learned in reports that the U.S. Congress is moving very significantly on three fronts to address the wrongs that were perpetrated against Japanese Americans during the Second World War. By contrast this Conservative Government has dealt with the situation in an embarrassing and certainly morally dishonest fashion.

Rather than continuing to circumvent the National Association of Japanese Canadians, and proposing yet another unilateral proposal that would be doomed to failure, I would like to ask the Minister if he does not agree that it is high time to sit at the negotiating table with the National Association of Japanese Canadians and once and for all reach a settlement that is going to be honourable and fair to all concerned.

**Some Hon. Members:** Hear, hear!

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** Mr. Speaker, once again the Hon. Member is totally and absolutely misinformed, and I do not accept the premise of his question whatsoever. He should know, as I have indicated through my actions, that I have been in constant contact not only with the National Association of Japanese Canadians but with other Canadian Japanese organizations as well as other groups and individuals who are interested in this very serious matter.

The reason for delay, if the Hon. Member thinks there is a delay, is because the National Association of Japanese Canadians is having a study done by Price, Waterhouse and they want to have the results of the study before the Government acts. If he doesn't believe that, he can ask the president of that association.

Finally, if I may conclude, Mr. Speaker, that Hon. Member and the rest of this House, and all Canadians, should be congratulating this Government because this is the first Government in 43 years which has taken any action.

**Some Hon. Members:** Hear, hear!

REQUEST FOR FURTHER NEGOTIATIONS

**Mr. Sergio Marchi (York West):** Mr. Speaker, this Minister is misleading this House if he thinks the national association is in concert with this Government, because based on the—

**Mr. Speaker:** I am sure the Hon. Member did not mean that to be unparliamentary. Just a supplementary question, please.

**Mr. Marchi:** The Minister of State says he is consulting with Canadians. Can he guarantee this House and the national association that once he has completed all his consultations with all Canadians he will return with his findings to the negotiation table, that he will negotiate with the national association representing the national constituency of the community that this Government is attempting to address?

**Mr. Speaker:** This is very long.

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** Mr. Speaker, I can assure this House and all Canadians that the commitment that this Government has made is going to be kept after total and absolute consultations with a broad range of Canadians. I also want to remind the Hon. Member that during the last previous administration, in the last question in this House of Commons the Right Hon. Prime Minister of today, when he was Leader of the Opposition, asked former Prime Minister Trudeau about this and he said there would be no compensation, there would be discussion, and the Liberal Party was not going to do anything for Japanese Canadians.

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## FISHERIES

WEST COAST SALMON CATCH IN 1985

**Mr. Ray Skelly (Comox-Powell River):** My question is for the Minister of Fisheries and Oceans. It pertains to the huge unanticipated surplus returns of salmon to the West Coast fisheries last year that the Department refused to be allowed to be caught. Losses to the industry show figures of $30 million to $50 million. Would the Minister undertake to launch a full public inquiry into the development and implementation of that fatally flawed fishing plan last year?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, as with all annual fishing plans the West Coast salmon fishing plan is the product of consultation between

departmental officials and the various advisory groups, and in the case of the 1985 salmon fishery there was indeed a surplus in the return to many of the rivers. This is not a loss to the industry, but I think, Mr. Speaker, a recognition of the tremendous benefits of the Salmonid Enhancement Program. I will be discussing that and the next year's fishing plan with my advisory committee in Vancouver on Monday.

DATA AVAILABLE TO DEPARTMENT

**Mr. Ray Skelly (Comox-Powell River):** Would the Minister admit that the data on which that plan is based, on which the consultation takes place, is hopelessly inadequate, and that the cut of 200 staff members from his Department, and the erosion of $65 million out of its budget are going to make an even worse fishing plan next year, with again very large multimillion dollar losses to the industry?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I can assure the Hon. Member that the scientific resources of the Department of Fisheries and Oceans are second to none anywhere in the world, and that in any restructuring and improvements to the efficiency of the Department of Fisheries and Oceans there is no question but what those scientific resources will be enhanced, not diminished.

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## FILM INDUSTRY

ACQUISITION OF CINEPLEX ODEON SHARES BY AMERICAN CORPORATION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, yesterday an American conglomerate became the largest single shareholder of Canada's most important distributor and exhibitor of movies, Cineplex. My question is directed to the Minister of Communications. Since this flies in the face of the many concerns expressed by his task force on the film industry, could the Minister tell this House what he is going to do about this increased concentration and control by American interests?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Following this transaction, Mr. Speaker, the Americans will become minority shareholders in Cineplex, and not majority shareholders.

What really matters at this time, as reflected in the reply made by the Minister responsible for Regional Economic Expansion, is the Investment Canada aspect of the question, and the Minister is in contact with his officials and the company first of all, to clear up the legal aspects of the issue.

• (1500)

[*English*]

REQUEST FOR MINISTERIAL ACTION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, this Minister has been leading the charge in defence of cultural sovereignty while the Minister of "Divestment Canada"—

**Some Hon. Members:** Hear, hear!

**Mrs. Finestone:** The Minister of "Divestment Canada" has allowed American concentration in the film industry. I want to know when is enough enough. Is the Minister prepared to stop the infiltration of the Americans into this field?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, the question is not really a question but an attack against a system. What we have here is a problem with Investment Canada and it is with this in mind that my colleague will look into this issue.

* * *

[*English*]

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions with the exception of four presented by Hon. Members on Wednesday, January 15, 1986, meet the requirements of the Standing Orders as to form.

[*Translation*]

The petitions presented by the Hon. Members for York West (Mr. Marchi), Louis-Hébert (Mrs. Duplessis), and Kenora-Rainy River (Mr. Parry) do not meet the requirements of the Standing Orders as to form.

The petition presented and tabled with the Clerk of Petitions by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) meets the requirements of the Standing Orders as to form.

* * *

[*English*]

## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, may I ask the Government House Leader what business he will call for the coming week?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, the business for the next week will be as follows: today we are going to complete report stage of Bill C-70, the Bill with respect to family allowances. Tomorrow we will commence consideration of third reading of Bill C-84, a Bill to amend the Income Tax Act and other legislation. I would like Monday to be the final day for third reading consideration of

Bill C-70, and Tuesday will be the fourth and final day for consideration of Bill C-84, the income tax Bill.

The House Leaders will be meeting after Question Period to discuss other items of legislation. I hope then to have an opportunity to discuss the business for the rest of the week at that time. However, we have already had some discussions and there may be a consensus with respect to the Bills with which we will deal. However, I will confirm that today.

## ROUTINE PROCEEDINGS

[*English*]

### STRIKING COMMITTEE

PRESENTATION OF SEVENTEENTH REPORT

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour to table the seventeenth report of the Striking Committee in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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### PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Neil Young (Beaches):** Mr. Speaker, it is my privilege and duty to present a petition from residents of my own constituency who state that the deindexation of the universal family allowance is an unfair attack on women and families, and further state that this attach will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

While I have the floor, I have a similar petition to present from residents of the Province of Nova Scotia who also state that the deindexation of the universal family allowance is an unfair attack on women and families. They also state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I also have a number of petitions to present protesting Bill C-70 and the partial deindexation of family allowance. The first two petitions are from my riding of Vancouver East where many, many people have protested that this measure will create considerable hardship for families. They call on the House of Commons to reinstate full indexation of the universal family allowance.

The next petition is from the interior of British Columbia including Kelowna, Peachland and Penticton, all areas represented by Conservative Members, unfortunately. These petitioners are calling for the House of Commons to reinstate full indexation of family allowances.

Moving along eastward to Nova Scotia, there have been a great many petitions from that province recently. This particular one I am presenting is signed by residents of Dartmouth, Sackville and Halifax who also say that the family allowance Bill is very unfair to families and will create considerable hardship and there should be full indexation of the universal family allowance.

I also have a petition to present from a group called Women Against the Federal Budget, and most of these women live in Burnaby, British Columbia. They are stating that children are everyone's responsibility and they strongly oppose the budget proposals to reduce the cost-of-living protection of family allowance and demand that this proposal be withdrawn as soon as possible.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I have here a petition signed by people who are asking me to present in this House a request that the Government of Canada reinstate full indexation of the family allowances and the child tax credit. The petition comes from Sault Ste. Marie. I have another one from the constituency of Saint-Hyacinthe.

[*English*]

I have a petition here from Toronto asking that the Government restore full indexation to family allowances.

[*Translation*]

A petition from the constituency of Ottawa-Vanier, another one from the constituency of Ottawa-Carleton, another one from the constituency of Gaspé with several signatures, another one from the constituency of Gaspé again, asking the Government to reinstate full indexation of pensions and the child tax credit.

[*English*]

I have a petition from Kamloops-Shuswap and one from Macdiarmid, Ontario.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I do not have a petition from Kamloops-Shuswap but I do have one from Vancouver containing 34 signatures. The petition is asking the Government to reinstate full indexation of universal family allowance and asking the Government to rescind a number of unfair tax increases in the last Budget.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present petitions signed by over 100 people from Winnipeg, most of whom are parents who have children in day care centres. They say that in the opinion of the petitioners, the deindexation of universal family allowance is a massive cut-back in the public commitment to child benefits, is an unfair attack on women and families with children and especially single-parent mothers, and they therefore humbly pray and call upon the House of Commons to reinstate full indexa-

tion of universal family allowance and rescind the unfair tax increases.

I have another set of petitions signed by members of the Royal Canadian Legion in Winnipeg who say that the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, in line with the historic right to petition which has existed, I believe, since Runnymede, we now have more names on petitions regarding family allowances than we had on petitions regarding the old age pensions, something which the Crown ignores at its peril. I would like to present a petition signed by a number of people from the City of Regina. The undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate and maintain the full indexation of family allowances and to rescind unfair tax increases, something for which they and I humbly pray.

RESTORATION OF FERRY SERVICE TO PRINCE EDWARD ISLAND

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have another petition to present on another subject. Residents of the Atlantic provinces and particularly Prince Edward Island and parts of New Brunswick and Nova Scotia petition and humbly pray and call upon Parliament to restore the ferry schedule between Borden and Cape Tormentine, the ferry service between New Brunswick and Prince Edward Island and to consult with the local citizens as to the requirements of their ferry services.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I am pleased to present petitions on behalf of families who are severely affected by the de-indexation of family allowances. These petitions are signed by people, first, from the constituency of Manicouagan, second, from the constituency of Hamilton-Wentworth, and then by people from Moncton and Thunder Bay-Nipigon. This one is signed by people from London East and London West. I have another one here I received from the City of Toronto. Another one comes from the federal constituency of Kamloops-Shuswap, and the last one comes from the federal constituency or area of Saint-Hyacinthe.

Your petitioners, Mr. Speaker, pray that the Government re-instate full indexation of family allowances and the child tax credit.

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I have another petition on another matter, and it also concerns the CN shops in Moncton. The people of Grande-Digue in the Moncton area, in my riding, are very concerned about the situation at the CN, and they are asking the Minister to take a stand and protect jobs in this area.

• (1510)

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have the honour of tabling a petition from the *Cercle des fermières du Québec* who are asking the Prime Minister of Canada to maintain full indexation of family allowances and the child tax credit.

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, I also have a number of petitions in which all petitioners want to see family allowances and the child tax credit maintained. They claim, and rightly so, that these payments are indispensable to families with children.

The same petitioners, Mr. Speaker, want to see reinstatement of full indexation, and their petitions are from the federal riding of Ottawa-Carleton.

I have another petition from Toronto, Ontario; one from the federal riding of Gaspé in Quebec, and another one, also from the federal riding of Gaspé, Quebec.

I have another one here, Mr. Speaker, from the federal riding of Capilano in British Columbia; another petition from Hamilton, Ontario; another one from a federal riding in Quebec, this time from Saint-Maurice, and my last one is from the federal riding of Rimouski.

All petitioners are urgently asking for full indexation of family allowances, a form of assistance that is very important to single-parent families.

[*English*]

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, first, I have a petition with respect to pension benefits which are essential for the maintenance of family incomes. The deduction of pension benefits from unemployment insurance benefits would seriously interfere with the efforts of employees and the community to create employment. Accordingly, the petitioners, who are from Corner Brook, Newfoundland, ask Parliament to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

[*Translation*]

GOVERNMENT FISCAL AND SOCIAL SECURITY POLICIES

**Ms. Lynn McDonald (Broadview-Greenwood):** Now, Mr. Speaker, I wish to table a petition on behalf of a great many petitioners from Montreal, Laval, Dorval, Saint-Hubert, Saint-Lambert, Longueuil and other Quebec areas.

The undersigned claim that the attack against Canadian families is altogether intolerable in view of such budget gifts as the elimination of the capital gains tax and the RRSP deductions for high income bracket people.

The Government is giving away billions of dollars to the oil industry and has put together a rescue package for the Commercial Bank of Canada worth a billion dollars.

The petitioners are asking the Government to re-establish the full indexation of family allowances and to rescind the unfair tax increases. And as in duty bound your petitioners will ever pray.

[*English*]

As well, I have a number of similar petitions with respect to the family allowance. I would like to note their origins. They are from a number of ridings in Ontario, British Columbia, in particular, Vancouver, and Prince Edward Island. I have a somewhat different petition, Mr. Speaker, from a group called Women Against the Federal Budget and signed, in particular, by a number of persons from Toronto. The petitioners state that children are everyone's responsibility and that parents should receive Government assistance which value is at least as high or higher than the present family allowance levels. They oppose the budget proposals to reduce the cost of living protection of the family allowance and demand of Parliament that this proposal be withdrawn as soon as possible.

Finally, I have a great number of petitions with respect to the family allowance from petitioners from my own riding of Broadview-Greenwood.

I also have several petitions demanding the full indexation of the family allowance. They are from Thunder Bay, Ottawa and from the Kingston area.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my honour and duty to present a series of petitions from my riding of Prince Albert. The petitioners pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour to present a petition from a number of residents from the liberated riding of Spadina, and some from other non-liberated ridings adjoining Spadina, in which the petitioners point out that this 3 per cent deindexation of family allowance, plus the other reduction in child benefits, plus increased income taxes on low income people, and the $1 billion hand-out to oil companies and banks, place a great burden on low income families and their children. Therefore, they call upon the House to rescind Bill C-70 and the other unfair tax changes.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, Question No. 466 will be answered today.

[*Text*]

CANADA JOBS STRATEGY

Question No. 466—**Mr. Allmand:**

1. What is the regional breakdown of the funding allocation under the Canada Jobs Strategy to the (*a*) job entry option (*b*) skill investment option (*c*) skill shortages option (*d*) job development option (*e*) innovations option (*f*) community futures option?

2. When is the community futures option of the Canada Jobs Strategy expected to begin?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** 1. The regional breakdown of the funds allocated under the Canadian Jobs Strategy is provided on the table below. It is important to note that these figures include all programs which are part of the Canadian Jobs Strategy. The former job creation and training programs, except for institutional training, were replaced by the Canadian Jobs Strategy programs in September, 1985. As part of this period of transition from old programming to new programs, consultation is under way with the provinces and the level of expenditures for 1985-86 is in part dependent on agreements being signed with the provinces.

2. The community futures program of the Canadian Jobs Strategy is expected to begin, at least in part, by the end of the 1985 calendar year.

[*English*]

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

**Some Hon. Members:** Agreed.

* * *

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, if Questions Nos. 427 and 465 could be made Orders for Return, the returns would be tabled immediately.

**Mr. Speaker:** Is it the pleasure of the House that Questions Nos. 427 and 465 be deemed to have been made Orders for Return?

**Some Hon. Members:** Agreed.

[*Text*]

FISHING BOAT *SERGE M*

Question No. 427—**Mr. Cassidy:**

1. Was Mr. Gerard Mallet's fishing boat, the *Serge M*, detained by Department of Transport personnel on August 26, 1980 in the Gaspé region of Quebec and, if so (*a*) for what reason (*b*) under what legal authority?

2. Did the detention order refer to the article of legislation or regulation and, if not, for what reason?

Planned Funding 1985-86 (000's)

| | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta-NWT | BC-Yukon | Unallocated | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Job entry —Challenge '85 (1) | 5,564 | 1,093 | 6,188 | 5,120 | 47,456 | 44,451 | 6,004 | 4,935 | 14,258 | 21,020 | 238 | 156,327 |
| Other dept's Challenge '85 —other job entry | 5,505 | 1,765 | 5,939 | 6,181 | 28,177 | 27,719 | 10,287 | 9,313 | 8,496 | 19,760 | 23,525<br>2,524 | 23,525<br>125,666 |
| Job Development —other departments (3) | 32,253 | 5,095 | 23,497 | 18,729 | 154,610 | 97,863 | 24,175 | 16,397 | 33,540 | 64,707 | 21,466<br>60,000 | 492,332<br>60,000 |
| Skill investment | 1,119 | 320 | 2,524 | 1,149 | 9,707 | 14,059 | 3,732 | 3,209 | 3,869 | 3,895 | 2 | 43,585 |
| Skill shortages | 919 | 499 | 1,381 | 1,025 | 15,442 | 31,705 | 2,662 | 2,651 | 6,862 | 8,454 | — | 71,600 |
| Community futures & adjustment | 5,476 | 2,178 | 5,471 | 5,512 | 34,567 | 16,027 | 4,127 | 3,394 | 4,663 | 13,869 | 33,749<br>— | 33,749<br>95,284 |
| Innovations (2) | 2,010 | 447 | 3,138 | 2,543 | 24,384 | 33,260 | 3,769 | 3,519 | 8,360 | 10,590 | — | 92,020 |
| Reserve | | | | | | | | | | | 8,064 | 8,064 |
| CJS sub-total | 52,846 | 11,397 | 48,138 | 40,259 | 314,343 | 265,084 | 54,756 | 43,418 | 80,048 | 142,295 | 149,568 | 1,202,152 |
| Institutional training | 23,100 | 5,445 | 25,924 | 22,195 | 173,727 | 214,262 | 31,235 | 28,801 | 70,915 | 76,019 | 1,150 | 672,773 |
| Section 38 | 2,091 | 446 | 1,762 | 2,044 | 11,863 | 8,563 | 1,190 | 1,037 | 4,355 | 7,001 | — | 56,573 |
| Skills growth fund | 3,108 | — | 6,420 | 23 | 26,000 | 9,907 | 603 | 978 | 9,355 | 179 | — | 40,352 |
| Emp. creation grants & contributions | — | — | 653 | 3,050 | 25,251 | 7,012 | 730 | 675 | 92 | 1,237 | 1,000 | 39,700 |
| Related sub-total | 28,299 | 5,891 | 34,759 | 27,312 | 236,841 | 239,744 | 33,758 | 31,491 | 84,717 | 84,436 | 2,150 | 809,398 |
| Operations and maintenance | — | — | — | — | — | — | — | — | — | — | 163,837 | 163,837 |
| Other departments operations and maintenance | — | — | — | — | — | — | — | — | — | — | 4,300 | 4,300 |
| Grand total | 81,145 | 17,288 | 82,897 | 67,571 | 551,184 | 504,828 | 88,514 | 74,909 | 164,765 | 226,731 | 319,855 | 2,179,687 |
| EIC total | 81,145 | 17,288 | 82,897 | 67,571 | 551,184 | 504,828 | 88,514 | 74,909 | 164,765 | 226,731 | 232,030 | 2,091,862 |

(1) Regional allocation includes SEED, WOW and Student Entrepreneurs only (2) Notional allocation (3) DND $60

3. Is it an offence not to have a valid certificate of inspection for a boat or vessel and, if so, under what (*a*) article of which regulations (*b*) conditions, if any, is this requirement not in effect?

4. Did the Department refuse to explain for what reason it alleged the boat was illegal and therefore not eligible for a certificate and, if so, for what reason?

5. Did the boat have excessive tonnage and was Mr. Mallet provided with an opportunity to have the vessel cut down or reconstructed in order to bring it within the permissible ceiling of allowed tonnage and, if not, for what reason?

6. Has the Department permitted other fishing boats to be similarly reconstructed or cut down in order to bring them under the maximum permissible tonnage?

7. Is the maximum permissible tonnage considered to be gross or registered tonnage, and under what provision of which law or regulation is this specified?

8. Was insurance granted for the *Serge M* by the *Regime d'Assurance des Bateaux de pêcheurs* and was this an agency of the Department of Fisheries in 1979?

9. Did the federal Government believe that the *Serge M* did not have a valid certificate of inspection and was not eligible for such a certificate due to its tonnage and, if so, for what reason?

10. Did the Federal Business Development Bank advance a $45,000 loan on the vessel and did the Department believe that the vessel could not qualify for certification and therefore could and should not be used for a fishing business and, if so, for what reason was the loan advanced?

11. Did the Government provide a $42,000 subsidy for the construction of the vessel and was it alleged by the Department that the vessel could not meet its standards in order to be certified as a fishing boat and, if so, for what reason was the subsidy granted?

12. What were the circumstances surrounding the Federal Business Development Bank's sale of the vessel in the fall of 1981?

13. What was the FBDB's evaluation of the boat and was this less than the $142,000 construction cost and, if so, what accounted for this drop in value when the vessel had only been used as a fishing vessel for one season?

14. Did the FBDB receive any offers to purchase the vessel and, if so, in what amounts?

15. Was an offer of $55,000 received for the vessel and was it refused and, if so, for what reason?

16. Were other offers received and were they refused and, if so, for what reason?

17. Was the vessel insured for $100,000 and did the FBDB sell the vessel for $15,000 and, if so, for what reason?

18. Was the Department's decision to detain the *Serge M* provoked by complaints or information provided by the builders of the vessel and, if so, is it normal for the Department to act on such information when there has been a legal dispute resulting in court action between Lepage Craft and the owner of the vessel?

19. Was the detention order served in the Province of Quebec by the Department upon a fisherman whose mother tongue is French, filled out only in English and, if so (*a*) for what reason (*b*) is this normal practice (*c*) is this practice now being changed?

Return tabled.

## HIRING OF OBSERVERS BY DEPARTMENT OF FISHERIES AND OCEANS

Question No. 465—**Mr. Skelly:**

1. Did the Department of Fisheries and Oceans contract with (*a*) Beothuk Data Resources to hire observers as guardians for streams (*b*) Sea Watch to hire observers for the offshore fleet and, if so, who are the principles involved in the signing of these contracts?

2. Will the Minister provide a list of all contracts made with these two companies and the Department, including the cost of such contracts since 1980?

3. Since 1980 (*a*) how many persons have been employed on these contracts (*b*) in what positions (*c*) how many weeks were they employed and what were they paid?

4. Will the Minister supply job descriptions for the jobs that were contracted with the above mentioned companies?

Return tabled.

## GOVERNMENT ORDERS

[*Translation*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of report stage of Bill C-70, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from a legislative committee; and Motions Nos. 4 and 6 (Ms. Mitchell), Motions Nos. 5 and 7 (Mr. Malépart) (p. 9391), and Motion No. 9 (Mr. Redway) (p. 9392).

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I should like first of all to congratulate women's groups, those especially from the province of Quebec, who have participated in this action against the de-indexation of family allowances. I notice that some representatives of these groups are sitting today in the galleries of the House.

[*English*]

The matter before us today is the more narrow subject matter of the clauses which the Government is trying to bring in with regard to the presumption of death of missing children. Fortunately, this measure affects a very small number of people. It is not like the issue of family allowances which affects every family in the country. However, I do not think that this is any reason for us to be happier about these provisions. These are families which are suffering the loss of missing children who may yet be found while the search goes on. This is an area in which we would hope to see a great deal of sympathy and understanding given to those families by the Government, instead of seeing this rather heavy-handed approach which would give the Minister the power to cut off benefits with some rather arbitrary measures and ones which are constitutionally quite dicey.

• (1520)

The Government would have us believe that Clause 5 is for the benefit of the parents of missing children, that is that it will eliminate the need for the Government to collect possible overpayments in instances where the family allowance is paid out beyond the actual date of a child's death. Of course, if this were all there was to it, we would have fewer objections, although one would still want to raise jurisdictional questions.

The excuse for his heavy handed legislation does not stand up to any real examination because it is simply not needed. There is already a power to remit overpayment and, obviously, in cases of compassion, we would expect it to be exercised, and so there is no need for legislation to provide for additional powers in that kind of instance. In fact, as the Department of National Health and Welfare itself points out, the numbers are really very small indeed. We are not talking about budgetary savings of great consequence. There is not a great deal of money at stake and I think the feelings of the families concerned must count a great deal more.

The groups which have not been consulted, particularly the child find groups, which are doing excellent work in supporting parents and assisting them in the search for missing children, are beginning to make their views known even though they have not had the chance to meet with the committee. As we know, groups were cut off. We had all kinds of proposals for groups to come before committee, but they were not permitted to do so because the Conservatives insisted on pushing through the legislation quickly. However, these groups are now telling us that it is simply not necessary to give the Minister such God-like powers of discretion for the discernment of time of death and that the whole clause is so poorly worded that no one has any clear idea at all of when the Minister would invoke these powers. I think we should take the advice of groups which are, after all, the ones who are working on this subject. They are the ones in touch with the families, the ones who have experience with the current situation and who know what the difficulties are with the administration of family allowance in these kinds of cases.

To conclude I would simply like to point out, Mr. Speaker, the arrogance and shortsightedness of the Government in its failure to consult I say it should withdraw the clause in question. If it is reluctant to withdraw the clause, then it should look very seriously at an alternative proposal, such as the proposal put forward by my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), which is a much more sensible way of dealing with the question and which would as well retain the respect for provincial jurisdiction in this area.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, as we enter into the last two days of debate on Bill C-70, the Bill to deindex the family allowance and the amendments thereto, I believe it is incumbent upon us as Members of Parliament to review the process whereby we arrive at this stage of the Bill today.

You will recall, Mr. Speaker, as will the Minister of National Health and Welfare (Mr. Epp), that, in essence, the commencement of this debate began in November of 1984, some two months after the Conservative Government assumed office. The Government promised in the Economic Statement of the Minister of Finance (Mr. Wilson) that Canadians from all walks of life would have the opportunity to enter into a debate and a review of family benefits, and the Government talked as well about the need for a review of elderly benefits.

From mid-November, 1984 to the end of January, 1985, there was considerable debate on the floor of the House of Commons about the actual intentions of the Government with respect to the two papers which would have been tabled with the Economic Statement of November, 1984. I recall very well some of the promises made at that time not only by the Minister of National Health and Welfare but by the Prime Minister (Mr. Mulroney) and the Minister of Finance. They gave us the reasons and the rationale for the kind of debate they wanted to have concerning both those papers. I can recall very well the Minister of National Health and Welfare indicating that the purpose of the review was simply to ensure that the benefits would flow to those targeted groups in our

society who need more help than others and that under no circumstances would any savings as a result of the review of child benefits be targeted for deficit reduction. That was one promise made by the Government.

In addition, I recall at the beginning of this debate that the Prime Minister, in his own words, questioned the rationale behind a bank president receiving family allowance benefits. As you will recall, Mr. Speaker, as a result of the heated debate on the floor of the House of Commons and the Opposition's defence of the universality of those two programs, the Government retreated. That led to the tabling of the position paper of the Government, the white paper on family benefits, by the Minister of National Health and Welfare in January of 1985. The whole matter was then referred to the Standing Committee on Health, Welfare and Social Affairs. We in turn, for several months, had many, many groups appear before the committee to give us some suggestions as to how better to structure family benefits programs, and all three political Parties agreed with the necessity of better targeting the resources to those in our society who needed help the most. I can recall that we did have an all-Party agreement when we returned to the House of Commons from committee for the report stage with a set of suggestions which would improve the delivery of the family benefits system. I believe the Minister of National Health and Welfare will recall that we indicated to him that we favoured the removal of the child exemptions and the improvement of the child tax credit. In addition, we also recommended that the cross-over point, the point at which the child tax credit value begins to diminish, should be increased because we felt that under the proposal made by the Government at the time, a $23,00 a year family income was far too low a level for the cross-over to occur. We recommended it should be higher than $23,000. We also suggested that the StatsCan definition of middle income families should be the cross-over point at which the Government should look at improving the system for family benefits.

I feel that, realistically, had the Government taken the advice of the committee, and had the improvements to the family benefit packages which were announced on May 23 been taken into account, we could have had an improvement in the delivery of family benefits which would have resulted in better targeting to those in our society who need more help.

Unfortunately, the Government chose to ignore the recommendations of the standing committee, and if one takes a look at the minute details which are inherent in Bill C-70, one can see that not only did the Government reject the majority of the advice given by that committee but it in effect, in my view, proceeded in a retroactive way in creating a family benefit system for this country which is going to worsen the lot of those in our society who need help the most, namely the lower-income families.

As you will recall, Mr. Speaker, we indicated in debates previous to this part of third reading, that we have a great deal of concern about the plans to deindex the child tax credit beginning in the year 1989 and beyond. Here we have a Government that could have improved the situation had it left the indexation on the child tax credit in place. It did take some of our advice in increasing the child tax credit but then it chose to deindex it from 1989 and beyond. As a result of that one measure alone, even the families who have an income of only $9,000 a year will begin to lose benefits. I suggest to you, Mr. Speaker, that that flies in the face of the promises made by the Conservative Government in the fall of 1984, at which time it indicated it wished to target the resources of this country to those who needed help the most. Consequently, we have had a great deal of debate on this issue, which has led to various social groups in our society, which represent the interests of families, coming before committee this fall to outline their concerns about the proposals in Bill C-70.

I believe the Minister of National Health and Welfare received a telex today from groups of citizens who represent somewhere in the neighbourhood of 200,000 families outlining their concern about the plans to deindex. They are asking the Government to take heed of all the opposition to this proposal and, before we have final reading on Bill C-70, to stop the proposal to deindex the family allowance.

• (1530)

I suspect that it is going to fall on deaf ears. I have been around the House of Commons long enough to know that when a Bill reaches this stage, after all the discussions that we have had in committee, the odds are very small that the Government is going to reverse itself. I think that Canadians deserve to know, in the final days of debate on Bill C-70, that the Government has broken promises. It has been intellectually dishonest with the Canadian public and has delivered a Bill that it indicated would never reach the floor of the House of Commons.

You know that for several weeks, Mr. Speaker, at 3.15 every day, Members of Parliament of all three political Parties have presented petitions signed by their constituents outlining their opposition to the Government's plan of action under Bill C-70. I believe that this has been one of the most widespread petition campaigns to ever have seen the light of day on the floor of the House of Commons. At the latest count, 120,000 Canadians have taken the time to sign petitions to indicate their concern about the way in which the Conservative Government is going to impact on the benefits to families and family incomes. I will not get into a discussion of the other plan to deindex personal exemptions in the income tax system. I have outlined several times before the very perverse social policy direction that the Government has indicated as a result of the tabling of all of the tax measures, including the deindexation of the family allowances, on the night of May 23.

I believe that the majority of Canadians have made their best effort to input into the political process. It is through no fault of the efforts of the Opposition Parties that we find ourselves, in the final two days of debate, facing a Government that has no intention of listening. The Government was elected in September of 1984 with the promise of consultation. The key phrase that the Conservative Party used in the campaign in the summer of 1984 was that it would consult widely with

Canadians and that never would legislation be introduced that had not been vetted through a consultative process with the majority of Canadians. That is a second broken promise, Mr. Speaker. I have indicated to you that not one social policy group that represents the mothers and families of the country has indicated support for this Bill.

As a last word, I hope that the Minister of National Health and Welfare will recall the broken promises at the next election. I think the people of Canada will remember this day and the days ahead with regard to the Government's program on family allowances.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question? I will recognize the Hon. Member for Hamilton East (Ms. Copps).

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I will be brief because I know that we want to get on to some of the other crucial amendments. However, I do want to speak specifically on the amendment dealing with the presumption of death. At stake is the fundamental principle of justice for children, the principle that children should be treated equal to all other Canadians. Unfortunately, this particular clause in the Act discriminates against children by applying different rules to them than are applied to any other Canadians.

Specifically, by Clause15.1(1), (2) and (3), the Minister is giving himself the power to presume a child dead if and when that child has not been located for a certain period of time. To add insult to injury, not only is the Minister of National Health and Welfare (Mr. Epp) giving himself the power to presume a child dead, he is, further, giving himself the power to determine that the child has been revived if he finds out at some point in the future that the child is not dead. Therefore, he can issue a presumption of death certificate, and then empower himself to revoke the presumption of death certificate if evidence shows that in fact the child has not died.

We could argue that this may touch only a few children in Canada, but we know that there are literally thousands of children who go missing every year in the country, sometimes as a result of family custody disputes, and sometimes as a result of foul play. To empower the Minister of National Health and Welfare to say to a family that its child is now presumed dead and that we will issue a presumption of death certificate goes above and beyond the power that should be accorded to any single Minister.

That is why the amendment before the House, which calls upon the Minister to apply to the courts for such a presumption of death to be made, is a good, valid, and supportable amendment. No Minister gives himself or herself the power to declare an adult in Canada dead. The presumption of death has a legal process. The person must have disappeared for a certain number of years and there must be a court application. Surely if we learned one thing from the Charter of Rights, it was that all Canadians, regardless of age, gender, marital status or economic circumstances, should be treated equally. That includes the children of the country. Through this clause the Minister is giving himself the power to presume children dead, which power he would not have if they were over the age of 16, 17, or 18, depending upon the province.

Organizations such as Justice for Children were not permitted to come before the committee to explain their concerns in relation to this bootlegged amendment which has very little to do with the decision to cut back on increases in family allowances. It is a bootlegged amendment and has no place in this Bill. The Minister should not put himself above the law by suggesting that there should be one law for children and another for adults.

I personally have known families who have spent tens of thousands of dollars looking for lost children. To suggest that, above and beyond that particular expense which they incur, they must now face a potential presumption of death certificate which would result in the cessation of all benefits for the child, is wrong. I think it is wrong for all people, Mr. Speaker. I, therefore, urge support for the amendment which would make the law of the land apply to children in the same way as it now applies to adults.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question? The Hon. Member for Bow River (Mr. Taylor).

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, I am rather surprised at some of the statements of members of the Opposition who say they are speaking for a majority of Canadians. Their petitions do not represent even 1 per cent of the population of Canada. Many of those petitions have been signed under false pretences and misunderstandings. Some of the arguments that we have heard in the House today are completely unfair, many are untrue, and many contain innuendoes that are untrue. If those arguments are being presented to people, I can understand why they would sign petitions. However, they should have all the facts. I want to deal with some of the items that we have been hearing. I think that this Bill is supported by the vast majority of people in Canada because it is fair and sensible. It attacks the existing problems rather than creating problems.

The Hon. Member who just spoke, and a number of others before her, mentioned that you cannot presume somebody to be dead. That is not new, Mr. Speaker. During the war hundreds of people were presumed dead. When a particular length of time had passed without them being located, they were presumed dead. However, that did not mean that they were dead. As a matter of fact, a very close friend of mine was presumed dead at about the time I was going overseas. I was sad about it, but there was always a hope that maybe he was not dead, even though all the circumstances indicated that he was. His mother told me that she did not have much hope, but that she still hoped a little. I told her to keep on hoping because there were many things that could have happened that might have kept Bill alive.

• (1540)

One day I was walking down the streets of London and who did I run into but my friend Bill. The Dutch underground had taken care of him for two and a half years. They finally

returned him to England and his mother was delighted. Obviously the mother was afraid that he might be dead but the fact that he had been presumed dead did not make her sad.

I am somewhat amazed by the arguments from some members of the New Democratic Party. They say that a boy or girl should not be presumed dead even though they have disappeared and all the circumstances indicate they may be dead. They say that the registrar in the provinces of territories, rather than the Minister, should sign the death certificate declaring a child dead. I suggest that they are adding fuel to the fire because they want the child declared officially dead for all intents and purposes. The Minsiter is simply attempting to assume the child dead for the purposes of this Act only. The New Democratic Party wants the child declared officially dead with a death certificate from the registrar.

I suspect that Hon. Members opposite really support this Bill because their amendments are futile. They simply change small words here and there and argue against the Minister being given authority to sign a death certificate. They want the registrar to do so in order that the child will be declared dead for all intents and purposes.

Liberal Members want the courts to decide when a child is dead. How ridiculous can their arguments get? The purpose of the Act is to help the child and the parents. We do not want to presume a child dead for all purposes. We do not want the child dead at all. However, it is better to deal with it in this way.

The Bill stipulates that if a child is found alive all of those payments which have been withheld will go back to the parents. The purpose of this Bill is not to save money but to save the child and help the parents. The Minister is showing compassion by introducing this Bill.

It is the position of the New Democratic Party that the registrar should declare a child dead. However, this means the child would be dead for the purpose of a will and insurance. We are simply saying that a child would be presumed dead for the convenience of this Bill. At the same time we can keep searching and hoping that the child is alive. That is the purpose of this Bill.

It is nonsense to say that we will stop searching for the child. We will accentutate the search if necessary because we want to find children alive. However, we are faced with a situation in the country today where children are abused and killed. In my opinion, the only fitting punishment for murderers of children is the hangman. There are too many bleeding hearts today who say we should feel sorry for the man who rapes a six year old girl perhaps three or four times and then kills her. That indeed happens today. We intend to continue searching for the child in the hopes of finding him or her alive. Any money that has been withheld from the parents will be paid once the child is found alive.

I suggest the Liberals' amendment would put the parents in a terrible position. They want the payments to continue to the parents for five years even though the child is dead.

**Ms. Copps:** No.

**Mr. Taylor:** After making such a payment for five years the Liberals would come to the House and accuse the Minister of sending cheques to the parents of a deceased boy or girl. I believe the public is becoming well aware of the Opposition's tricks to foil and destroy good legislation. Let me make another point concerning the Liberal amendment. According to their amendment, the Minister would have to continue payments for as long as five years. However, the purpose of family allowance is to enable parents to look after their children. Therefore, what becomes of those payments if the child is not with the family?

The presumption of death does not have any effect on whether the child is dead or alive. It simply sets out a mechanism in the Act to deal with certain cases. The child is still presumed alive according to all other Acts so that the rights of the child are not affected in other ways. We have assured the parents that we will search for the child and, if found, any payments owing will be made.

The Hon. Member said that 120,000 people signed that petition. How many would have signed if they were aware of these facts? The statement by some Members that we will stop searching for children when they are presumed dead is nonsense. You are indicating that I am almost out of time, Mr. Speaker. I have many other points I would like to bring to the attention of Canadians so that I could correct some of the innuendoes contained in the speeches of the New Democrat and Liberal opposition in the House.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 4 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

*Family Allowances Act, 1973*

The next question is on Motion No. 5 standing in the name of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 6 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

● (1550)

The next question is on Motion No. 7 standing in the name of the Hon. Member for Montreal-Saint Marie (Mr. Malépart). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(2), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 9 standing in the name of the Hon. Member for York East (Mr. Redway). Is it the pleasure of the House to adopt the said motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the yeas have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(2), the recorded division on the proposed motion stands deferred.

Therefore, we will come back to Motion No. 2.

**Ms. Margaret Mitchell (Vancouver East)** moved:

Motion No. 2

That Bill C-70, be amended in Clause 3

(*a*) by striking out lines 1 to 3 at page 2 and substituting the following therefor:

"3. (1) For a period of twelve months after the coming into force of this Act, subsection 13(1) of the Family Allowances Act, 1973 shall be deemed to be repealed and the following substituted therefor:"

(*b*) by adding immediately after line 25 at page 2 the following:

"(2) Subsections (1.1) and (1.2) of the said Act are repealed and the following substituted therefor:"

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** No.

**Some Hon. Members:** Debate.

**The Acting Speaker (Mr. Paproski):** Debate. The Hon. Member for Essex-Windsor (Mr. Langdon).

**Mr. Steven W. Langdon (Essex-Windsor):** This is the last day of debate on some of these detailed amendments that have been before us. This is the last chance to put across to the Conservatives here in this Chamber and to the people of Canada the sense of deep concern and outrage that exists in many parts of the country about what is taking place with regard to family allowances.

We have an economic crisis according to the Government. Yet the first victims of that economic crisis are not the banks. The banks get bail-outs. The victims are not the large corporations. The large corporations get extra tax advantages. The victims are not the speculative business people. Those people get a new bonus of $500,000 through changes in the capital gains tax. The victims in the original plan were, first, to be pensioners then the children. The pensioners rose up. Thousands, hundreds of thousands signed petitions which forced the Government to see reason. The Government having listened to pensioners and having recognized that it had made a mistake then moved on to its next victim, the children of the country. Across the country people tried to mobilize to protect those children.

As the Member for Essex-Windsor, I have personally handed in thousands of petitions from the Essex County-Windsor area protesting the heartlessness of making children the victims of our economic problems. Yet the Conservatives have refused to listen. They have refused to listen despite the sense that any civilized society has that children are a common concern, a common responsibility and a responsibility which all of us in society have to defend. Yet these children are the ones facing the deindexation of family allowances which support them.

Any society deserves to give such children full respect. Yet in this society, the Government makes them the victims.

[*Translation*]

Mr. Speaker, this debate deal with justice. It is a debate on a just society, a debate to see whether an economic crisis should victimize Canadian chiidren and for this political party and all the people who signed these petitions, the message is clear. This message is: No, it is not fair, it is not something that we want to see in our society. We want a society where the children are the pride of their country.

[*English*]

With this amendment, Mr. Speaker, we give the Conservative Party a last chance. I hope that my Conservative colleagues who are here today recognize the sense of charity out of which we offer this last chance to them. It is not because we love them, it is because we want to give them that good Christian chance to repent. We want to give them that last possibility before the voters utterly and totally condemn them. Since the Conservatives launched this attempt to take money out of the mouths of babes, their public opinion standing has fallen so far that it is even below the Liberal Party's now. With that sense of hell and damnation facing them, we offer a chance of repentance. We offer them a last chance to escape that terrible fate.

**Mr. Benjamin:** Repent brothers.

**Mr. Langdon:** We offer it with a sense of charity, charity which is ill-deserved, but charity that says we will give you this chance. Vote for our amendment. It will give you a year's operation to this Bill, but let us put in a sunset clause. I know that every good Conservative in this House believes in sunset clauses. They want sunset clauses on every Government initiative that can be brought to bear. Why not a sunset clause in this case that takes their promise seriously?

• (1600)

After all, the Conservatives promised us that a year from now the economy would be in superb shape and that they would have set right the problems of the past. For the purposes of this amendment, we are prepared to take them seriously. We charitably say to them that at then end of the year they should withdraw this deindexation, return to fairness for children, return to justice for the country and return to a full meeting of the 3 per cent increases in the cost of living which they are doing away with for this year. We ask them to think of their own future, and we do so charitably and with a sense that we respond to the hundreds of thousands of people who petitioned the House to think again. We ask them to think again in a year and to give the people of the country-the children and the women who receive the family allowance—the improved economy which they promised. They should take away this nasty, brutish measure and return to a full system of justice for children and fairness for families.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for London East (Mr. Jepson)—Young Offenders Act—Legislation's philosophy; the Hon. Member for Hamilton East (Ms. Copps)—Government administration (a) Effect of budget cut-backs (b) Government policy; the Hon. Member for Humboldt-Lake Centre (Mr. Althouse)—Bankruptcy Act (a) Provisions affecting farmers and fishermen (b) Role of Royal Canadian Mounted Police.

## GOVERNMENT ORDERS

[*Translation*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of report stage of Bill C-70, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from a legislative committee, and of motion No. 2 of Ms. Mitchell (p. 9854).

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I would suggest that this amendment is an opportunity for Conservative Members to correct their mistake and compensate for their incompetence, their poor judgment and their lack of social justice.

Mr. Speaker, the Prime Minister, his Cabinet colleagues and all Conservative back-benchers keep saying that our economy is doing very well. They say they are going to solve all our problems and that our economic prospects are very encouraging. If they have so much confidence in their Prime Minister, if they are so sure that we have a promising future, why would they not adopt this amendment so that the provisions of Bill C-70, which is designed to de-index and reduce family allowances, would remain in force for only one year? Conservative Members ought to give it a thought if they are motivated by compassion rather than mere financial considerations. They should adopt this amendment and restore full indexation of family allowances.

This morning, Mr. Speaker, the Hon. Member for Champlain (Mr. Champagne) showed his lack of experience for the second time. The first time was when he made a letter public to rake his colleagues over the coals, but this morning he proved that he was both inexperienced and incompetent. The Members from Quebec will no longer be able to get away with their lack of experience, they will have to deliver the goods.

The Bill now before us is the one designed to slash into family allowances. But there is another one dealing with the child tax credit. Here again, after granting three yearly increases in a row, for the first time in Canada's history the Government is not allowing full indexation of the child tax credit that caters to families most in need. Not only with respect to the whole family support program, this Government decides to reduce the funds available for middle-income families, for families with children, and this will have repercussions, I am sure, for Conservative Members . . . That may not involve huge amounts, but for poor families, single-parent families, sometimes the extra dollar per month means milk for the children, school supplies, clothing for the children.

Mr. Speaker, the increase allowed by this Government in Canada is 31 cents a month for family allowances, but in Quebec, for those with only one child it is about 19 cents. And you can see those same individuals, those same people supporting all in the same breath a Bill allowing the most affluent as much as $500,000 in capital gain exemption, and forcing this House to use the taxpayers' money to help depositors who had $60,000 or more stashed in the banks that went bankrupt in Western Canada.

For the first time a Government has changed the whole income support envelope for families with children. Everyone knows that there is the family allowance program, the tax exemption for dependent children and the tax credit in support of middle- and low-income families. It is true that the Liberal Party had already de-indexed or restricted the increase in family allowances under the 6 and 5 program. But if Conservative Members want to check with the Department, they will see that whenever funds were taken from one item they were transferred to another item, to help families most in need, contrary to what this Government is doing. Its first gesture in 1985-86 is essentially an attack against the universal program called the family allowance program and a move to deprive Canadian families of $15 million while concerning the tax exemption, a measure favouring the most affluent, the Government is only waiting until 1986-87. This little example, this illustration alone shows well the philosophy of the people in the Conservative Party.

Mr. Speaker, the Minister of National Health and Welfare . . . I repeat once again, this is the first time in Canada that a Minister, who normally should sit in Cabinet to defend the interests of the men and women who are the least organized in our society, those who have the least occasion to defend themselves, the senior citizens, the sick, the families with children, that this Minister has completely deserted those three groups in our society in order to support the Minister of Finance (Mr. Wilson) who is helping the most affluent.

The Clark Cabinet never would have accepted that. The Conservatives led by Mr. Diefenbaker never would have accepted that. And still less, Ministers like Miss Bégin, who at all times had the courage to stand up and fight in Cabinet.

Mr. Speaker, NDP Members refer to the 6 and 5 per cent, and I see my friend for Joliette (Mr. La Salle) smiling. But they will remember what I said in my opening remarks, that when the 6 and 5 program was established, funds were transferred to the tax credit. When Old Age Security pensions were limited to 6 and 5 per cent, there was double indexation for the most in need amongst senior citizens.

Mr. Speaker, the 10 per cent tax on drugs was another downright scandal that took place in the House of Commons.

Nevertheless, I think that the Hon. Member for Joliette (Mr. La Salle) may have a chance to make up for his mistakes, as do all Conservative Members, since they have their caucus this coming week-end. During the week-end they will for once get a chance to voice the requests and stand up for the concerns expressed by the people of their constituencies who signed the petitions.

People have done that nationwide, in all constituencies; the Family Allowance file did not specifically concern Quebec or Ontario, it was a matter about which people everywhere, in every constituency in Canada, signed petitions urging the Government and the Prime Minister to withdraw that Bill.

Mr. Speaker, we agree that the elderly people of Canada succeeded in curbing the Prime Minister's will in the matter of Old Age Security pensions despite the fact that a number of Hon. Members who are present in this House were insisting at the time that the Government was doing the right thing in cutting Old Age Security pensions.

With the help of the Opposition, associations like the Canadian Diabetes Association or the one for heart diseases managed to reverse the Prime Minister's position on the 10 per cent tax affecting those people.

Mr. Speaker, once again it was in spite of the Conservative members' attitude that the Prime Minister had to admit that we were right.

Mr. Speaker, I shall now conclude for my time has expired; may I suggest that for once Conservative Members have an opportunity to defend the interests of their constituents and to adopt this amendment that would enable us to restore the full indexation by next year.

● (1610)

[*English*]

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, it is customary on rising to speak in this chamber to express the pleasure that one takes in doing so. I must say that it is with some regret that I rise to address this amendment. The logical thing to happen in a reasonable society would be for one of the Government Members to rise and tell us why this amendment would be unacceptable. That has not been done, Mr. Speaker, and it stands to reproach the Government and its back-benchers that none of them are willing to address this amendment.

The single glaring omission in this whole debate about family allowances is that the Government has at no time given any indication to this House, the country or the recipients of family allowances as to when it will consider taking off the deindexing provision which it now proposes to impose.

That means that we could calculate to any year the cumulative effect of that deindexation because the Government has not said the extent to which families would be losing in 1990, 1995 or the year 2000. This is the sort of uncertainty that the Government would protest if the positions were changed around. It is the sort of open ended horizon that in another incarnation in the Province of Ontario they said they would not go for. They said they would have sunset clauses. That is why our Party is offering a sunset clause. I would certainly echo the sentiments of the previous two speakers that it is a chance that the Government should not pass up.

Unfortunately, I cannot state with any degree of confidence in the rationality of the Government processes that it might pick up this amendment and accept it. Nevertheless, it has the opportunity to do so and I commend it to its attention.

The Government has only given us vague platitudes and generalities about foreseen future improvements in the economic situation and how that might affect deindexing. The fact is, as it stands today, this deindexing would go on for as long as family allowances were paid. It would mean that the role of parenthood, the significance of children, the value to which parenting was ascribed in our society would gradually depreciate.

If any Government Members did have the courage to stand up and address the amendment they would undoubtedly instance the increases in the child tax credit. I feel that the Opposition has also addressed this responsibility. We have not said that the Government is sticking up the parents or the children of this country from day one. What we are pointing out is that there comes a point in time at which child benefits will deteriorate, and a point in time at which the Government will be downgrading the role of parenthood in our society. It appears this is part of the whole ideological scheme of this Government. On the one hand we have the deindexing of tax brackets, the deindexing of family allowances and the attempted deindexing of the old age security pension, from which it did, incredibly, have the common sense to retreat. On the other hand, as has been mentioned by many others in this chamber, we have the Government's attitude toward its corporate friends. Twenty organizations can send a telex to this Government and get no reply or response, yet one corporation can come in and ask for a billion dollars by way of a tax break and walk away with everything it ever asked for or wanted.

I would like to just put on the record of the House the names of some of the organizations that have stated publicly their opposition to this Government's plan to deindex family allowances. It is a range of organizations that represents many interests in this country, many groups that have the good of this country, and particularly the good of the poor people at heart. I refer, for example, to the National Action Committee on the Status of Women, the National Farmers Union, the Native Women's Association of Canada, the Canadian Conference of Catholic Bishops, the Canadian Day Care Advocacy Association, the Canadian Labour Congress, the Yukon Status of Women Council, the National Anti-Poverty Organization, the Quebec Native Women's Association, the Metro Family Services Association, la Fédération nationale des femmes du Québec, the Metro Social Planning Council, the Registered Nurses Association of Ontario, the United Church of Canada, COPO, the Coalition of Provincial Organizations of the Handicapped Citizens Against Child Poverty and the Federation of Women Teachers' Association of Ontario.

That is a group which represents a very wide range of interests in our society. It is a group that is offering its collective wisdom to this Government, a group that this Government is gratuitously and wilfully ignoring in deindexing family allowances in this country.

We know what comes behind this apparently minor measure, this apparently minor reduction. We know that the pas-

sage of years makes it into a very major reduction rather than simply a minor one. We know the ideological baggage and the scheme of society that comes behind it, waiting in the wings to see how this one flies, and then it will determine what will be done next.

We know that there was considerable rumbling in the Conservative Party as to the whole question of universality. We know that it was largely considerations of practical pragmatic politics, a Machiavellian calculation as to the reaction of the people of this country rather than any commitment that led the Government to draw back on some of the measures that perhaps some of its Members would have advocated.

We know that universality in such things as the family allowance is really the only guarantee of a fair equal system that is designed to serve all. Even though we realize that through a progressive taxation system it is not funded equally, it is funded according to ability to pay. We know that those systems which rely on selective measures, which rely on identifying those in the "most need", are fraught with red tape. We know that they are bureaucratic playthings. We know that the regulations that are created are increasingly complex. We know that the way in which the regulations are interpreted is often unfair and we know that the way such regulations are applied is often demeaning to the people who are intended to be served.

• (1620)

I believe it would behoove the Government to take to heart the meaning of the word "service" when dealing with the family benefit system. That system should be something that serves parents and recognizes the value of child-rearing work. Frankly, it should be a system that facilitates child rearing and assists families rather than singling out some for different treatment than others and in some cases reducing benefits in circumstances in which benefits should not be reduced at all.

The effect of this measure, and I am sure members of the Government will say that this is either unintended or does not exist, is to divide the "haves" and the "have nots" in society more clearly than they have been divided before. In proposing to deindex the family allowance, the Government is furthering that process and that is a process that we in this Party would not like to see furthered. It is a process that we think characterizes not the wealthier and more caring societies in the world but the societies which are less caring and on average poorer. This is why we have offered the Government this amendment for its consideration and this is why I commend it to the Government for serious deliberation.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I rise to address Bill C-70 and the question of the deindexing of family allowances. If one looks at the Bill by itself, its provisions do not seem to be of serious consequence. It is only when the components of Bill C-70 are brought together with the child benefits program and the changes to the personal income tax system and the sneaky sales tax increases contained in the May, 1985, Budget that it becomes evident that social support for Canadian families is rapidly declining under this Government.

The erosion of our social programs began last spring when the Conservative Government announced its plans to deindex family allowances and old age pensions. We all remember the clear public response to those two issues. We had many consultations on those issues and then "Grey Power", enabled by Members of the House, brought the Tory Government to its knees. The Government had to back down. Old age pensions were not deindexed.

The Government does not seem to learn by its mistakes. It simply regroups and tries to pull the same insensitive thing off in another way. That is why the amendment proposed by my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), is trying to help the Government meet its own rhetoric of promises. The Hon. Member, in her presentation, recommended a sunset clause. If it is true that the Government needs the money gained by deindexing family allowances for the reduction of the deficit, that is fine. However, the Government is now saying that everything is so rosy. Let the Government at least incorporate the sunset clause so that this measure would be terminated at the end of this year.

The Government said it was a Government of consultation, that it was open and that it would listen. I sat on many of the committee meetings. Many groups spoke before that committee. Certainly Liberal opposition Members were listening. The amendments put forward indicate that a great many more opposition Members were listening than government Members. After all the petitions that we have presented and all the groups to which we listened, perhaps government Members could speak to their caucus and bring some sense back into what is absolutely unacceptable nonsense.

I bring to the attention of the House a bulletin issued by NAC, a coalition of many women's groups. The NAC observes—

[*Translation*]

—this new attack against universal benefits contradicts all Conservative promises made last year to women and families.

Quebec women reacted swiftly, beginning with a core of six groups of women, including the NAC. They set up a coalition of women in favor of family allowances which now includes over 60 groups.

Elsewhere, a demonstration was held on Parliament Hill here in Ottawa, and a door-to-door petition campaign was organized from Newfoundland to British Columbia.

[*English*]

We certainly saw the results of those particular petitions and actions put forward by a coalition of concerned women. This concern was manifested not only by women but by men across this land.

A Budget is an interesting reflection of the social and political philosophies of a Government. We learn a great deal about a Government and what it stands for through a Budget because a Budget is not simply a balance sheet. This past year,

the Government returned to the 19th century. Its philosophy is based upon old political and social Darwinism. The Government takes away from the poor and powerless and gives to the rich and strong. There are so many items in the May Budget to indicate that that I will not even enumerate them. I simply think that when speaking of survival of the fittest, one is speaking of social Darwinism. That is why the Government is taking us back to the 19th century, and I think it is shameful.

While the first concern here is the deindexation of the family allowance benefits, the issue cannot be looked at without looking at the wider issue of the entire child benefit system including the family allowances, the child tax credit and the child tax exemption and the changes to the system that were proposed by the Minister of Finance (Mr. Wilson) in the May, 1985 Budget. Together they serve quite a blow to lower-income families.

The Budget has brought about changes which will give even greater benefits to the rich and wealthy and a loss to the low and middle-income families. The ones who can least afford it are the ones who are really having a hard time making ends meet.

The National Council on Welfare has shown in its publication entitled *Giving and Taking: The May 1985 Budget and the Poor*, a publication which I suggest all Hon. Members read, that the large majority of Canadian families including many below the low-income line will lose child benefits from 1986 on as a result of the poorly conceived social policy direction reflected in the May Budget changes to both child benefits and the personal income tax system. Between 1986 and 1990, a five-year period, a family with two children earning a combined income of $15,000 per year will lose $1,879. A family earning $35,000 per year will lose $3,452, and believe me that can be ill afforded. It is pretty hard to raise children in today's society even with an income of $35,000 per year. A family earning $80,000 per year will lose $1,125. This means that the low-income family will lose $745 more than the affluent family while the middle-income family will lose more than three times as much as the affluent family. That is social justice Conservative style.

According to Statistics Canada, in 1981, 22.7 per cent of families in which the household head was less than 25 years of age were in poverty. By 1983, the poverty rate for that group had jumped to 35.9 per cent. That increase of 13.2 percentage points represents a jump of 58 per cent in two years in the number of poor families.

Turning to family allowances, the picture is just as bleak. For example, a couple with two children earning a net combined income of $9,000 per year or less will receive family allowance and the child tax credit. However, the income of that family is too low to benefit from the child tax exemption. In 1986, this family will receive $22 less in family allowance payments as a result of partial deindexation. From 1987 to 1990, as the child tax credit increases, the family receives more benefits. There will be a gain in 1987 of $64, in 1988 of $75, in 1989 of $96 and in 1990 of $44. That does not sound bad at all but the forecast changes. This is the sneaky part of the deal which goes on forever and ever. The kind of dirty tricks the Government is becoming famous for is shown by this example. By 1991, this same family will lose $8, another $63 in 1992 and another $119 in 1993. This loss will continue to increase each year as the value of family allowances and the child tax credit falls further below inflation. The family allowance cheque will mean less and less each month.

• (1630)

[*Translation*]

Increases in family allowances based on the rising cost of living have always been and still are an absolute necessity for most Canadians who are trying to raise a family on an income which is equivalent to or often less than what Government agencies consider to be the minimum living wage.

The de-indexation of family allowances geared to the first 3 per cent increase in the cost of living will again lower the living standards of Canadians, and an ever increasing number of them will end up living under the threshold of poverty.

Like the other restrictive measures contained in the Budget tabled by the Government, this Bill will do nothing at all to reduce the deficit, solve the economic crisis, and fight unemployment in Canada. On the contrary, if this Bill is adopted, the lower purchasing power of Canadian families will only lead to more lost jobs, worsening economic conditions and a larger deficit.

[*English*]

Some argue that the family allowance is so small that it does not mean anything. That is not the case at all. I suggest that it is very meaningful. The family allowance confirms the value of child rearing to society at large. It is the sole, consistent economic recognition of the contribution of all mothers in our society. It avoids the social stigma involved in receiving benefits based on one's financial position. In many cases, it is the only independent source of income for women working full-time in the home.

The Government seems completely unable to act in any consistent fashion. We are told by the Prime Minister (Mr. Mulroney) that this country is bankrupt, that Government spending must be reduced, transfer payments to the provinces must be cut back and that the federal deficit must decline. We agree with a great deal of that, but not in this way. However, the Prime Minister can find $1 billion to save the depositors who have already received $60,000 as a result of the western bank disaster. He found another $600 million to assist in the purchase of Gulf Canada and some $56 million to change the colour of our soldiers' uniforms.

For a nation which has prided itself on equality of opportunity and which believes that children are its life-blood, the presently envisioned measures seem sadly out of line with Canada's philosophy and with this Government's electoral promises. I hope that there will be some change and that we will adopt this recommendation.

**The Acting Speaker (Mr. Paproski):** I regret to advise the Hon. Member that her time has expired. The Hon. Member for Regina West (Mr. Benjamin).

**Mr. La Salle:** Mr. Speaker—

**The Acting Speaker (Mr. Paproski):** Is the Minister rising on a point of order?

**Mr. La Salle:** No, on debate.

**The Acting Speaker (Mr. Paproski):** I am sorry. I have recognized the Hon. Member for Regina West on debate. I will recognize the Minister after his intervention.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I shall try to shorten my remarks in order that the Minister may have a few minutes in which to speak.

I wish to start my comments by saying to my friend, the Hon. Member for Bow River (Mr. Taylor), that I listened to his remarks on this amendment with great care when he made them earlier today. He said something about the petitions which have been presented under false pretences. I am sure the hon. gentleman did not mean that. I am sure all Hon. Members of the House have listened to the Hon. Member for Bow River present petitions on many occasions without ever questioning the sincerity of those who have signed them. Invariably, they are presented in this way under the inherent right of the British parliamentary system of democracy. At no time should anyone call into question the sincerity of those who petition Parliament and Her Majesty.

I hope that the Government will realize that the number of names now on petitions equals or exceeds the number of names on petitions filed with respect to the deindexing of the Old Age Security. In fact, far more signatures have been presented in this respect. Any government of any political stripe which ignores this petitioning by hundreds of thousands of Canadians does so at its peril.

The question is: For whom is this country being run? Is it being run for the people? Is it being run for families who are entitled to the family allowance? Or is it being run for banks, money-changers, corporations and speculators? For whom is it being run?

The whole principle of indexing pensions across the board came into existence in this country as a result of a minority Government in the years from 1972 to 1974. I wish that the Minister of National Health and Welfare (Mr. Epp) were in the House right now to listen to my remarks.

**An Hon. Member:** He was here before.

**Mr. Benjamin:** If he is out in the lobby, then I hope he will come in. After the 1972 election the New Democratic Party said to both Mr. Trudeau and Mr. Stanfield: "It is immaterial to us which one of you governs. In order that we do not defeat you, you must bring in full indexing of Public Service pensions, Armed Forces pensions, RCMP pensions, the Old Age Security and the Canada Pension Plan, as well as the family allowance". Conservative after Conservative Member supported us on that occasion, including the Hon. Member for Provencher. Where is he now that we need him? Is he having trouble with the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson)? If he is, then we will support him in the maintenance of the full indexation of the family allowance.

Members of the Conservative Party have short and convenient memories. That applies to my colleagues in the Liberal Party who brought forwad the six and five program and the three and four program which not only deindexed wages and salaries but deindexed pensions as well. Perhaps they have been converted. I wish they would have the courtesy to admit when they are wrong and say that they have changed their minds. I think that was a big step. It was very manly and very womanly. It was a sign of political integrity when the Conservative Government changed its mind with respect to the deindexing of old age pension. I wish to give members of the Government full credit for that move. I suspect there were as many, if not more, Conservative back-benchers as there were Members of the Opposition who objected to that measure as well. Thus, Conservative Members of Parliament can take credit for what was a change in mind and a change of heart. Surely, the same thing should apply in the instance of family allowances.

In effect, what this amendment says to the Government is: "To a starving man a half a loaf of bread is better than none at all". If the Government insists on going ahead with this proposal then let it do so for a period of one year. The small amount of money which it will save does not amount to very much. There are many other options by which the Government could raise more dollars in order to increase revenues. There are also many options which could be implemented to decrease expenditures other than by picking on those who cannot defend themselves.

Have Hon. Members ever seen petitions presented in the House on behalf of bankers, money-changers, the boys in the stock exchanges or those who run multinational corporations? I have not seen any. The only avenue open to those who cannot defend and protect themselves is through their Members of Parliament and through their right to petition Parliament. We do not see petitions presented here by bankers' associations. However, we see petitions presented by the parents of the children and old age pensioners. We see petitions presented by those who are not organized and who do not have the money, the power or the influence to fight their way behind the scenes in Government.

I warn the Government that if it ignores this proposal then it does so at its peril. We will haunt them for years to come if they go ahead with this measure. We will do this because the Conservative Party joined with us in that minority Government to put this indexing measure in place in the first instance. In fact, the man who originally proposed this measure in recent decades was the Hon. Bob Stanfield. He did so to his everlasting credit. As Leader of the Opposition he led the

Conservative Party in supporting the full indexing of all those programs, in particular, the family allowance.

• (1640)

I wish the Hon. Member for Provencher would read the speeches he made between 1972 and 1974 in support of full indexing. He sat in this House with the Prime Minister (Mr. Mulroney), when he was the Leader of the Conservative Opposition, in support of indexing. I said earlier, Mr. Speaker, and since the Hon. Member is now in the House, I will repeat it, if he is having problems with the Minister of Finance and the President of the Treasury Board, we will support him if he withdraws this provision to deindex family allowances. It is a small, cheap, chiselling on the children of this country when the Government can slap a 10 per cent surcharge tax on deferred corporation taxes for the coming year and pick up $3.5 billion. If the Government did not allow corporations to defer taxes for 1985, it could not only keep full indexing for family allowances but it could double the family allowance, reduce the deficit by that amount and still retain full indexing of the family allowances. There are a dozen other ways to reduce expenditures or increase revenues without hurting those who cannot defend themselves. If the Government is worried about the well-to-do who collect family allowances, those who earn $50,000 or $100,000 a year, a few small amendments to the Income Tax Act will allow the Government to recover the whole darn thing. It would be administratively efficient, it would maintain the principle of universality and those who need it would receive it. There would be no need to chisel them for the sake of saving a few dollars which will amount to nothing in terms of reducing the deficit.

I urge the Government, if nothing else, to accept this amendment. Perhaps if the Government reviews it a year from now it may have some second thoughts.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in the last minutes remaining on report stage, I want to make one or two points regarding the debate. First, the Hon. Member who just finished speaking is one who has been in this House for a long time but in his speech he has made only half the argument. If he would go back to 1972 and 1974, the period to which he refers, and take a look for example at the amount of money which the national treasury needed to pay for the national debt of Canada, he would find it was a very different circumstance than that which is facing the Canadian people today. That is the first point which has to be made. If the Hon. Member goes back to 1968, he will find that the accumulated debt for the first 100 years of the Canadian Government was $17 billion. He has to recognize that today the cost of the debt is $26 billion annually. The Hon. Member does not say that. He constantly tries to make the point that there is this magical wand, as he likes to call it, and which he mentioned the other day in Question Period, which can be waved and somehow these issues will go away, that somehow reality can be pushed aside. But it cannot. The Hon. Member from Vancouver has made the point that this is an attack on children. In fact, the opposite is true. The greatest attack on children, and on this country's social programs, is the debt. That is the greatest attack on those children.

We will not have to pay that debt for as long a time as will those children. They will have to pay that debt as well as the children who are yet unborn. Hon. Members opposite constantly forget that point. They somehow believe that that is not reality, but it is.

The family allowance went up in January, 1986. It did not go down. Hon. Members opposite have constantly said that family allowances are being cut, but family allowances went up on January 1, 1986. What those Hon. Members are talking about is the reduced escalation. Family allownces went up, universality was maintained, and everyone who received family allowance in 1985 is receiving it in January, 1986, if eligible, and they will receive it after the Bill is passed. The points Hon. Members opposite make will just not bear the scrutiny they should be given.

**The Acting Speaker (Mr. Paproski):** It being 4.45 p.m., pursuant to order made Tuesday, January 14, 1986, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the report stage of the Bill now before the House.

The question is on Motion No. 2 standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**An Hon. Member:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(2), the recorded division on the proposed motion stands deferred.

**Mr. Epp (Provencher):** Mr. Speaker, I rise on a point of order. I did not hear anyone say "yea" and we all heard the "nays", so I take it the motion is not passed, there being no one in favour.

**The Acting Speaker (Mr. Paproski):** I regret to say that I did hear a "yea". Call in the Members.

The House divided on the motion (Ms. Mitchell), which was negatived on the following division:

*Family Allowances Act, 1973*

(*Division No. 173*)

YEAS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Murphy |
| Benjamin | Gray (Windsor West) | Nicholson (Trinity) |
| Berger | Heap | Nunziata |
| Blackburn (Brant) | Henderson | Orlikow |
| Boudria | Hopkins | Ouellet |
| Broadbent | Hovdebo | Parry |
| Caccia | Kaplan | Penner |
| Cassidy | Keeper | Pépin |
| Copps | Langdon | Prud'homme |
| Deans | MacLellan | Robichaud |
| de Corneille | Malépart | Robinson |
| Dingwall | Marchi | Rompkey |
| Finestone | McCurdy | Rossi |
| Foster | McDonald (Broadview-Greenwood) | Tobin |
| Frith | Mitchell | Young—46. |
| Garneau | | |

NAYS

Members

| | | |
|---|---|---|
| Attewell | Gray (Bonaventure-Îles-de-la-Madeleine) | Nicholson (Niagara Falls) |
| Beatty | Grisé | Nickerson |
| Belsher | Gurbin | Nielsen |
| Bernier | Gustafson | Oberle |
| Bertrand | Halliday | O'Neil |
| Blais | Hardey | Paproski |
| Blenkarn | Hawkes | Pennock |
| Blouin | Hicks | Peterson |
| Bourgault | Hnatyshyn | Plamondon |
| Brightwell | Holtmann | Price |
| Brisco | Horner | Ravis |
| Browes | Howie | Reid |
| Cadieux | James | Reimer |
| Cardiff | Jardine | Ricard |
| Clark (Brandon-Souris) | Jepson | St. Germain |
| Comeau | Johnson (Bonavista-Trinity-Conception) | Schellenberg (Nanaimo-Alberni) |
| Corbett | Kempling | Schellenberger (Wetaskiwin) |
| Côté (Lac-Saint-Jean) | Landry | Scott (Hamilton-Wentworth) |
| Crofton | La Salle | Scowen |
| Darling | Layton | Siddon |
| Daubney | Leblanc | Sparrow |
| de Cotret | Lesick | Speyer |
| Della Noce | Lewis | Stackhouse |
| Desjardins | MacDonald (Kingston and the Islands) | Stewart |
| Dick | Malone | Suluk |
| Domm | Mantha | Taylor |
| Dorin | Marin | Thacker |
| Duplessis | Martin | Towers |
| Edwards | Mazankowski | Tremblay (Lotbinière) |
| Elzinga | McCain | Tupper |
| Epp (Provencher) | McCrossan | Turner (Ottawa-Carleton) |
| Fennell | McDermid | Valcourt |
| Ferland | McDougall (St. Paul's) | Vincent |
| Fontaine | McKinnon | Weiner |
| Fraleigh | McKnight | Wenman |
| Fretz | McLean | White |
| Friesen | McMillan | Wilson (Swift Current-Maple Creek) |
| Gagnon | Merrithew | Wilson (Etobicoke Centre) |
| Gass | Minaker | Winegard—123. |
| Gervais | Mitges | |
| Gormley | Moore | |
| Gottselig | | |
| Graham | | |

● (1710)

**Mr. Speaker:** I declare the motion lost.

**Mr. Gray (Windsor West):** Mr. Speaker, I rise on a point of order. Mr. Speaker, if you would seek the consent of the House, I think that you would find a disposition that the vote just taken can apply to all the votes yet to be taken, except for a vote on Motion No. 9.

**Mr. Deans:** Which could be done in the reverse.

**Mr. Speaker:** Do I take it that the recorded division on Motion No. 4 shall be taken in exactly the same way? The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) wishes to be recorded as voting in the negative on Motion No. 4.

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The next question is on Motion No. 4. Ms. Mitchell, seconded by Mr. Deans, moves:

Motion No. 4

That Bill C-70, be amended in Clause 4

(*a*) by striking out lines 39 and 40 at page 2 and substituting the following therefor:

"person or institution is entitled and where that person or institution has not been convicted of an offence under section 20 in connection with the obtaining of the allowance, the Minister shall remit all of the allowance or amount in excess of the allowance in any case where these result from a calculation based on a new certificate issued pursuant to subsection 15.1(2); in any other case, the Minister may remit all or any portion of the amount or excess of the allowance where the Minister is satisfied that"

(*b*) by striking out lines 10 to 16 at page 3 and substituting the following therefor:

"Act."

The House divided on the motion (Ms. Mitchell) which was negatived on the following division:

(*Division No. 174*)

YEAS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray (Windsor West) | Murphy |
| Berger | Heap | Nicholson (Trinity) |
| Blackburn (Brant) | Henderson | Nunziata |
| Boudria | Hopkins | Orlikow |
| Broadbent | Hovdebo | Ouellet |
| Caccia | Kaplan | Parry |
| Cassidy | Keeper | Penner |
| Copps | Langdon | Pépin |
| Deans | MacLellan | Prud'homme |
| de Corneille | Malépart | Robichaud |
| Dingwall | Marchi | Robinson |
| Finestone | McCurdy | Rompkey |
| Foster | McDonald (Broadview-Greenwood) | Rossi |
| Frith | | Tobin |
| Garneau | | Young—46. |

NAYS

Members

| | | |
|---|---|---|
| Attewell | Crofton | Gagnon |
| Beatty | Darling | Gass |
| Belsher | Daubney | Gérin |
| Bernier | de Cotret | Gervais |
| Bertrand | Della Noce | Gormley |
| Blais | Desjardins | Gottselig |
| Blenkarn | Dick | Graham |
| Blouin | Domm | Gray (Bonaventure-Îles-de-la-Madeleine) |
| Bourgault | Dorin | Grisé |
| Brightwell | Duplessis | Gurbin |
| Brisco | Edwards | Gustafson |
| Browes | Elzinga | Halliday |
| Cadieux | Epp (Provencher) | Hardey |
| Cardiff | Fennell | Hawkes |
| Clark (Brandon-Souris) | Ferland | Hicks |
| Comeau | Fontaine | Hnatyshyn |
| Corbett | Fraleigh | Holtmann |
| Côté (Lac-Saint-Jean) | Fretz | Horner |
| | Friesen | |

Members

Howie
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-Conception)
Kempling
Landry
La Salle
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Malone
Mantha
Marin
Martin
Mazankowski
McCain
McCrossan
McDermid
McDougall
(St. Paul's)
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Paproski
Pennock
Peterson
Plamondon
Price
Ravis
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stewart
Suluk
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vincent
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard—124.

**Mr. Speaker:** I declare the motion lost.

Motion No. 5 should have the same vote recorded to it as Motion No. 4. Mr. Malépart, seconded by Mr. Baker, moves:

Motion No. 5

That Bill C-70, be amended in Clause 5 by striking out lines 14 to 47 at page 3 and lines 1 to 8 at page 4.

The House divided on the motion (Mr. Malépart) which was negatived on the following division:

(*Division No. 175*)

YEAS

Members

Althouse
Benjamin
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Copps
Deans
de Corneille
Dingwall
Finestone
Foster
Frith
Garneau
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rompkey
Rossi
Tobin
Young—46.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Blais
Blenkarn
Blouin
Bourgault
Brightwell
Brisco
Browes
Cadieux
Cardiff
Clark
(Brandon-Souris)
Comeau
Corbett
Côté
(Lac-Saint-Jean)
Crofton
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Howie
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-Conception)
Kempling
Landry
La Salle
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Malone
Mantha
Marin
Martin
Mazankowski
McCain
McCrossan
McDermid
McDougall
(St. Paul's)
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Paproski
Pennock
Peterson
Plamondon
Price
Ravis
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stewart
Suluk
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vincent
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard—124.

**Mr. Speaker:** I declare the motion lost. On Motion No. 6 the same vote is applied as that applied to Motion Nos. 4 and 5. Ms. Mitchell, seconded by Mr. Deans moves:

Motion No. 6

That Bill C-70 be amended in Clause 5 by striking out lines 20 to 47 at page 3 and lines 1 to 8 at page 4 and substituting the following therefor:

"15.1 (1) Where a child has, either before or after the coming into force of this section, disappeared under circumstances that raise a presumption that the child is dead, the Minister may apply to a court of competent jurisdiction in the province or territory where the child usually resides for an order declaring, according to the law of the province or territory, that the child shall be presumed to be dead; thereupon the child shall be deemed for all purposes of this Act to have died on the date stated in the court order.

(2) If, after obtaining a court order under subsection (1), the Minister receives new information or evidence that the date of death is different from that stated in the court order, the Minister may, with leave of the court, apply to the court for an order to vary, amend or revoke the order previously made, in which case the child named in the court order shall be deemed for all purposes of this Act to have died on the date so stated in the new court order.

(3) If, after obtaining a court order under this section, the Minister is satisfied from new information or evidence that the child named in the court order is alive, the Minister shall forthwith cause to be paid any allowance that would have been payable in respect of the child if the order had not been made.

(4) Subject to subsection (3), the Minister is bound by the law of the province where the child normally resides in respect of the issuance and revocation of death certificates and the making, variance and revocation of orders of presumption of death."

The House divided on the motion (Ms. Mitchell) which was negatived on the following division:

*Family Allowances Act, 1973*

*(Division No. 176)*

YEAS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Murphy |
| Berger | (Windsor West) | Nicholson |
| Blackburn | Heap | (Trinity) |
| (Brant) | Henderson | Nunziata |
| Boudria | Hopkins | Orlikow |
| Broadbent | Hovdebo | Ouellet |
| Caccia | Kaplan | Parry |
| Cassidy | Keeper | Penner |
| Copps | Langdon | Pépin |
| Deans | MacLellan | Prud'homme |
| de Corneille | Malépart | Robichaud |
| Dingwall | Marchi | Robinson |
| Finestone | McCurdy | Rompkey |
| Foster | McDonald | Rossi |
| Frith | (Broadview-Greenwood) | Tobin |
| Garneau | | Young—46. |

NAYS

Members

| | | |
|---|---|---|
| Attewell | Gray | Nicholson |
| Beatty | (Bonaventure-Îles-de- | (Niagara Falls) |
| Belsher | la-Madeleine) | Nickerson |
| Bernier | Grisé | Nielsen |
| Bertrand | Gurbin | Oberle |
| Blais | Gustafson | O'Neil |
| Blenkarn | Halliday | Paproski |
| Blouin | Hardey | Pennock |
| Bourgault | Hawkes | Peterson |
| Brightwell | Hicks | Plamondon |
| Brisco | Hnatyshyn | Price |
| Browes | Holtmann | Ravis |
| Cadieux | Horner | Reid |
| Cardiff | Howie | Reimer |
| Clark | James | Ricard |
| (Brandon-Souris) | Jardine | St. Germain |
| Comeau | Jepson | Schellenberg |
| Corbett | Johnson | (Nanaimo-Alberni) |
| Côté | (Bonavista-Trinity- | Schellenberger |
| (Lac-Saint-Jean) | Conception) | (Wetaskiwin) |
| Crofton | Kempling | Scott |
| Darling | Landry | (Hamilton-Wentworth) |
| Daubney | La Salle | Scowen |
| de Cotret | Layton | Siddon |
| Della Noce | Leblanc | Sparrow |
| Desjardins | Lesick | Speyer |
| Dick | Lewis | Stackhouse |
| Domm | MacDonald | Stewart |
| Dorin | (Kingston and | Suluk |
| Duplessis | the Islands) | Taylor |
| Edwards | Malone | Thacker |
| Elzinga | Mantha | Towers |
| Epp | Marin | Tremblay |
| (Provencher) | Martin | (Lotbinière) |
| Fennell | Mazankowski | Tupper |
| Ferland | McCain | Turner |
| Fontaine | McCrossan | (Ottawa-Carleton) |
| Fraleigh | McDermid | Valcourt |
| Fretz | McDougall | Vincent |
| Friesen | (St. Paul's) | Weiner |
| Gagnon | McKinnon | Wenman |
| Gass | McKnight | White |
| Gérin | McLean | Wilson |
| Gervais | McMillan | (Swift Current- |
| Gormley | Merrithew | Maple Creek) |
| Gottselig | Minaker | Wilson |
| Graham | Mitges | (Etobicoke Centre) |
| | Moore | Winegard—124. |

**Mr. Speaker:** I declare the motion lost. The next question is on Motion No. 7. I take it that the vote should be applied in the same way. Mr. Malépart, seconded by Mr. Baker moves:

Motion No. 7

That Bill C-70, be amended in Clause 5 by striking out lines 26 to 47 at page 3 and lines 1 to 8 at page 4 and substituting the following therefor:

"Minister may, five years after the disappearance of the child, issue a certificate declaring that the child is presumed to be dead and thereupon the child shall be deemed for all purposes of this Act to have died on the date the certificate is issued.

(2) If, after issuing a certificate under this section, the Minister is satisfied from new information or evidence that the child named in the certificate is alive, the Minister shall forthwith revoke the certificate and cause to be paid any allowance that would have been payable in respect of the child if the certificate had not been issued.

(3) For the purposes of this section, the Minister is not bound by the issuance or revocation of a death certificate by any other authority."

The House divided on the motion (Mr. Malépart) which was negatived on the following division:

*(Division No. 177)*

YEAS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Murphy |
| Benjamin | Gray | Nicholson |
| Berger | (Windsor West) | (Trinity) |
| Blackburn | Heap | Nunziata |
| (Brant) | Henderson | Orlikow |
| Boudria | Hopkins | Ouellet |
| Broadbent | Hovdebo | Parry |
| Caccia | Kaplan | Penner |
| Cassidy | Keeper | Pépin |
| Copps | Langdon | Prud'homme |
| Deans | MacLellan | Robichaud |
| de Corneille | Malépart | Robinson |
| Dingwall | Marchi | Rompkey |
| Finestone | McCurdy | Rossi |
| Foster | McDonald | Tobin |
| Frith | (Broadview-Greenwood) | Young—46. |
| Garneau | Mitchell | |

NAYS

Members

| | | |
|---|---|---|
| Attewell | Gray | Nicholson |
| Beatty | (Bonaventure-Îles-de- | (Niagara Falls) |
| Belsher | la-Madeleine) | Nickerson |
| Bernier | Grisé | Nielsen |
| Bertrand | Gurbin | Oberle |
| Blais | Gustafson | O'Neil |
| Blenkarn | Halliday | Paproski |
| Blouin | Hardey | Pennock |
| Bourgault | Hawkes | Peterson |
| Brightwell | Hicks | Plamondon |
| Brisco | Hnatyshyn | Price |
| Browes | Holtmann | Ravis |
| Cadieux | Horner | Reid |
| Cardiff | Howie | Reimer |
| Clark | James | Ricard |
| (Brandon-Souris) | Jardine | St. Germain |
| Comeau | Jepson | Schellenberg |
| Corbett | Johnson | (Nanaimo-Alberni) |
| Côté | (Bonavista-Trinity- | Schellenberger |
| (Lac-Saint-Jean) | Conception) | (Wetaskiwin) |
| Crofton | Kempling | Scott |
| Darling | Landry | (Hamilton-Wentworth) |
| Daubney | La Salle | Scowen |
| de Cotret | Layton | Siddon |
| Della Noce | Leblanc | Sparrow |
| Desjardins | Lesick | Speyer |
| Dick | Lewis | Stackhouse |
| Domm | MacDonald | Stewart |
| Dorin | (Kingston and | Suluk |
| Duplessis | the Islands) | Taylor |
| Edwards | Malone | Thacker |
| Elzinga | Mantha | Towers |
| Epp | Marin | Tremblay |
| (Provencher) | Martin | (Lotbinière) |
| Fennell | Mazankowski | Tupper |
| Ferland | McCain | Turner |
| Fontaine | McCrossan | (Ottawa-Carleton) |
| Fraleigh | McDermid | Valcourt |
| Fretz | McDougall | Vincent |
| Friesen | (St. Paul's) | Weiner |
| Gagnon | McKinnon | Wenman |
| Gass | McKnight | White |
| Gérin | McLean | Wilson |
| Gervais | McMillan | (Swift Current- |
| Gormley | Merrithew | Maple Creek) |
| Gottselig | Minaker | Wilson |
| Graham | Mitges | (Etobicoke Centre) |
| | Moore | Winegard—124. |

**Mr. Speaker:** I declare the motion lost. The next question is on Motion No. 9. Is there a disposition to apply the vote in reverse?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Mr. Redway, seconded by Mr. Cardiff moved:

Motion No. 9

That Bill C-70, be amended in Clause 5 by striking out lines 26 to 47 at page 3 and lines 1 to 4 at page 4 and substituting the following therefor:

"Minister may determine the date for the purposes of this Act on which the child's death is presumed to have occurred, and thereupon the child shall be deemed for all purposes of this Act to have died on that date.

(2) If, after having determined such a date, the Minister is satisfied from new information or evidence that the date of death is different from that previously determined, the Minister may determine a different date, in which case the child shall be deemed for all purposes of this Act to have died on that different date.

(3) If, after having determined such a date, the Minister is satisfied from new information or evidence that the child is alive, the Minister shall forthwith cause to be paid any allowance that would have been payable in respect of the child had such determination not been made."

The House divided on the motion (Mr. Redway) which was agreed to on the following division:

(*Division No. 178*)

YEAS

Members

| | | |
|---|---|---|
| Attewell | Gray (Bonaventure-Îles-de-la-Madeleine) | Nicholson (Niagara Falls) |
| Beatty | Grisé | Nickerson |
| Belsher | Gurbin | Nielsen |
| Bernier | Gustafson | Oberle |
| Bertrand | Halliday | O'Neil |
| Blais | Hardey | Paproski |
| Blenkarn | Hawkes | Pennock |
| Blouin | Hicks | Peterson |
| Bourgault | Hnatyshyn | Plamondon |
| Brightwell | Holtmann | Price |
| Brisco | Horner | Ravis |
| Browes | Howie | Reid |
| Cadieux | James | Reimer |
| Cardiff | Jardine | Ricard |
| Clark (Brandon-Souris) | Jepson | St. Germain |
| Comeau | Johnson (Bonavista-Trinity-Conception) | Schellenberg (Nanaimo-Alberni) |
| Corbett | Kempling | Schellenberger (Wetaskiwin) |
| Côté (Lac-Saint-Jean) | Landry | Scott (Hamilton-Wentworth) |
| Crofton | La Salle | Scowen |
| Darling | Layton | Siddon |
| Daubney | Leblanc | Sparrow |
| de Cotret | Lesick | Speyer |
| Della Noce | Lewis | Stackhouse |
| Desjardins | MacDonald (Kingston and the Islands) | Stewart |
| Dick | Malone | Suluk |
| Domm | Mantha | Taylor |
| Dorin | Marin | Thacker |
| Duplessis | Martin | Towers |
| Edwards | Mazankowski | Tremblay (Lotbinière) |
| Elzinga | McCain | Tupper |
| Epp (Provencher) | McCrossan | Turner (Ottawa-Carleton) |
| Fennell | McDermid | Valcourt |
| Ferland | McDougall (St. Paul's) | Vincent |
| Fontaine | McKinnon | Weiner |
| Fraleigh | McKnight | Wenman |
| Fretz | McLean | White |
| Friesen | McMillan | Wilson (Swift Current-Maple Creek) |
| Gagnon | Merrithew | Wilson (Etobicoke Centre) |
| Gass | Minaker | Winegard—124. |
| Gérin | Mitges | |
| Gervais | Moore | |
| Gormley | | |
| Gottselig | | |
| Graham | | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Murphy |
| Benjamin | Gray (Windsor West) | Nicholson (Trinity) |
| Berger | Heap | Nunziata |
| Blackburn (Brant) | Henderson | Orlikow |
| Boudria | Hopkins | Ouellet |
| Broadbent | Hovdebo | Parry |
| Caccia | Kaplan | Penner |
| Cassidy | Keeper | Pépin |
| Copps | Langdon | Prud'homme |
| Deans | MacLellan | Robichaud |
| de Corneille | Malépart | Robinson |
| Dingwall | Marchi | Rompkey |
| Finestone | McCurdy | Rossi |
| Foster | McDonald (Broadview-Greenwood) | Tobin |
| Frith | Mitchell | Young—46. |
| Garneau | | |

**Mr. Speaker:** I declare the motion carried.

**Hon. Jake Epp (Minister of National Health and Welfare)** moved that the Bill, as amended, be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it.

*And more than five Members having risen:*

**Mr. Speaker:** Shall I dispense with the ringing of the bells?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Shall we apply the same vote as we have just applied on Motion No. 9?

**Some Hon. Members:** Agreed.

The House divided on the motion (Mr. Epp, Provencher) which was agreed to on the following division:

*Family Allowances Act, 1973*

*(Division No. 179)*

YEAS

Members

| | | |
|---|---|---|
| Attewell | Gray (Bonaventure-Îles-de-la-Madeleine) | Nicholson (Niagara Falls) |
| Beatty | Grisé | Nickerson |
| Belsher | Gurbin | Nielsen |
| Bernier | Gustafson | Oberle |
| Bertrand | Halliday | O'Neil |
| Blais | Hardey | Paproski |
| Blenkarn | Hawkes | Pennock |
| Blouin | Hicks | Peterson |
| Bourgault | Hnatyshyn | Plamondon |
| Brightwell | Holtmann | Price |
| Brisco | Horner | Ravis |
| Browes | Howie | Reid |
| Cadieux | James | Reimer |
| Cardiff | Jardine | Ricard |
| Clark (Brandon-Souris) | Jepson | St. Germain |
| Comeau | Johnson (Bonavista-Trinity-Conception) | Schellenberg (Nanaimo-Alberni) |
| Corbett | Kempling | Schellenberger (Wetaskiwin) |
| Côté (Lac-Saint-Jean) | Landry | Scott (Hamilton-Wentworth) |
| Crofton | La Salle | Scowen |
| Darling | Layton | Siddon |
| Daubney | Leblanc | Sparrow |
| de Cotret | Lesick | Speyer |
| Della Noce | Lewis | Stackhouse |
| Desjardins | MacDonald (Kingston and the Islands) | Stewart |
| Dick | Malone | Suluk |
| Domm | Mantha | Taylor |
| Dorin | Marin | Thacker |
| Duplessis | Martin | Towers |
| Edwards | Mazankowski | Tremblay (Lotbinière) |
| Elzinga | McCain | Tupper |
| Epp (Provencher) | McCrossan | Turner (Ottawa-Carleton) |
| Fennell | McDermid | Valcourt |
| Ferland | McDougall (St. Paul's) | Vincent |
| Fontaine | McKinnon | Weiner |
| Fraleigh | McKnight | Wenman |
| Fretz | McLean | White |
| Friesen | McMillan | Wilson (Swift Current-Maple Creek) |
| Gagnon | Merrithew | Wilson (Etobicoke Centre) |
| Gass | Minaker | Winegard—124. |
| Gérin | Mitges | |
| Gervais | Moore | |
| Gormley | | |
| Gottselig | | |
| Graham | | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray (Windsor West) | Murphy |
| Berger | Heap | Nicholson (Trinity) |
| Blackburn (Brant) | Henderson | Nunziata |
| Boudria | Hopkins | Orlikow |
| Broadbent | Hovdebo | Ouellet |
| Caccia | Kaplan | Parry |
| Cassidy | Keeper | Penner |
| Copps | Langdon | Pépin |
| Deans | MacLellan | Prud'homme |
| de Corneille | Malépart | Robichaud |
| Dingwall | Marchi | Robinson |
| Finestone | McCurdy | Rompkey |
| Foster | McDonald (Broadview-Greenwood) | Rossi |
| Frith | | Tobin |
| Garneau | | Young—46. |

**Mr. Speaker:** Therefore, the motion is adopted.

Motion agreed to.

**Mr. Speaker:** When shall the Bill be read a third time?

**Some Hon. Members:** Now.

**Some Hon. Members:** Never.

**Mr. Speaker:** At the next sitting of the House?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** It being after five o'clock p.m. this House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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● (1720)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

### VOLUNTARY ORGANIZATIONS

NATIONAL OFFICE FOR VOLUNTEER ACTION

**Mrs. Lise Bourgault (Argenteuil-Papineau)** moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a national office for volunteer action under the responsibility of the Secretary of State of Canada and:

1. that the Office be managed by a board of directors consisting of twenty (20) members serving without pay;

2. that the Office be the sole organization empowered to determine the official status of volunteer and charitable organizations;

3. that the Office maintain a central registry of volunteer organizations and deliver certificates of official accreditation to the said organizations, and certificates of accreditation of practical work done by volunteers, acknowledging the experience thus gained; and

4. that the Office submit to the Secretary of State of Canada an annual report on its activities.

She said: Mr. Speaker, I welcome this second opportunity to present in the House a motion aimed at providing for official recognition of the volunteer sector in our society. On September 19, 1985, I presented a motion seeking authority for the Standing Committee on Health, Welfare and Social Affairs to study and report on the volunteer sector.

Mr. Speaker, for many years I have witnessed the invaluable contribution made by the volunteer sector to society, and I must say that since I have had the honour of representing the men and women of Argenteuil-Papineau in this honourable House, I now realize how important the volunteer sector is to my riding and that if we did not have volunteers and volunteer organizations, the riding would be in very poor shape indeed.

Mr. Speaker, you may recall that during the special debate on parliamentary reform, I told you I was very stubborn. I once asked you to show me the place where you keep private members' motions and bills, and what you do with them. I think it would be interesting to have a look. It is practically a second Parliamentary Library because it contains some very interesting documents and bills initiated by private members. At the time, during the special debate on parliamentary reform, I said I was very stubborn and that as long as I was a Member of this House, I would keep on presenting motions until some day they were accepted either by my own Government or other governments, and that is what I propose to do.

Actually, the Members of this House are especially aware of the importance of volunteers, because I am sure no one here among my colleagues would be sitting in his or her seat if we had not had our volunteers, those political volunteers who work without remuneration to get us elected. This is one aspect of the volunteer sector that every one of us has experienced during our election campaigns and one we will certainly be depending on in future campaigns. However, this is only one aspect of volunteer work.

Just think of our senior citizens. Consider the number of senior citizens who can stay at home thanks to these volunteers. Consider also how much it would cost the Government if there were no volunteers to look after our senior citizens at home, if the Government had to pay to send them to special homes for the aged. Certainly a lot of money. There are residents of foster homes who are visited and helped by volunteers. That is another extremely important dimension and we know just how much the people who reside in these homes appreciate the volunteers who spend some time with them or go out to do some shopping for them because they are either too handicapped or too old.

There are also our young people. You must be aware that if there were no volunteer committees of leisure in our municipalities today, our young people could not take part in any sport. There are also the sport, social and cultural aspects. Our parishes are kept alive thanks to the activities of volunteers. Without them, I can assure you that our churches and church councils would have problems.

In different communities, there is a fantastic group of volunteers called *Parents Secours* to look after abandoned and abused children and who look after them in their difficult situation. The *Parents Secours* volunteers look after these children.

Mr. Speaker, the blind, the physically and mentally handicapped could not survive in our society without the volunteers who are looking after them and taking care of them.

I should like to add that in our smaller municipalities, several aldermen are involved in volunteer action; if we consider the salary they are paid and the time they spend on the job, we can say that our mayors too are involved in some sort of volunteer work.

But there are a great many others . . . There are for instance the Canadian housewives, our wives, your wife maybe, Mr. Speaker, because she is not paid to look after the house and care for the children. If I were to go through all the parts a housewife plays in the home, I would spend the 20 minutes allotted to me doing so, and it is so important that this should be recognized.

Our cultural associations safeguard our cultural identity. And our economic activities, Mr. Speaker. As you may know, in my constituency there are also major activities. In Argenteuil-Papineau for instance, there is an event, the race across Lake Simon which draws millions of people every year. It is a tremendously important economic contribution to the Papineau area. Were it not for volunteers who look after that swimming event, there would be no swim across Lake Simon, it is as simple as that. Area businesses which depend on the tourist trade would be in a tough spot, because the crossing year after year draws an unbelievably large clientele.

Events such as Expo-Air in Mirabel, for instance which draws thousands of people each year, are managed by volunteers. It is unbelievable the volume of goodwill this creates. Our grocery stores, our small businesses, our restaurants are busy throughout that period, and volunteers are looking after that.

To name a third one, simply to point out there are various economic activities, I will mention that we have an annual agricultural fair in Lachute which is almost nationally famous and which I am very proud of. Volunteers manage that fair which draws millions and millions of people each year.

So, Mr. Speaker, there is of course no need to pay these great Canadian men and women. They do not want to be paid because theirs is volunteer work, done as volunteers because they want to contribute something to their communities. Gratitude is what they earn and this has given me the idea of establishing a National Office for Volunteer Work.

Once more, Mr. Speaker, voluntary work is such an important aspect of Canadian life because, in addition to providing an opportunity for personal development and community benefits and for achieving a degree of social justice, voluntary organizations, their permanent staff and all those who finance them produce about $5 billion of economic activity in Canada, which represents 2 per cent of the Gross National Product. It is time for the Government to give more attention to this sector than it has until now, even though I am aware that our Government has provided greater incentives for voluntary work.

For instance, Mr. Speaker, the salary value corresponding to yearly voluntary work would amount to $2 billion. The social and economic impact of voluntary work will tend to increase in the next few years because of the aging of the population, of economic upheavals and of a decrease in the role of the Government.

Canadians are now aware of the need to protect and maintain an acceptable standard of living for all their fellow citizens. To do so, we find it essential to establish a national policy for volunteer action and to develop a national strategy to promote, support, emphasize volunteer action and give it a greater value.

Mr. Speaker, this is the first objective of my motion today. In our opinion, such a policy should include the following components: Recognition of volunteer action as a major economic sector:

—Volunteer action must no longer be viewed as a disparate group of agencies and organizations independent from the state and the private sector;

—Volunteer action must be recognized as a major economic activity, since, in addition to creating jobs, it produces a series of available and universal services which raise the standard of living of our communities.

—The voluntary sector should be measured and examined by Statistics Canada and be recognized as a component of our Gross National Product.

However, Mr. Speaker, voluntary organizations would like a more concrete and incitative recognition to develop and renew community work. Indeed, these organizations complain that their members are getting tired, mainly because of a shortage of new members, the economic crisis and the fact that volunteer action is not recognized by society as a means of self-actualization.

Mr. Speaker, we believe that the Government should take action or provide tax incentives for charitable donations and volunteer workers themselves. We believe that a tax credit to reduce payable income tax modelled after the credit now provided for political donations would be quite justified. These tax changes would help to curtail a decrease in charitable donations; they would provide equal tax benefits to all donors, not only the wealthy; they would allow the organizations to rely less on Government subsidies, which is what we want; they would increase the capacity of voluntary organizations to reimburse current expensess related to volunteer work, such as the costs of baby-sitting, gasoline, and so on.

Mr. Speaker, a lot of women in my riding would like to do volunteer work, but they can't afford to. They can't afford to pay a baby-sitter or buy twenty dollars worth of gas so they can go and help someone who is worse off than they are.

This way, volunteers would be able to claim various expenses connected with volunteer work directly on their income tax returns, while people who are less well off would be in a better position to offer their expertise and help on a volunteer basis. And finally, it would be a way to increase and renew the membership of volunteer organizations.

Mr. Speaker, before formulating a policy on volunteer work, I believe it is essential to know numbers, objectives, trends and special interests if we are to consult with volunteer workers and establish with them the parameters they would like to see in Government measures that concern them.

Mr. Speaker, that is why I believe creating a national office for volunteer action is of primary importance to establish a registry of volunteer organizations working in Canada.

The National Office for Volunteer Action, or NOVA, under the responsibility of the Secretary of State of Canada or another agency, would be primarily responsible for preparing an exhaustive list of organizations, through compulsory registration for obtaining subsidies and/or permits. It would define the concept or concepts of "charitable organizations—volunteer organizations—volunteer sector"; issue certificates of official accreditation to these organizations; recognize and validate volunteer work as practical job experience; and protect volunteer organizations and the public in general against fraud, and so forth.

Mr. Speaker, the Office would not be asked to regulate the work done by these organizations. That is not the purpose of this motion. On the contrary, the Office would protect volunteer organization against harmful abuse that, in time, tarnishes the image of volunteer work. Volunteer organizations themselves would like the Government to define and recognize in precise terms exactly what an organization of a charitable, religious, political or other nature is, so that they can operate more effectively in dealing with beneficiaries, donours and volunteer workers.

Mr. Speaker, the Government must take the initiative so we can be ready when the time comes to consult volunteer organizations on measures or policies affecting their operations, sources of financing, and fields of action and interests.

Establishing a national office for volunteer action would not, as some people would believe, involve great expense, because the size of this agency and its oprations would be kept to a minimum.

The national office for volunteer action would fall under the jurisdiction of the Department of the Secretary of State, which is an existing Government agency; administered by an unpaid 20-member board of directors, the office would be supported by a small operational and permanent team.

To finance the expenditures of the office, we suggest that the necessary funds be recouped from savings made through better rationalization or integration of volunteer agencies and organizations, and by improving Government programs, grants and services.

Or again, Mr. Speaker, we might call upon such national organizations as the Red Cross, the United Way and others to lend the services of their staff to set up a permanent team. The office would thus rely on the expert assistance of people who are thoroughly familiar with the management of volunteer organizations.

Mr. Speaker, the office would thus be able to promote more regular and meaningful consultations between the Public Service and volunteer organizations. They would define Government measures and requirements concerning grants and financing, pinpoint their needs, advocate legislative action and Bills.

The office could also promote the training of volunteers and sponsor volunteer organizations with the private sector. Mr. Speaker, it is imperative that volunteer action and the various organizations be socially recognized as such, and that is why the Government must draft a national volunteer action policy.

This means it has to know them better, and so, in the opinion of this House, the Government should consider the advisability of establishing a national office for volunteer action, which would come under the Secretary of State.

Finally, Mr. Speaker, I know that my colleagues are aware of the fact that they were elected with the help of volunteers. I can still remember some of them saying to me: Mrs. Bourgault, how is it that the Government, your Government, does not acknowledge that I have taken part in the election campaign and did accomplish something? That is how it started and this question kept coming up more and more often. I met a charming lady who has been doing volunteer work at the Argenteuil Hospital for 20 years. She sees patients who are alone or who have no family and she told me how important her work is for these people who, after days of solitude, suddenly see some light come into their life because this woman brings them news, newspapers or small gifts which she buys herself.

Mr. Speaker, volunteer action is very important for our society, but I am not saying that my motion today could not be improved, far from it. I am well aware that my colleagues will talk out this motion today as it is the practice in this House, and I accept this because I am now more familiar with parliamentary procedure.

However, I simply hope that, in the coming months, we can study more closely the role the voluntary sector, and if my first motion, which was debated on September 19, could be brought forward once more so that the Standing Committee on Health, Welfare and Social Affairs could do an in depth examination of voluntary sector, everyone in this House would perhaps be better aware of the role of voluntary workers in their own constituencies, and even in the house next door because people often do not know that their neighbours are voluntary workers. That is all I want, Mr. Speaker, and if the Government could introduce a bill recognizing the voluntary sector in the near future, I would have achieved my purpose.

• (1730)

[*English*]

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, as the critic for the Secretary of State for the Official Opposition and as a Liberal, I listened with great interest to the proposed resolution presented by the Conservative Member of Parliament for Argenteuil-Papineau (Mrs. Bourgault). I also read her resolution and her speech of September 19 last year on the same subject and found it very interesting. In both cases I have felt that the spirit of her resolutions are well meaning. Her intention obviously is to encourage the voluntary sector of our community, which is of course very laudable.

In her desire to encourage volunteerism in her speech in September, she was advocating that the Government consider giving financial compensation to volunteers, which seems somewhat paradoxical. In the resolution we are considering today this Conservative Member from the Government benches is suggesting a new special office be set up to deal with the voluntary sector. This office would be empowered to decide on the status of voluntary organizations and give them certificates of accreditation. This office would also give certificates to volunteers of practical work done by them.

I am sure the motive behind them is laudable. These suggestions give me reasons for concern because in the attempt to harness the resources of volunteers and charitable organizations, she seems to suggest a considerable involvement by government and of government bureaucracy in the arena, at least, of the voluntary sector. Indeed, it seems to me that volunteers generally prefer donating their time and their talents to charitable organizations free from structures and motives of private enterprises which are motivated by profit, and also free from the encumbrances of Government bureaucracy.

It seems to me that the voluntary sector sees itself in partnership with Government and in partnership with private enterprise, but not in any way as a servant of Government or to be organized by it, or the servant of private enterprise. I agree that sometimes people are deterred, as the Member has pointed out, from being a volunteer because they cannot afford a babysitter, or the cost of transportation to go to various activities and return. If the organizations in the voluntary sector could only improve their financial base they would be better able to encourage broader participation of volunteers by themselves subsidizing those out-of-pocket expenses that can inhibit people from performing their voluntary services.

When we are talking about voluntary or charitable organizations I take it that what we are all talking about is the same thing. These are organizations dealing with assistance to a disadvantaged person or a group, advancement of religion, advancement of education, advancement of health, conservation of the natural environment and other purposes beneficial to the community, including cultural or social development or improvement of the physical and mental well-being of the community. This is the definition of voluntary organizations recommended by the National Voluntary Organization, which is an umbrella organization which tries to represent the interests of some 52,000 voluntary organizations across this country. I would like to tell the Conservative Member from Argenteuil-Papineau that such recommendations as she has made last September, and again today, have possible for reaching implications.

I am therefore surprised to learn from the National Voluntary Organization that until at least as of yesterday it has no record of being consulted about her proposals, nor apparently have any of the major bodies in the voluntary and charitable sectors that would be affected by her resolutions. I wonder why in an alleged year of consultation the Hon. Member has not first discussed the impact of the resolution with these organizations so that she could then report them to the House in the course of her presentation. Because she has not done so makes it indeed rather difficult, if not impossible, for us in the Official Opposition at this time to consider giving support to her resolution, at least until such time as an opportunity is

given to organizations such as the NVO to reflect upon them and reflect their concerns and interests.

I agree with the idea that greater Government co-ordination of its goals and activities is badly needed. After all, since charitable organizations play such a vital role in our civilization, and since they cover a very wide area of activities, it is important that the Government should designate some Minister of the Crown as the lead Minister who will take the time and the effort needed to enter into ongoing dialogue with the voluntary sector, and to co-ordinate the activities of the Government in its various Departments.

I hope that the Government will give consideration to the suggestion to make it possible for the voluntary sector to be better served by having a lead Minister who is and accepts the responsibility to deal with the voluntary sector. What is even more important, Mr. Speaker, and on this there is considerable agreement in the voluntary sector, is that what is needed is Government action to encourage the voluntary sector to be able to attract increased financial donations from individuals and corporations.

I have spoken on this matter on a number of occasions in the House, indeed others from both sides of the House have done so as well. The matter is one that needs urgent consideration. Over the years the percentage of people and companies contributing to charities is declining, as is the size and percentage of their gifts, in terms of income. The National Voluntary Organization has for years been advocating new incentives in income tax to increase charitable giving. More specifically, it has advocated the so-called give and take program, which would provide a 50 per cent tax credit for charitable contributions. Indeed, this is what the present Minister of State for Immigration (Mr. McLean) promised before the Government was elected in 1984. When in Opposition, he made the give-and-take proposal his pet crusade. Let us look at a few of the promises he made. I can hardly do justice to all of them, but when in Opposition, the Minister of State for Immigration who was the previous Secretary of State said the following:

● (1740)

> We are committed to a fundamental realignment of the tax treatment for charitable giving—the principle of a charitable tax credit—which will offer equitable incentives to all taxpayers to support their charities.

In other words, he said that he was entirely in favour of the give-and-take proposal. He also said that the voluntary sector was the largest employer of lower and middle-class Canadians and he was right when he pointed out its importance. In addressing the voluntary sector, the Minister of State for Immigration said the following:

> You (the Voluntary Sector) offer many less advantaged Canadians a bridge to employment. Canada's Voluntary Sector is an untapped resource that not only can reduce Government spending but can actually create jobs in the process.
>
> This is why we are committed to a principle of a charitable tax credit, to a tax environment which will offer equitable incentives. Give and take is on the agenda.

He said that give and take was on the agenda and the other statements I cited so far in a speech addressed to the National Voluntary Organization convention. The Prime Minister (Mr. Mulroney) promised to the National Voluntary Organization and the 52,000 voluntary organizations the following just before the last election:

> We are committed to implementing a Tax Credit equal to a percentage of donations made to registered charities.

Unless something is done to increase the level of charitable donations by widening the potential number of contributors and the size of their gifts, the voluntary sector will be less and less able to assume responsibilities for social work and the serving of social needs. This means either increased Government programs which will cost the taxpayers money or less adequate, deteriorating services for the community.

The flame of volunteerism must be kept burning brightly. The willingness to give of oneself and of one's time and talents freely as a gift of love is vital to a healthy moral society. Therefore, it is important that contributions to charities increase. However, they are decreasing. The promises of the Government in this regard were unfortunately not kept in the last Budget. It is to be hoped that for whatever reason, this urgent matter not be set aside again. It takes years to educate the public to recognize the incentives a tax credit would provide and the time to act is now.

If such incentives as tax credits are to be provided, obviously another important matter that must be settled is the definition of a charitable organization. I have already described the definition recommended by the National Voluntary Organization. In fact, in December 1983, the Government of the day announced its intention to establish a joint committee of the House and the Senate to deal with matters concerning the voluntary sector and took steps to establish such a committee in April 1984 in consultation with the present Minister of State for Immigration. The Government then changed, as we all know, but the need still exists nearly two years later.

An acceptable legal definition of what constitutes a charitable organization is still needed. Urgent action is required to reverse the regressive negative spiral in financial contributions to voluntary agencies. It is this Government which promised it would act and the voluntary sector will watch to see what the next Budget brings.

If the Government is shortsighted and is so preoccupied with allegedly cutting the deficit that it cannot see that it can over a few years relieve itself from spending responsibilities by encouraging contributions to the voluntary sector, then it will be making a grave mistake. The voluntary sector, by its activities, can prevent escalating costs in social health and cultural programs. We neglect the voluntary sector at our peril.

In one area, the Government has made some progress by defining and clarifiying to what extent a charitable organization may participate in approaching Governments to try to influence political decisions. I believe that in the main, the Government's solution has been found to be acceptable and so far seems to be serving quite satisfactorily. While this is progress, let us hope that the Government will bite the bullet with regard to the real issues at stake, the issues that are fundamental to the survival and good health of the voluntary

sector. Let us hope that the Government will not deal with peripheral matters in the belief that the voluntary sector will see that as being sufficient in dealing with their basic concerns. Let us hope that the Government will deal with a legal definition of a charitable organization and above all with providing the incentives to contribute to charitable causes.

I hope that the Hon. Member who presented this motion will not feel that I have in any way been negative about the thrust of her concern. I applaud her interests, concern and involvement and respect them very much. I hope that she will continue to challenge us in the courageous way that she had in the House today.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I too would like to support our colleague who introduced this motion again as she did earlier last year.

In my opening remarks, I would like to say that from what I sensed when this matter was raised before, there certainly seems to be sympathy from all Parties for the principle of the Hon. Member's motion. I believe this is not a partisan question but one of community involvement and of how people can help each other to work for a better world. I think we would all fully support that.

It is regarding procedures and processes that I would like to raise a few questions. I commend my colleague from the Liberal Party who spoke at length about the National Voluntary Organization as well. I had considerable material on that organization for my remarks but perhaps I will not dwell on it to the same degree in the interests of time.

When I was thinking about the recommendation in the motion, it occurred to me that we need to have much more time to dig into this matter in a thoughtful way within a committee through consultation with the voluntary sector itself. I do not think that that consultation should be only with the National Voluntary Organization, an organization which in many ways is not only comprised of volunteers but of paid staff and is a fairly large organization. The consultation should also involve community groups and I would like to concentrate some of my remarks on the concept of volunteerism as a self-help movement.

When we talk about volunteerism in a formal way through the National Voluntary Organization and organizations like that, we are talking about agencies and organizations that have considerably large budgets in some cases and need professional staff members. We often forget about neighbourhood issues which need to be dealt with. Before offering our support, I wonder what will be the other purposes of the proposed organization. That is something about which we would like to know.

● (1750)

The Hon. Member who presented the motion implied that this would be an organization which would fall under the jurisdiction of the Secretary of State and which would provide co-ordination and information sharing. I assume that there would be some type of networking between volunteers and volunteer organizations. In some small ways I suppose this is being done now under the auspicies of the Secretary of State.

I am sure the Hon. Member who introduced the motion and who appears to have a great deal of experience in communities will agree with me when I say that the real need is for small self-help organizations in local communities and how they can survive. During the 1960s and the 1970s some of us were involved in community development. We were working in the communities. We were helping to activate and organize many different types of citizen action and self-help groups in low income communities. There was a great wave of movement in this direction back then. All the people involved initially were certainly involved as volunteers. What we find now is that this has moved on to the point where some structures are needed to maintain this movement. I know that in communities in Vancouver, and I am sure in many other communities, there was a network of information centres which were established. These were usually small store-front operations where people could meet in order to share information. They would trade their talents and skills in order to help one another. The store-fronts provided a raft of information which would lead to other information and referrals to agency-type services. These were not costly voluntary services; they were very economical services. However, they required some funding. Normally, a place was required, which meant rent, a telephone, and so on. A co-ordinator was usually required. In most organizations which are solely volunteer a paid co-ordinator is still needed in order to keep everything together.

What has happened since the 1970s is that the funding which was available for these types of operations is no longer available. As I have said before, there was not a great deal of funding involved. In fact, some of the funds came under the Canada Assistance Plan shared funding, which has now disappeared. Therefore we have seen very healthy volunteer centres close down. When there is not a support service and someone to recruit, train and help develop volunteers the volunteer effort sometimes goes by the wayside.

I can think of other types of services which evolved during that same period of time. I am reminded of family centres which provided a very important service to the community. I hope the task force on child care will look into this type of organization in which mothers, particularly single mothers, can get together with other single mothers. Often, there was a friendly older person, or persons, from the community who were almost like community grandmother figures. The people involved in these types of organizations said: "Look, we have to have a place where we can get together in order to help one another". Again, in my community, there were several family centres which were opened. They were inexpensive operations. Some of them were in store-fronts with one or two staff members. This was necessary because they looked after children. The mothers, and sometimes the fathers, came in to these centres where there was a wonderful type of mutual support and where learning about parenting and so on went on.

I am also reminded of poverty groups which need some funds in order to operate. There are also women's centres

across the country which are closing down because they just do not have the funds to keep their doors open. And they are operated primarily by volunteers.

What I am trying to say is that I would be much more enthusiastic about this measure if, in the terms of reference of such a proposed organization, we knew that one of the functions would be to assist self-help groups and front line volunteer action groups find ways to obtain funds in order to keep their doors open and in order to pay a co-ordinator. Perhaps there would be enough funds for an occasional newsletter, which is very much needed.

I think we need to see a much clearer definition of what we mean by volunteering and volunteer organizations. The Hon. Member who introduced this motion talked about helping the elderly in homes and hospitals through sports and so on. That is an entire area of concern. We also have the traditional voluntary agency sector which my Liberal colleague mentioned. Primarily, these are agencies which are assisted by organazations such as the United Way and the National Voluntary Organizations. As I mentioned earlier, these types of organizations tend to see themselves as charitable organizations. However, they do have professional staff, although many use volunteers as well.

If we are to put in place such an organization as the one proposed then I think we should get away from the charity concept. To me, that is the concept of us doing something for someone who is not as good as us. It makes poor people feel as if they are second class citizens. We need community services; but we need so much for people in order to learn and to have a small amount of funding to do things for themselves on their own behalf and to help each other as equals. I would like to see more stress placed on this area.

When we talk about volunteerism we must be sure that we are clear on what should and should not be provided through volunteer services. When times are tough and when governments make restraint a main objective, there is a tendency to turn over services which are the responsibility of governments to volunteers. This has happened in British Columbia. These are legislated services which should be in place to provide welfare services or protection to battered children and which help with all types of serious social and health problems. These types of services cannot be replaced by volunteer organizations. There are certain services which are the responsibility of governments and which should remain in the public sector. We believe very strongly in this.

I would also like to point out that when we talk about volunteers we should not talk about volunteers who will replace people in union jobs or jobs which should be union jobs. We should not use volunteers to undermine those in paid jobs. I am thinking of municipal services in particular.

Professionals are needed in certain roles. In this respect I refer to private agencies in the social services field. Sometimes I think we use too many professionals. I think there is a real place for para-professionals and for volunteers but perhaps professionals should be used in a more consultative and training role. They should certainly be used in serious situations for counselling and so on. We also need skilled professionals in the direct service area.

Since my time has almost expired I would like to mention that we are concerned about the lack of consultation which has taken place. For that reason we really do not feel that we can support this motion at this time. That does not mean that we are opposed to the principles presented. However, in preparation for this debate my office phoned around as much as time allowed to quite a number of organizations across the country. Someone in my office called the United Way office in the Lower Mainland and spoke to someone who felt this was a good idea but who also wanted to know more about it. There has been no consultation. The United Way of Canada expressed some real concerns about this proposal. One of the concerns was who would select the board of directors and how representative and independent the organization would be. A number of people we consulted felt that the organization should not fall under the jurisdiction of the Secretary of State. They felt that if there were on organization it should be independent of government. Of course, there was reference to the *People in Action* Report, a report from the 1970s, which should be studied. We feel that the submissions put forward by the National Voluntary Organizations should be considered. I would like to refer to the pre-budget submission of that organization to the Minister of Finance (Mr. Wilson) which contains some excellent suggestions. In fact, one thing which is stressed is that the economic contribution of the voluntary sector is to create jobs. Some 200,000 Canadians are employed by Canadian charities. That is sort of the other side of the coin.

I know that my time has expired, Mr. Speaker. In closing, I suggest that there should be more consultation with all these organizations, including self-help neighbourhood community development groups.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### YOUNG OFFENDERS ACT—LEGISLATION'S PHILOSOPHY

**Mr. Jim Jepson (London East):** Mr. Speaker, in December I rose in the House with a question for the Solicitor General, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), on the subject of the Young Offenders Act. There has been an ample supply of groups and individuals, including Parliamentarians, police force representatives, judges and social agencies, who have criticized the weaknesses of the legislation passed by the previous Government in addressing the needs of young people. But the legislation has also been praised for its

emphasis in making young offenders responsible for their actions, while at the same time holding out every hope and opportunity to bring about meaningful rehabilitation. It is my hope that these two views can be reconciled by action in Parliament on the recommendations of the Solicitor General.

There are many generally recognized problems with this legislation. For instance, children under 12 who commit serious crimes cannot be brought to justice under this Act. On the one hand, some of these children are not being made to answer for what might be a well developed sense of criminal responsibility. On the other hand, there is nothing in this Act which directs these young people to the right kind of counselling or social work.

Another problem with this Act results from the rules governing the publication of names. Clearly, this outright ban does not provide any flexibility which would allow officials to balance the best interests of the young offender with that of the community. The situation of an escaped and dangerous inmate of a training school, for example, is one which is not adequately addressed by this Act.

The destruction of court records is another part of the Act which seriously impairs the ability of the court to act with discretion in the best interests of the offender and of society. When trying to deal with dangerous offenders, what you do not know can hurt you.

The last problem pertaining to this Act which I would like to mention is the effect it seems to have, generally, on our legal system. There is an increased emphasis on rights and legal procedures. This is the result of the emphasis the Act places on the assumption of responsibility on the part of young offenders. I support this in principle, but I think it has had some negative effects.

A London police officer who has been working with young offenders asked: "What does a youth learn when he knows he has committed an offence and his lawyer says, 'We will plead not guilty and get you off' "? The role of the court should be, according to Judge Bennett of Provincial Court, to involve parents, probation and child welfare authorities under scrutiny of the court instead of creating an adversarial climate in the courtroom.

A Vancouver prosecutor said: "Everyone loses sight of whether a child did it or not and they get lost in the technicalities of this Act". Delay, obstruction and confusion serve neither the needs of the offender nor those of the community. Young people must be held accountable for their actions but this must be done in a way that recognizes that they are far from set in their ways. The emphasis should be less on confrontation and more on the focus of responsible attitudes and behaviour.

Youth courts perform most effectively when all parties co-operate in halting the development of a criminal and providing the offender with the guidance which will underline his obligations to society and the value that society sees in him or her. So often both of these ideas are ignored.

Obviously, there are some problems with the Young Offenders Act. The Minister describes these as "teething problems" and cautions Parliament against throwing out the baby with the bath water. Parliament must address the question of whether the details can be ironed out without losing any of the progressive aspects of this legislation.

I congratulate the Solicitor General for the progress report he gave yesterday on his consultations with respect to the Young Offenders Act. The Minister has provided excellent adjustments to some of the Act's major problems. Provision for the retention of records in some cases, the identification of dangerous youths at large, more sentencing flexibility, and more effective prosecution of people involving children in criminal acts, will provide provincial authorities with much more workable legislation. These changes will build on the many improvements that have already been provided through the Act. To name only one, policemen have, for example, been enabled to take fingerprints and photos for their records, which has greatly facilitated their job.

• (1805)

The primary goal of criminal law must be to protect society. The issues I have mentioned today are matters that have to be addressed because of the many injustices that the public is suffering as a consequence of previous legislation. It seems to me that we see a dangerous trend today toward the rights of the criminal rather than the rights of the victims and society as a whole. It is important in this day and age that we show a sensitivity to justice being served to all concerned, but it is imperative that the public be protected and that the rights and protection of victims be given a top priority.

I congratulate the Solicitor General because it appears that his work on this difficult problem is aimed at serving the special needs for which the Young Offenders Act was designed. I look forward to the opportunity we shall have in the House to consider concrete amendments when they are brought forth.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, I recognize the concerns of the Hon. Member for London East (Mr. Jepson) with respect to the adequacy of the Young Offenders Act to deal with young offenders. The Young Offenders Act has significantly altered the orientation of Canada's juvenile justice system. The old Juvenile Delinquents Act was based on a philosophy that emphasized the need to treat delinquents as children in need of care and assistance rather than as criminals. The specific provisions of that legislation reflected this principle in many ways that were increasingly inconsistent with contemporary values and laws.

For example, the Juvenile Delinquents Act intended that juvenile court proceedings be private and closed to the public and that information about those proceedings be treated as confidential. Similarly, because delinquents were not to be treated as criminals, police were generally not permitted to take fingerprints, and it was not clear whether juvenile records

could be used in adult court when a young person continued his criminal behaviour into adulthood.

The emphasis of the old Act on the needs of the offender was particularly evident in its dispositional or sentencing provisions. When the juvenile court found that sanctions such as probation were not sufficient to deal with an individual, the Act provided for the case to be tranferred to the care of child welfare authorities, rather than ordering a specific sentence which would be served under the jurisdiction of the criminal justice system.

By way of contrast, the Young Offenders Act has clearly acknowledged that young people are responsible for their illegal behaviour and that society has a fundamental right to protection. The new legislation has not abandoned the principle that young people have special needs that demand the attention of the juvenile justice system and society as a whole, but it places this issue in perspective. The principle that the protection of society must be a primary concern is reflected in the legislation.

For example, the Act authorizes police to take fingerprints, just as they do when investigating adult offenders, as was mentioned by the Hon. Member. Criminal records are now clearly available to the criminal justice system, including the adult court, unless they are subject to destruction following a specified period of crime-free behaviour by the young person. Under the new legislation young offenders are subject to incarceration in correctional facilities and remain under the jurisdiction of the youth court throughout their sentences. As a result, a young person must serve the entire sentence in custody unless the youth court authorizes early release.

For the most serious of cases, the act permits a youth court to transfer a serious charge to adult court. Where such a transfer is ordered, the youth will be subject to all the penalties that an adult would face, up to and including life imprisonment.

It is fully appreciated that in implementing such important changes in the orientation of juvenille justice, difficulties will be encountered and some of these require legislative change. The Solicitor General has held consultations in Vancouver, Toronto, Regina, Montreal, and Moncton to discuss the Act with representatives of police departments, youth courts, private sector agencies dealing with young offenders, and other groups involved in youth justice in Canada, including his counterparts in the provinces and territories.

In summary, I would like to assure the Hon. Member that the Minister is well apprised of the concerns with the Young Offenders Act and is prepared to respond fairly and effectively to those areas which clearly require change.

● (1810)

BANKRUPTCY ACT—PROVISIONS AFFECTING FARMERS AND FISHERMEN. (B) ROLE OF ROYAL CANADIAN MOUNTED POLICE

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, I would like to pursue this afternoon a question I addressed to the Minister of Agriculture (Mr. Wise) on Monday.

Farmers across the country were encouraged early last month when the Minister of Agriculture promised to address the serious farm debt crisis in Canada. They thought that finally the Government was beginning to take charge. "I plan", said the Minister in his speech on December 2, "to bring to Cabinet before the end of this year new financial measures through the Farm Credit Corporation to address the serious financial needs of Canada's farmers".

That sounded like a commitment, even to members of the public used to empty promises. However, the Minister of Agriculture went even further in December and said:

> I want to give these producers legislation with teeth—legislation that will bring farmers and creditors together to work out reasonable solutions. And where solutions can't be agreed on, farmers will have the option of appealing to the courts.

Finally, the Minister claimed, and again these are his words:

> This is an urgent priority and you can count on action before Christmas.

That sounds an awful lot like a promise. Yet on Monday of this week the Minister modified his position and said that action before Christmas had only been his "hope" and perhaps his "wish". The economic future of agriculture does not rely on the "hopes" and "wishes" of the Minister. It relies upon action. Why has the Minister of Agriculture changed his tune? That was the question I was asking. Is it because the Minister, in spite of what he says in the House and throughout the country, accepts the position of the major banks? They are saying that things are not that bad in the farm sector. Does the Minister agree with that assessment? If so, does he also suggest, as the major bankers do, that a debt write-down and a debt moratorium on loans held by bankers would be "ill-considered"? In short, is the Minister now siding with the banks against the farmers? Is that why we saw no action before Christmas? Surely the Minister knows the agriculture sector better than that.

The second alternative would be that the Minister could not get any action on such policy through the Cabinet. Perhaps the Cabinet does not recognize the importance of this matter even though the Minister does.

There are some Conservative ideologues in the Cabinet who argued publicly, before becoming Cabinet Ministers, that it is everyone's economic right to fail and that the free enterprise system cannot prove it is working unless there are a lot of failures, showing that it is doing its job of weeding out some people. Unfortunately, people who are being weeded out in the farm sector right now are some of the most productive and youngest entrants to that sector of our economy. The Minister seems to have a lot of convincing to do, and I think it is time that he stood up to the Cabinet and let it know that this is an important matter and that agriculture does matter in this country. If he fails to convince Cabinet on the basis of farm financing, what can farmers expect to get out of free trade negotiations into which the Government is leading us?

In light of the confusion that has been raised in the minds of farmers by the vacillation of the Minister, I think it is time today that the Minister clarify the position of the Government and let farmers know just what he is proposing to do and

whether or not the Bankruptcy Act will be amended as was agreed to by all three parties in 1984. The drafting should not even be a problem because the Member for Algoma (Mr. Foster) has capsulized that agreement and reissued it in the House as a private Member's motion. Therefore, the drafting exists and it carries the spirit and, in fact, most of the words of that original agreement back in June of 1984.

The Minister has failed to extend to banks the moratorium which he has declared on land seizures for Farm Credit Corporation. The current moratorium on Farm Credit Corporation only applies to the seizure of land. For the moment, land cannot be seized by the Farm Credit Corporation, but many other secondary lenders are seizing property from these farmers in the form of machinery, livestock and grain. Some of the provinces, such as my own Province of Saskatchewan, have a moratorium against seizures, but that is only effective against land. While the land cannot be seized, the interest keeps mounting. This winter there is a great deal of activity on the part of lending institutions seizing grain, livestock and machinery from those types of farms. Therefore, when the moratorium does end, these farmers will have nothing with which to farm.

These seizures are frequently presided over by the RCMP. In some instances they may be called upon to maintain order. In one instance that I had drawn to my attention, and which I drew to the attention of the Solicitor General (Mr. Beatty), the so-called receiver did not even have a court order. He had no legal right to go on the property. He had succeeded in getting the RCMP to accompany him onto the property, ostensibly to take goods off that property in the form of grain, livestock or machinery even though he had no legal right to do so. The farmer seeing his property threatened in this way has, on a number of occasions, attempted to phone the RCMP for protection while they were in his yard helping to perpetrate what was in that instance a crime since there was no court order giving them the right to be there. This was the matter I was raising with the Minister and the Solicitor General.

• (1815)

The problem is quite clear across the country. Farmers thought they had a clear answer in December. They would like a clear answer now. When will the Government act? What is it proposing to do? How soon will the Government act to stop these bankruptcies and give farmers the same kind of opportunity in a bankruptcy as the banks have?

**Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):** Mr. Speaker, in response to the concerns expressed by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) as they pertain to the financial difficulties experienced by the farm community today, I am pleased to be able to take the time given on behalf of the Minister of Consumer and Corporate Affairs (Mr. Côté) to deal with the issue of revisions to the Bankruptcy Act.

Let me assure the House that the Government is well aware of the acute problems facing farmers and of the urgency of the situation.

During the highly inflationary period of the late 1970s and early 1980s farmers borrowed heavily to finance investment in farmland and equipment. Falling prices for farm products, coupled with rising farm input costs and continuing very high interest rates, have put many farmers in a position where they are having great difficulty in carrying the heavy debt loads. The Government fully realizes that farmers need some protection in order to weather the continuing recession in the farm sector and is taking steps to provide it.

In the first place I would remind Members of the House that the Minister of Consumer and Corporate Affairs appointed a special advisory committee last March to examine possible amendments to the Bankruptcy Act. It is a high priority on the agenda of legislation that is imminent.

The advisory committee has examined a wide range of bankruptcy issues, including the question of farm insolvencies and how to deal with them fairly. The committee has considered several possible options which would help shield farmers from bankruptcy. Some of these options would allow arrangements to be worked out between farmers and their creditors which would enable farmers to keep their farms, or would provide for examination of individual cases and for mediation by panels of experts including, what has been suggested by all Parties in this House, other farmers from the debtor-farmer's community.

These are only two of the possible options that the advisory committee has looked at to date. I might point out to the House that the committee has also looked at the procedures put forward in May, 1984, by the Minister of Consumer and Corporate Affairs in the previous Government which are, I presume, what the Hon. Member was referring to in his question to the Minister of Agriculture (Mr. Wise) on January 13.

I can tell Members that the advisory committee's report will be released within the next two weeks and that the Government will begin broad consultations immediately thereafter, including immediate discussions with farm representatives as to the recommendations of this report.

• (1820)

The advisory committee process I have just outlined will result in longer term solutions to a number of problems with the Bankruptcy Act, including the problem of farm bankruptcies. Not to be negative but to be constructive, I again assure the Hon. Member that the report will be tabled, action will be taken and the concerns of farmers and of every Member of the House will be dealt with in due course.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.21 p.m.

# HOUSE OF COMMONS

**Friday, January 17, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### LOTTERIES

MAIL ORDER SALES IN UNITED STATES—INVESTIGATION REQUESTED

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, they should have called it the "great Canadian lottery rip-off" but instead it is labelled "your official Canadian lottery form". What is it? It is an invitation to participate in the official Canadian Government lottery and win up to $50 million in cash. It is described as just like playing keno in Las Vegas, and is the lure to rip off thousands of Americans who have been purchasing these tickets from at least four Canadian mail order companies at mark-ups of almost up to 400 per cent.

In fact this official form has so flooded the market that, on a recent visit that I made to the State of Florida, three of my husband's relatives had received this unsolicited pitch in the mail. Not only was there a promise of million dollar winners, the so-called official guarantee said that one in four had a chance to win.

We know that the Ontario Government is already acting to prohibit mail order sales outside the province. However, we also know that at least one agent buys his tickets outside the province anyway so that the action of the Ontario Government alone will not stop this rip-off.

I ask the federal Government to launch an immediate investigation into mail fraud and false advertising, and further ask the Minister of Justice (Mr. Crosbie) to include in his Criminal Code amendments a provision to ensure this fly-by-night operation is illegal across Canada.

The Government talks about our great friendship with the United States. Now is the chance to put this claim into practice by preventing the wholesale rip-off of our American neighbours and consumers.

* * *

### SOCIAL SECURITY

OPPOSITION TO FAMILY ALLOWANCE LEGISLATION

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, only one day of debate is left before the Government will impose on Canadians Bill C-70, an Act to reduce the deficit at the expense of the poor and children. Closure was imposed on a debate and the Government has reduced indexation of January family allowance cheques even before the legislation has passed.

It sought advice from the public and from experts, and then ignored it. This farcical consultation process has alienated organizations representing most Canadians, including women's organizations, poor people's organizations, social policy groups, labour, church groups and many more. Experts stated unanimously that deindexation of the family allowance below the rate of inflation will be harmful to children, families, and the poor. The Conservative Government has ignored their testimony and their research.

Now New Brunswick has added its voice to the growing list of protestors. A spokesperson states:

> We view this proposed cut-back as one further piece of evidence of the disregard and contempt that the federal Government holds toward this Maritime province, especially in view of the following facts: 35 per cent of New Brunswick's children live in poverty; 43 per cent of rural children live in poverty and 47 per cent of the 64,000 people on social assistance are children. What good will the federal Government's cut-backs to child benefits do for these children?

Petitions continue to flow from all parts of Canada—

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

* * *

[*Translation*]

### COMMUNICATIONS

BELL CANADA—LONG DISTANCE CALLS IN GATINEAU CONSTITUENCY

**Mrs. Claudy Mailly (Gatineau):** Mr. Speaker, four months ago, I presented a petition signed by some 10,000 residents of the Outaouais region who were asking this House to urge Bell Canada to eliminate long distance charges in my constituency. At the time, some people told me that the parliamentary process would prove useless.

Mr. Speaker, I am happy to announce to the House that I have received a letter from Bell Canada saying that long distance charges will be abolished in the municipalities of Thurso and Buckingham. I am especially happy for Thurso which is celebrating its centennial this year, as I shall now be able to improve communications within the municipality in this very important year.

There is still some work to be done for the municipality of Gatineau where the community of interests reaches only 46

per cent while regulations provide that it should be 50 per cent for long distance charges to be eliminated.

I therefore ask all my constituents of Gatineau to communicate with their municipality at least once a month so that we may achieve this 50 per cent and eliminate long distance charges throughout the beautiful federal constituency of Gatineau.

* * *

[*English*]

## CANADA POST CORPORATION

PRAISE FOR EMPLOYEES' CHRISTMAS WORK

**Mr. Joe Reid (St. Catharines):** Mail service is a line of communication binding our peoples together. It is the lifeblood of commerce and industry. That is why we want, need, and deserve a model, first-class postal service and we on this side of the House will not be happy until we have one.

The importance of the system is no more evident than it is at Christmas, and this year postal workers and retirees brought Christmas to many homes throughout southwestern Ontario.

Sixty thousand letters addressed to Santa Claus were answered. Schools in St. Catharines, for instance, competed for window space, resulting in a cheerful, colorful atmosphere to work in and to visit.

Many offices placed Christmas trees in their lobbies to have customers and employees contribute gifts for distribution by the Salvation Army and associated charities.

Literally hundreds of post office employees were involved in this voluntary effort at a time when the Post Office was handling a higher than usual volume of mail and, for the most part, pleasantly and on time.

Now if we could have that attitude and commitment to service through the 365 days of the year, we would all be proud to sing out: "Canada Post: It's Ours".

* * *

## TERRORISM

INCREASED SECURITY AT AIRPORTS

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, the current security alert at Ottawa, Toronto, and Montreal airports is an unfortunate fact of life in today's climate of international terrorism. No country is immune from the insanity of terrorism, not even Canada. Each country must develop its own master plan or strategic response to every aspect of the terrorist menace, from security searches and precautions through to informing the public of the specific nature of a threat.

The manner in which information on the airport threats was supplied to the public in the last 36 hours leaves a lot to be desired. Even though the stepped-up security was obvious at the airports in question, information to the public was coming out piecemeal at best. Fear, uncertainty, and rumours thrive in this sort of an atmosphere to the detriment of airport workers, the travelling public, and concerned citizens.

I would submit, Mr. Speaker, that the public has a right to know the level of risk involved where a terrorist threat is present, and the Government has a duty to furnish prompt information to the public. The Government should be more forthright so that Canadians have enough information to be able to make up their own minds on whether to travel by air or to stay home.

* * *

## ENERGY

INCREASED DRILLING ACTIVITY—BEAUFORT SEA OIL DISCOVERY

**Mr. Bill Tupper (Nepean-Carleton):** Mr. Speaker, drilling for minerals and fossil fuels in Canada reached a record high in recent months. Currently there is not a diamond drill available for hire east of the Manitoba border, thanks to the flow-through share initiatives put in place by the Government.

• (1110)

In addition, some 11,720 oil or gas wells were drilled in the four western provinces in 1985.

Quietly, a few days ago, perhaps the most dramatic drilling news in recent years was announced when the test results on the Amauligak I-65 well in the Beaufort Sea became known. The flow rates and calculated production capability are among the highest recorded in Canada. Oil flowed at rates of more than 7,000 barrels per day from two intervals, with calculated production capacity at one of the intervals at almost 35,000 barrels per day.

The result of the I-65 well indicated the Amauligak structure contains at least 400 million barrels of oil, and reserves could be as high as 900 million barrels. With total reserves in the near and offshore in the Beaufort now reaching a billion barrels, production is a real possibility. By comparison, reserves in Hibernia are estimated to be between 500 million and 800 million barrels.

This means that we are closer to energy self-sufficiency. It means new jobs. It means new wealth. It is another dimension to our national sovereignty. The Government has created an encouraging economic environment for risk ventures. The oil industry—

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

## PUBLIC WORKS

POST OFFICE CLEANING STAFF LAY-OFFS

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, the Minister of Public Works (Mr. La Salle) intends to continue with the lay-offs of some 270 cleaners who work in post offices across Canada. Many of these people are long-term employees close to retirement; a couple of dozen are within a year of retirement. Many of them are disabled. Only six of these people have found alternative work, and not one of them has been retrained.

The fact is that these employees will be replaced by a private contractor, so the Government will still have to pay for the service. The Public Works policy of contracting out is based upon outdated information. It will cost almost as much in welfare, unemployment insurance and forgone income taxes to keep these people unemployed.

How can the Minister justify these particular lay-offs? Even if the Minister's own standards of behaviour condone the laying-off of people and their replacement by others, does he not realize that most Canadians disagree with his actions? In fact, 61 per cent of Canadians polled on this issue find his actions unacceptable, and only a small minority support his actions. Does the Minister think that he is some little northern Ronald Reagan taking on a great and powerful union and crushing them. Wake up, Mr. Minister. These are some of the lowest paid people doing essential work. Most Canadians find the Minister's actions repugnant, wasteful, and unacceptable.

* * *

[*Translation*]

## THE ECONOMY

GOVERNMENT'S PERFORMANCE

**Mr. Richard Grisé (Chambly):** According to a recent survey carried out by the *Conseil du patronat du Québec*, Mr. Speaker, business people are anticipating a continuation of the economic recovery the beginning of which coincided with the election of a Progressive Conservative Government in Ottawa. In the province of Quebec, Mr. Speaker, 73 per cent of all businessmen and women interviewed stated that they were optimistic as to the economic future in their province. Moreover, Mr. Speaker, three of every four persons surveyed expressed the opinion that the current political climate was good; 73 per cent of them felt that this climate, likely to favour investment and job creation, would continue to improve over the next few months.

Mr. Speaker, there is no doubt that the new climate of consultation and co-operation with the provinces, including Quebec, has contributed to this very positive assessment of the economic outlook for Quebec. Also, the leadership demonstrated by our Government in the area of job creation and economic expertise could only contribute to this most positive assessment of our economic outlook. Mr. Speaker, such optimism contrasts dramatically with the despair and dismay which liberal policies used to arouse not only among business people, but also among Canadians generally.

* * *

[*English*]

## VISIBLE MINORITIES

WARTIME JAPANESE CANADIAN INTERNEES—REDRESS ISSUE

**Mr. Sergio Marchi (York West):** Mr. Speaker, during yesterday's Question Period the Government demonstrated the regressive and "look at the past" attitude which has shamefully characterized its handling of the Japanese Canadian redress issue.

During his days as Opposition Leader and throughout the 1984 campaign, the Prime Minister (Mr. Mulroney) spoke of the need to settle this issue quickly. However, once in office, not only did his commitments quickly dissolve, but he refused to meet or acknowledge the National Association of Japanese Canadians. To make matters worse, his former Multiculturalism Minister abruptly cut off talks with the association and attempted to proceed unilaterally. Now the present Minister refuses to honour his promise to negotiate, preferring instead to play up the differences which exist in any national issue. All these manoeuvres border on moral dishonesty.

We often criticize the United States on the question of minority rights. However, on the issue of redress I urge the Prime Minister to weigh the steps being launched in the U.S., to recall the promises he made, to consider his failure to live up to these expectations, and then to ask himself if his actions have been fair, honorable, and courageous.

This matter requires more sensitivity and seriousness rather than simply issuing a Prime Minister's Office press release stating that Mila Mulroney will be visiting the ethnocultural communities. We need action, and we need it now.

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# ORAL QUESTION PERIOD

[*English*]

## INSURANCE

ESCALATING RATES FOR LIABILITY COVERAGE

**Right Hon. John N. Turner (Leader of the Opposition):** My question is for the Minister of Finance. He knows now that his colleague, the Minister of State for Finance, has been publicly embarrassed over a crisis rapidly developing in our insurance industry across the country. She has now reluctantly agreed today to a meeting with the Ontario Minister of Consumer and Commercial Relations on the issue. Since my colleague, the Member of Parliament for Saint Leonard-Anjou, raised this matter on November 4 in this House, both the Minister of State for Finance and the Minister of Consumer and Corpo-

rate Affairs have maintained that this issue was primarily provincial.

The Minister of Finance knows, having responsibility for this, that over two-thirds of the insurance companies registered in Ontario are federally licensed. Will he take personal cognizance of this matter, and respond to what is becoming a crisis in terms of liability and coverage?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Minister of State for Finance stated very clearly that this was a matter of some concern to her and something that she was following very closely. She also drew the distinction between the responsibilities of the province, which is in the area of contract law, which the Leader of the Opposition, who is a lawyer, does understand, I am sure, and the role of the federal Government which is involved with solvency and the capital basis of these companies.

It is on that basis that she is meeting with the Minister of Consumer and Corporate Affairs in the Province of Ontario today, not reluctantly as the Hon. Member tried to imply with his question, but because she is demonstrating through this meeting her very real concern for the problem.

REQUEST FOR COMBINES INVESTIGATION

**Right Hon. John N. Turner (Leader of the Opposition):** I would like to put a supplementary to the Prime Minister. The Prime Minister will know that his Minister of Consumer and Corporate Affairs was wrong when he said he did not have the power to investigate rising and escalating insurance rates. He should know that under Section 8 of the Combines Investigation Act the Minister does have that power. Will he undertake that the Government, through that Minister, will launch an inquiry immediately into the escalating insurance rates and the failure and inability of many small businesses to get any coverage at all?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we are quite concerned, as the Minister of State for Finance has said on a number of occasions, about how this problem has developed, but the thrust of the Leader of the Opposition's question is that this is simply a Canadian problem. It is a world-wide problem that must be dealt with within the international context as well. It is also a North American problem in that there is not enough distinction, in our judgment, between what is happening in the United States and what is happening in Canada. This is something that is being reviewed carefully by the Minister, and that will be one of the subjects of her meeting with the Ontario Minister today.

MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** The Government has been way behind this issue. Since November 4 until yesterday the Minister of State for Finance completely insisted that this was a provincial problem. The Minister of Finance now says it is a national and international problem. He is finally coming to grips with the situation. Hundreds of small businesses, little league hockey teams, and day care centres are facing increases and escalation of rates by 500 per cent, 600 per cent, and up to 1,000 per cent. Will the Minister undertake to get his act together and get on top of this issue?

**Hon. Michael Wilson (Minister of Finance):** This selfrighteous indignation by the Leader of the Opposition does not fool anyone. The Minister of State for Finance has indicated very clearly her concern and her desire to deal with this issue. That is what she has said in the House.

**An Hon. Member:** She doesn't understand it.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member doesn't know enough about understanding to be able to make that comment.

**Some Hon. Members:** Hear, hear!

• (1120)

**Mr. Wilson (Etobicoke Centre):** The issue before us which the Right Hon. Member is addressing is the jurisdictions of the provinces and the federal Government. He would be the first to be jumping out of his seat if we had transgressed by moving into the provincial side. That is why we are taking care in the handling of this issue.

[*Translation*]

POSSIBILITY OF INSURANCE PROTECTION FOR YOUNG HOCKEY PLAYERS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is also directed to the Minister of Finance. Quite simply: Since the Minister of State for Fitness and Amateur Sport is taking steps to try and obtain insurance coverage for the Canadian ski team, could the Minister of Finance inform the House today whether he can get insurance coverage for the boys and girls who play hockey in our arenas across Canada and who have no insurance? Can you do something about this?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I appreciate very much the concern the Hon. Member expresses and this is a concern that we on this side of the House share. However, this is something that has to be dealt with very carefully, recognizing, as I indicated in my previous response, the jurisdiction of the provincial Governments working with the federal Government in the area in which the federal Government has jurisdiction. As the Minister of State for Amateur Sport as well as the Minister of State for Finance have indicated in the House, we are working to try to deal with this problem as it affects these community groups to which the Hon. Member has referred.

[*Translation*]

POSSIBILITY OF OBTAINING INSURANCE FOR DAY CARE CENTRES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my supplementary is directed to the Minister of National Health and Welfare. Thousands of day-care centres are facing the same situation as our boys and girls who play hockey. Could the Minister, in his capacity as Minister of National Health and Welfare, intervene in this matter and try and get insurance coverage for our nursery schools and day-care centres which have no insurance coverage and are very important to mothers with children?

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the concern that the Hon. Member expresses is a valid one. The point that the Minister of Finance has made and the activities undertaken by my colleagues in the Cabinet are, I believe, sufficient evidence of the seriousness with which the Government takes this issue and the work that is being done on it.

* * *

## CROWN CORPORATIONS

SALE OF DE HAVILLAND—COMMITTEE EXAMINATION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Prime Minister. The Prime Minister is aware that before Christmas the business of the House had actually ground to a halt because of the Government's refusal to do a complete analysis of the de Havilland deal. He is also aware that at the last moment the Government did promise the opportunity for a complete analysis of all the details. As a result, business continued with co-operation between all Parties. Does the Government of Canada still stand by that deal?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, since I was involved in the discussions with respect to the de Havilland matter and also negotiated with the House Leader of the NDP with respect to this matter, let me say this. My colleague, the Minister of Regional Industrial Expansion, said in the last week of the sitting of the House that he was quite prepared to meet with the committee to provide documentation and answer all questions. That commitment was made and has been carried out. The Minister appeared last night and subjected himself to questioning. He produced documents well in advance of the committee hearing.

I understand that the Steering Committee is meeting again later on this day and will, after hearing the Minister, look at what further hearings are appropriate. I think the Leader of the New Democratic Party should possibly wait to see what happens with respect to that meeting before pursuing the matter further.



HEARING OF WITNESSES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the details of that committee meeting and the de Havilland issue itself are of very great importance. However, the question I am asking goes beyond that. It affects all the other business of the House in terms of the commitment made by the Government before Christmas.

Since, as a means of implementing the commitment to what the Minister himself called a full discussion, there was a unanimous agreement on the part of all parties represented on the Steering Committee to hear 14 witnesses regarding the de Havilland case and since the majority, the Conservative members, unanimously voted against the proposal in the full committee, led by a motion moved by the Chairman of the Conservative caucus, my question is directed to the Prime Minister. Does the Prime Minister believe that a motion that curtails the hearing of people opposed to the deal is consistent with the Government's promise?

**Mr. Speaker:** Order, please. May I ask the Hon. Member to rephrase his question, please? I think he is now asking a question with regard to committee procedure. He knows he cannot do that.

**Mr. Broadbent:** Mr. Speaker, I appreciate the rule on that point. I hope Your Honour appreciates the implications, beyond the details of this committee, for the workings of this House.

Does the Prime Minister believe, consistent with the commitment made by the Government, which was entered into in order to obtain co-operation for the discussion of all Bills—not just the de Havilland matter—that it is essential to hear views, in committe, which are opposed to the Government's own decision? Yes or no. That is the question.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I suppose the undertaking to which my hon. friend refers is the statement made on December 19, 1985, as reported at page 9617 of *Hansard*. It was a statement made by the Minister of Regional Industrial Expansion in which he said:

> I am sure that the Hon. Member, and other Hon. Members, will probably be pleased to hear that I certainly have no objection, and neither do my colleagues . . . to this matter being considered at the appropriate time by a comittee of this House, at which time the information, other than that which may have some commercial sensitivity, can be put before a committee for full discussion.

There is nothing which has transpired which is inconsistent with that in any way.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** A complete reversal! You are not going to see any business done in this House. Do you understand that? Do you understand that business will grind to a halt? You watch—just watch.

**Mr. Speaker:** Order, please.

**Mr. Mulroney:** Socialist blackmail. It's pathetic.

**Mr. Broadbent:** You watch.

**An Hon. Member:** Get him a towel.

**Mr. Gauthier:** Look at the order.

**Mr. Speaker:** Order, please. The Hon. Member for York Centre (Mr. Kaplan).

LIST OF POSSIBLE WITNESSES

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is on the same subject and it is also directed to the Prime Minister. Members of the Government, the President of the Treasury Board, and the Minister of Regional Industrial Expansion have insisted day after day that the deal is a good one, that it will stand scrutiny, and that it deserves support.

**Some Hon. Members:** Hear, hear!

**Mr. Kaplan:** At the same, whipped by the Chairman of Caucus, they cancelled a list of outside objective witnesses who should be heard and to which the all-party steering committee had formerly agreed.

**Some Hon. Members:** Question.

**Mr. Kaplan:** If the deal is a good one, will the Prime Minister encourage members of his caucus to support the reinstatement of that list at 12.30 today?

**Mr. Speaker:** The question clearly deals with matters which are before the committee.

**Some Hon. Members:** No.

**Mr. Broadbent:** It is the position of the Prime Minister we want to hear.

**Mr. Speaker:** Order, please. May I invite the Hon. Member for York Centre to phrase his concern separately from a reference to the committee?

**Mr. Kaplan:** How can the Prime Minister seriously expect the people of Canada to believe that this deal is really a good one if he will not let the Members of Parliament look at it?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, the premise in the Hon. Member's question is simply incorrect. We are going further than any previous Government would have gone with respect to this type of transaction. The Minister is prepared to appear before the committee. I took the advice, and was quite prepared, notwithstanding the fact that committees cease to exist at the end of every year and have to be restructured, to extend—

**Mr. Nunziata:** We want a full disclosure.

**Mr. Riis:** What are you hiding? What are you afraid of?

**Mr. Gauthier:** What are you afraid of?

**Mr. Hnatyshyn:** —the committee over until this year so that it could in fact deal with this matter—

**Ms. Copps:** Parliamentary reform, ha, ha!

**Some Hon. Members:** Shush!

**Mr. Hnatyshyn:** —and hear from the Minister and look at all the documents.

**Mr. Riis:** It is the witnesses. What are you afraid of?

**Mr. Hnatyshyn:** The steering committee will meet to consider witnesses to be brought before the committee.

**Mr. Broadbent:** They already did.

**Mr. Hnatyshyn:** We are happy with this deal. It is good for Canada. We are quite happy to have witnesses come and comment on it. We are not afraid of the deal; we are happy with it.

**Some Hon. Members:** Hear, hear!

COMMITTEE HEARINGS INQUIRY

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I ask this: Given the commitment to open government, will the Government not encourage the standing committee and its members to hold full hearings and not just see the documents which the Minister is willing to reveal and question him for a limited period of two hours?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, all I can say is that our members appear as Private Members on these committees.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** Come on, who are you kidding?

**Mr. Hnatyshyn:** They are not under any direction—

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** Obviously, the Opposition give directions as to the way in which their members are going to operate. We do not operate that way on our side. We are proud of our Private Members' judgment and integrity with respect to the committee system in this House.

• (1130)

**Mr. Turner (Vancouver Quadra):** Big deal.

**Mr. Hnatyshyn:** The Hon. Member should do his job, go to the Steering Committee and consider and put forward suggestions to the whole committee—

**Mr. Kaplan:** I already did that. It's been cancelled.

**Mr. Hnatyshyn:** It is not up to the Steering Committee to decide these matters. Let the Steering Committee make recommendations to the whole committee—

**Mr. Broadbent:** They did.

**Mr. Hnatyshyn:** The whole committee dealt with that. All I am saying is let them go back to the Steering Committee, come up with their suggestions, and I am sure the Committee will give it the proper attention.

HEARING OF VARIOUS WITNESSES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, this is a very serious matter which, of course, touches on the integrity of the Government, its credibility, and its ability to deliver on promises made during negotiations between the Parties.

My question is directed to the Prime Minister. On December 19 the Deputy Prime Minister said in response to my question, when I sought an assurance that we would have an opportunity to question the various parties involved and look at the documents before the deal was made, and I quote from *Hansard* at page 9618:

Mr. Speaker, if that is the wish of the House, and if the Hon. Member would like me to sign today's "blues" for him, I would be happy to do that.

Is the Government prepared to deliver on that commitment to hear the various parties involved, including parties who may be critical of the deal?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, what the Hon. Member conveniently left out of that lengthy preamble to his question was my answer to the first question he put to me on that day. He asked if we would undertake "to permit a committee", give it a mandate and look at the deal—meaning the de Havilland deal—"early in January, and possibly before the House returns", and so on. My answer was:

—I see no inconsistency with his willingness—

That is the Minister of Regional Industrial Expansion.

—to inform a committee of the House and the statements which have been made by the President of the Treasury Board. He now tells us—

That is the Minister of Regional Industrial Expansion.

—that the closing may well be delayed until the end of January. Assuming our return here on January 13, there is that period of time between January 13 and the end of January to hold committee hearings. I can see no reason why those—

That is, committee hearings.

—cannot be arranged through the usual machinery of Parliament.

Why do the opposition Members not follow the suggestion of the Government House Leader and allow that usual machinery of Parliament to operate—

**Mr. Broadbent:** We did, and you broke it.

**Mr. Riis:** What are you afraid of?

**Mr. Nielsen:** —by sending the matter to the Steering Committee to bring back a report to the full committee?

GOVERNMENT COMMITMENT

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my supplementary question is directed to the Prime Minister. It has been 45 days now since we requested full hearings on the de Havilland affair. Is the Government prepared to honour the commitment made by the Deputy Prime Minister on December 19 when he assured me that the various parties concerned with de Havilland, including some who might be critical, would be heard by a committee of this House? Will you honour that commitment, yes or no?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, what the hon. gentleman has said in the preamble to his question, purporting to quote what I said on December 19, is utterly and wholly false.

**Some Hon. Members:** Oh, oh!

**Mr. Cassidy:** It's right here in *Hansard*.

**An Hon. Member:** Read it.

**Mr. Nielsen:** What I have said I have just read from *Hansard* at page 9618, and it is there for all with any intelligence to read—

**Mr. Hovdebo:** What are you afraid of?

**Mr. Nielsen:** —and that even includes the Hon. Member—

**Mr. Cassidy:** What are you afraid of, Erik? What are you hiding? What kind of cover-up is this?

**Mr. Speaker:** Order, please.

**Mr. Nielsen:** I am prepared, as the House Leader has said, to allow the usual machinery of Parliament to work. All the Opposition has to do—

**Mr. Cassidy:** You sabotaged it.

**Mr. Nielsen:** —is to get that Steering Committee to report to the full committee as requested—

**Mr. Cassidy:** We did. You sabotaged it.

**Mr. Nielsen:** —and it will happen. The commitment is there.

MINISTER'S POSITION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Government House Leader—I should say, the Deputy Prime Minister.

**Mr. Penner:** The same thing.

**Mr. Gray (Windsor West):** Perhaps that is the same thing the way things are going in the House.

**Mr. Gauthier:** That's for sure.

**Mr. Gray (Windsor West):** With respect to page 9618 of *Hansard*, in addition to what he read from that page, did the Deputy Prime Minister not also say, with reference to the request for full committee hearings:

Mr. Speaker, if that is the wish of the House, and if the Hon. Member would like me to sign today's "blues" for him, I would be happy to do that.

Did he not say that as well? And why does he not stick to that and make sure we have full hearings on this important issue? What is he trying to hide?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** I really can't see an issue here.

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** What we said, we are doing. The Minister for Regional Industrial Expansion has said he will come to the committee. He said he will tell committee members the entire details of the deal, with the exception of those details which might be commercially sensitive. And even those Hon. Members opposite would understand that kind of limitation. Why don't they allow the usual parliamentary machinery to work—

**Mr. Cassidy:** We did.

**Mr. Gauthier:** Why don't you back-track now?

**Mr. Nielsen:** — instead of raising these spurious issues on the floor of the House of Commons merely to create a political issue for themselves?

**Mr. Cassidy:** They are not spurious.

**Mr. Nielsen:** Why don't the House Leaders get to work? That is what I suggested on December 19, that the House Leaders get together—

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** —and get the machinery of Parliament working.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. Could questions and answers both be heard?

DECEMBER EXCHANGE

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the Hon. Member for Ottawa Centre asked on December 19 if we could "have a commitment given here in the House today that a committee of the House of Commons will, in fact, examine the Boeing purchase of de Havilland before the deal is made final?" He was not talking about just hearing from the Minister of Regional Industrial Expansion. Does the Deputy Prime Minister not recall that he replied, and I quote:

Mr. Speaker, if that is the wish of the House—

So if we are speaking of "spurious" words, why does he not withdraw his spurious words and live up to his commitment on behalf of the Government? Again, I ask him why he is trying to squelch full discussion of this deal by Members of Parliament? What is he afraid of?

**Some Hon. Members:** Hear, hear!

**Mr. Penner:** Bravo!

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I really cannot understand why the Opposition is continually distorting—

**Mr. Broadbent:** That's one of your troubles. You don't understand.

**Mr. Nielsen:** It is a crock of rhubarb that we are in trouble. Here they tell us that we are not co-operating, that we are hiding something from the committee—

**Mr. Fulton:** You've been drinking too much sterilized water, Erik.

**Mr. Nielsen:** —and the Minister of Regional Industrial Expansion spent three hours last night before that committee trying to inform committee members what the deal is all about. And the Opposition is objecting because—

**Mr. Cassidy:** You're covering up.

**Mr. Nielsen:** —we are appearing before the committee and telling them all about it.

STEERING COMMITTEE RECOMMENDATION

**Mr. Ian Deans (Hamilton Mountain):** My question is also directed to the Deputy Prime Minister. We took the advice of the Deputy Prime Minister and we did in fact meet and we reached an agreement to pass certain legislation as a result of a commitment made by the Minister of Regional Industrial Expansion. Does the Deputy Prime Minister think it reasonable that when a Steering Committee recommends—unanimously recommends, as I understand it—that a list of witnesses should be heard by the committee, that the Conservative Members should come together as one force to defeat that recommendation?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I think there are some very glaring errors in the preamble to the question put by the Hon. Member.

**Mr. Broadbent:** Oh?

**Mr. Hnatyshyn:** First, he presumes somehow that there is no responsibility on the part of the committee to consider its own agenda. Clearly, a Steering Committee is not there to determine an agenda but rather to present it to a committee.

**Ms. Jewett:** Oh, what a line.

**Mr. Broadbent:** How phoney.

**Mr. Hnatyshyn:** All I say to the Hon. Member is that this process is ongoing, and if the Hon. Member wants to allow his Members to come forward to the Steering Committee in order to discuss a list of witnesses, he is going to find out that this process can work. But it is not for him to draw a conclusion because he thinks that somehow his list is not the one which is

acceptable, that it should be completely wrong. If members of the committee decide there should be a list which is reasonable, and allows the matter to be fully discussed—

**Mr. Speaker:** Order, please.

**Mr. Hnatyshyn:** —it is up to the committee. It's not a matter of concern to this House.

**Mr. Speaker:** Order, please. I will listen to a supplementary question but we are getting very close—and the Hon. Member knows it—to questions relating to committee procedure. I ask the Hon. Member to stay away from that subject, please.

**Mr. Deans:** Mr. Speaker, I have no intention of asking anything about committee procedure.

GOVERNMENT COMMITMENT

**Mr. Ian Deans (Hamilton Mountain):** Is the Government prepared to live up to the commitment which was made by the Deputy Prime Minister, subsequent to a commitment made by the Minister of Regional Industrial Expansion, in an effort made prior to the December recess which resulted in my committing us to pass certain legislation in advance of the Christmas break? Is the Government now prepared to live up to the commitment it made then to allow a proper hearing of all of the necessary withnesses in order to look into the de Havilland deal?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, there has never been any question but that we will live up to our commitments. We always do, and intend to do so in this case. I would suggest to the Hon. Member that he allow the process to work rather than drawing red herrings into this particular issue.

**Mr. Cassidy:** You didn't do it last night.

* * *

[*Translation*]

## ENERGY

REQUEST THAT O'FARRELL REPORT BE MADE PUBLIC

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Mr. Prime Minister, this morning, an American study contradicted the federal Government according to whom Quebec would have to import gasoline.

Another study, published by Statistics Canada, claims that Quebec has a lack of refining capacity.

I have here a third study by the Quebec Department of Energy which clearly indicates there is a shortage of refinery capacity in Quebec.



Will the Prime Minister undertake to make the O'Farrell Report public?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, as I said in reply to a question by a New Democratic Party Member a few days ago, there is a host of reports on this kind of issue, and sometimes their conclusions do not coincide. That is not unusual.

I also mentioned that the Minister would produce the data he has at the appropriate time.

• (1140)

SALE OF GULF REFINERY—PRIME MINISTER'S POSITION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, does the Prime Minister agree that the O'Farrell Report will be an important consideration in the Lavalin-Ultramar transaction, since the important thing is not only to save jobs in Quebec but to save the Quebec consumer as well?

Furthermore, doesn't the Prime Minister believe it is important to publish the O'Farrell Report and the statistics of the Department of Energy, Mines and Resources, so that Canadians will know what the real figures are and Ultramar can sell the entire Gulf refinery to Lavalin Inc.?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, despite the fact that Montreal East has had three refineries close down while the party it supported was in power, we see our responsibility as follows: First of all, to provide for as many jobs as possible, and second, to ensure that Quebecers will continue to pay competitive prices. And we are succeeding, at least we hope so, in both areas.

As far as the transaction itself is concerned, since this is a matter initiated by the private sector, we cannot give any guarantees, but we are very busy working with the parties concerned in order to save as many jobs as possible.

REFINING CAPACITY IN QUEBEC—GOVERNMENT POSITION

**Mr. Dan Heap (Spadina):** Mr. Speaker, I wish to direct my question to the Right Hon. the Prime Minister.

Is the Prime Minister aware that a recent study done by *Oil Buyers Guide*—an independent North American organization—reveals that, without the Gulf refinery, Quebec's daily shortage of refined products will amount to 56,000 barrels?

What does the Prime Minister intend to do to prevent Quebecers from being ripped off as a result of such undercapacity while a refinery is standing idle?

**Right Hon. Brian Mulroney (Prime Minister):** Obviously, Mr. Speaker, that is the same question. I give him the same assurance: the Canadian Government will protect the interests of Quebec consumers at all times.

[*English*]

REQUEST FOR COMBINES INVESTIGATION

**Mr. Dan Heap (Spadina):** Mr. Speaker, this is the sixth report that shows about a fifty thousand barrel per day deficit. There is O'Farrell, the Minister of Consumer and Corporate Affairs, Statistics Canada, the Quebec Government, *Gaz métropolitain*, and now the *Oil Buyer's Guide*. Will the Prime Minister take action under the Canadian Combines Investigation Act to protect the jobs of the people of Montreal and the oil supply of the people of Quebec?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my hon. friend will know that in response to a question from one of his colleagues in the last number of days I responded to that fully and have given those assurances.

* * *

## AGRICULTURE

PRAIRIE CROP DISASTER ASSISTANCE PROGRAM

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, my question is directed to the Minister of Agriculture. This morning details of the $150 million Prairie Crop Disaster Assistance Program were released. The application form seems to suggest that a producer must enrol in crop insurance in the future. Is the undertaking to join crop insurance a condition precedent to receiving pay-out under this plan and, if so, why?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the Hon. Member's question. Due to the importance of maintaining and promoting crop insurance all across the country, I hoped as Minister of Agriculture to be in a position to make that conditional. Indeed, there have been representations by provinces, farmers and farm organizations that I take that action. However, I am advised that indeed I do not have the legal authority to make it necessary.

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

APPEARANCE OF WITNESSES BEFORE STANDING COMMITTEE—POSITION OF COMMITTEE CHAIRMAN

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I would like to direct my question to the chairman of the Committee on Regional Economic Expansion, the Hon. Member for Laval.

I would like to ask him whether he or his committee members have been in touch with Ministers or parliamentary secretaries in an attempt to force the committee to reverse the decision and disregard the commitment to hear witnesses today.

**Mr. Guy Ricard (Laval):** I am only chairing the committee. I am not participating in two discussions about committee strategy, Mr. Speaker.

INQUIRY WHETHER REPRESENTATION MADE TO COMMITTEE CHAIRMAN ON APPEARANCE OF WITNESSES

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, here is my question to the committee chairman: I want to know whether Ministers or parliamentary secretaries have made representations to the committee chairman with a view to putting off the appearance of witnesses?

[*English*]

**Mr. Speaker:** Order, please. The Hon. Member may have a question for the Government about the Government's action, but that question goes beyond the procedural questions that are appropriate for a chairman. The Hon. Member may wish to put a question to the Government along the same lines, if he wishes.

[*Translation*]

**Mr. Chrétien:** Mr. Speaker, we have the right to ask questions. The chairman of the Conservative caucus arrived with a four-page text—

[*English*]

**Mr. Speaker:** Order. I have tried to signal to the Hon. Member how he may wish to put his question. However, if he does not wish to—

[*Translation*]

**Mr. Chrétien:** Mr. Speaker, I would like to ask his question—

[*English*]

**Some Hon. Members:** Sit down.

**Mr. Speaker:** Order. Under the circumstances I think I must move on. The Hon. Member for Prince Albert.

* * *

## AGRICULTURE

UNITED STATES AND EUROPEAN COMMUNITY WHEAT TRADING PRACTICES

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister will be aware that the United States is spending $2 billion in giving away one bushel of wheat for each two or three bushels bought by certain countries. The European Economic Community has a similar program.

Will the Minister tell the House what the Government is doing to counter these unfair subsidy practices that have been put in place by the United States and the EEC?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the Hon. Member will know that the U.S. Secretary of

Agriculture visited us yesterday. My colleague, the Minister in charge of the Canadian Wheat Board, and I had a very productive and useful meeting with the Secretary of Agriculture. Indeed, we were very pleased and encouraged to some degree that changes in the Farm Bill would indicate there would be very significant acreage reductions. This would have a very significant impact on the volumes of grain produced by the United States.

In addition, there is a very important component in the U.S. farm Bill which will revert a fair amount of crop land back into grasslands. Of course this will have the end result of reducing volumes. It is somewhat premature to identify the impact of this.

UNITED STATES FARM COMMODITY SUBSIDIES

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, my question concerned the past incentive programs but I would like to follow up on that response because the United States is putting $52 billion into farm commodity subsidies during the next three years. This will contribute to the collapse of commodity prices all over the world.

**Mr. Speaker:** Order, please. A supplementary question.

**Mr. Hovdebo:** What effect will this have on Canadian grain prices and what does the Government intend to do about that $52 billion that is being poured into the U.S. farm market as subsidies?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I am sure that the Hon. Member will recognize we regard this very seriously. Naturally, I assume he would accept the fact that we cannot compete against the U.S. Treasury. However, we must recognize that the mid to long-term goal of the U.S. program is to reduce the excess stock in the international market-place. I think we should at least applaud the U.S. direction rather than what the EEC is trying to do.

* * *

● (1150)

## THE ECONOMY

GOVERNMENT'S DEFICIT TARGET

**Mr. Tom Hockin (London West):** Mr. Speaker, my question is directed to the Minister of Finance and is prompted by press reports that the Government has somehow been knocked off its deficit reduction target because of a recent rise in interest rates and widespread concern about the dollar. Is the Government going to be able to meet its deficit target as outlined by the Minister last May?

**Some Hon. Members:** Thank him for the question.

**Hon. Michael Wilson (Minister of Finance):** Thank you very much, Mr. Speaker. It is nice to get a substantive question.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** We have—

**Mr. Deans:** Now you know why you don't get supplementary questions.

**Mr. Andre:** Question Period is to ask questions, jerk.

**Mr. Wilson (Etobicoke Centre):** If I might respond to the Hon. Member, our most recent expenditure projections indicate we should come in just under the level we set. However, the revenue projection will be somewhat on the low side primarily because of a shortfall in corporate revenues. However, we expect that the main impact on the deficit because of changes we made in the May Budget will be felt in the fourth quarter of the fiscal year, which we are in right now. So there is every indication we will be very close to the projection I set out in the May Budget.

* * *

[*Translation*]

## CORPORATIONS

PETRO-CANADA-GULF TRANSACTION—INQUIRY WHETHER GOVERNMENT WILL HAVE SAME ATTITUDE TO SIMILAR TRANSACTIONS

**Hon. André Ouellet (Papineau):** Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, my question is directed to the Prime Minister. I have here a copy of the submission presented by the Director of Investigations before the Restrictive Trade Practices Commission of Canada on that part of the transaction concerning Petro-Canada's purchase of Gulf's Western Canada assets. It was made public during the public hearings. Will the Prime Minister assure us that, with respect to the other part of the transaction concerning Gulf's assets, the one coveted by Ultramar, the same openness will preside? Will the Director of Investigations have an opportunity to give evidence publicly before the Restrictive Trade Practices Commission of Canada? Will his report be made public at that time before the Commission?

**Right Hon. Brian Mulroney (Prime Minister):** I have not considered the issue, but I will be pleased to do so and see what was done in similar circumstances in the past under other governments. I will be pleased to look at the issue on the basis of that, as to the requirements, and I will report to my hon. friend.

RESTRICTIVE TRADE PRACTICES COMMISSION—REQUEST THAT HEARINGS BE HELD IN PUBLIC

**Hon. André Ouellet (Papineau):** I have a supplementary, Mr. Speaker. I can assure the Prime Minister that normally hearings are public, and I think the Prime Minister—I am

asking him the question—if he wants to be sure that his is an open government, will take it upon himself to ensure that the hearings held by the Restrictive Trade Practices Commission of Canada are public.

**Right Hon. Brian Mulroney (Prime Minister):** Of course, I gladly accept my hon. friend's comments. I do not have his seniority in this House, although we are approximately of the same age, but I remember, for instance, that when I was Leader of the Opposition, I asked the Liberal Government for a parliamentary investigation into the whole aerospace issue in Canada, including Canadair and de Havilland, and the answer was no.

* * *

[*English*]

## PUBLIC SERVICE

### SMOKING IN THE WORKPLACE

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns the Government's very misguided policy of not requiring a clean air environment for its own employees in the workplace. Would the Minister not agree that this is a very misguided policy which ought now to be changed? Specifically, will he undertake not to appeal the decision in the Peter Wilson case where a tribunal ruled that employees have the right to clean air in the workplace?

**An Hon. Member:** A one-issue lady.

[*Translation*]

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I must point out to my hon. colleague that we have indeed come to an agreement with the unions to ensure that all employees will be able to work in a healthy environment. Certain issues raised by a decision made by an administrative board seem to go much further in some of their implications. We find these conclusions questionable, but I can assure my honourable colleague that this Government and the Treasury Board want all our employees to work in a healthy environment.

[*English*]

### REQUEST FOR LEGISLATION

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my supplementary question is directed to the Minister of Health. Would he not agree that instead of making pious declarations, as the Minister just did on this subject, it is time to bring in legislation which we need to provide guarantees so that all employees under federal jurisdiction will have clean air in the workplace?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, this Government has not restricted itself to the kind of statements the Hon. Member has made. For example, as of January 1 of this year my own Department has moved in that direction largely because of the co-operation of the employees of the Department. There are other Departments looking at this issue. I think the method the President of the Treasury Board is using, namely, co-operation with the unions and workers involved in moving toward what is a very laudable objective, makes more sense than passing edicts and other such measures.

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## SCIENCE AND TECHNOLOGY

### FUNDING OF NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

**Mr. David Berger (Laurier):** Mr. Speaker, my question is directed to the Minister of Science and Technology. It concerns the budget of the Natural Sciences and Engineering Research Council. This week the Minister asked Canadians to be patient, while the Council says that the budget cuts will be more dramatic than anyone in the scientific community anticipated. Now that our worst fears have been confirmed, will the Minister end the anxiety for thousands of researchers and students who count on that Council for their livelihood and careers, and announce his plans immediately?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, I would very much like to announce the plan immediately because I am so full of excitement and enthusiasm about it.

**Mr. Johnston:** We can see that.

**Mr. Oberle:** The problem is that the science community has also requested that we bring greater consistency and predictability to Government commitments. That has caused a little bit of a delay which is, incidentally, not as long as any of the delays experienced in previous years which were caused by the former Government.

**Mr. Berger:** Mr. Speaker, the Minister says a little bit of a delay. This Government has been in office for 17 long months and we still do not have a science policy for this country.

**Some Hon. Members:** Oh, oh!

**Miss MacDonald:** You were there 16 years.

**Mr. Speaker:** Order, please. Supplementary question.

### GOVERNMENT POLICY

**Mr. David Berger (Laurier):** Where is the message of continuity and support for the existing scientists, some of whom are already leaving this country, and for the young people who may no longer be considering a career in research because of the Government's policies? How much longer do they have to wait?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, I am seized with two problems. One is to arrive at a formula which will suit us for the rest of the fiscal year. The second is then to get back to the track we established in 1979, namely, working out a five-year program and a strategy which was squandered by the Hon. Member's Government which caused one year's delay. That I will be able to announce in due course.

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## FINANCE

### GROUP OF FIVE—POSITION OF CANADA AND ITALY

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, *The New York Times* reported yesterday that Canada and Italy have asked to join the Group of Five. A spokesman for the Group of Five, speaking in Paris, said that the applications will probably not be accepted. The quote is:

We want members with real governments.

Does the Minister of Finance regard this as an insurmountable obstacle to Canada obtaining membership in that exclusive club?

● (1200)

**Hon. Michael Wilson (Minister of Finance):** First, Mr. Speaker, we have not asked to attend the meeting. We have indicated to our colleagues in the G-Five some of our concerns around the issues that we expect they will be discussing this weekend. I should say to the Hon. Member that this meeting is the normal routine meeting that is an agenda-setting device for the intercommittee and development committee meetings to be held in two or three months time.

The way the Hon. Member has expressed the question displays his lack of understanding of what the G-Five is all about. The G-Five represent the five largest countries in the world which have easily the largest percentage of trade, easily the largest percentage of exchange reserves, and easily the largest involvement in the International Monetary Fund. It is for that reason they are represented on this committee.

### *NEW YORK TIMES* REPORT

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I will be happy to make the report available to the Minister of Finance because, clearly, he is not aware of it. I think it is an insult to the Government of Canada, even though we may happen to share that view ourselves.

Will he undertake to look at the reasons given? It may be from what we see that we could never become members of that club, which is where we should be.

**Hon. Michael Wilson (Minister of Finance):** I am not sure, Mr. Speaker, whether that was a question or a statement.

**An Hon. Member:** It was a question.



**Mr. Wilson (Etobicoke Centre):** If it was a question, I did not see the question mark.

**Mr. Johnston:** Did you hear it?

**Mr. Wilson (Etobicoke Centre):** I am hearing all these bleatings from Hon. Members as to why we are not there. The G-Five was formed in 1972, I believe, when the Leader of the Opposition was the Finance Minister.

**Mr. Turner (Vancouver Quadra):** I used to get invited, Michael.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** That is why we are not there.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. I have no question mark that Question Period is now over.

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## CLERK OF PETITIONS' REPORT(S)

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of 18, presented by Hon. Members on Thursday, January 16, 1986, meet the requirements of the Standing Orders as to form.

Certain petitions presented by Hon. Members do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Prince George-Peace River (Mr. Oberle) by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

### FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, I have petitions to present from many towns in my riding from Lestock, Dysart, Bruno, Southey, Earl Grey, Craven, Lanigan, Young, the Humboldt area as well as Wynyard. All of the petitioners wish to bring to the attention of the House the problem being created by the deindexation of universal family allowance, the public commitment to change child benefits, and to increase taxes, which place an unfair burden on middle

and low-income households. They call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have four petitions all on the same subject from Dartmouth, Nova Scotia; Toronto, Ontario; Surrey and White Rock, B.C.; and Saskatoon, Saskatchewan in which the petitioners pray and call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, I have a petition from a considerable number of residents of Gibsons, B.C., a second petition from a large number of residents of Nelson, B.C. and the third is from a number of Canadians living in Halifax, Nova Scotia. In each of these petitions, the petitioners request that the House of Commons reinstate full indexation of family allowances and rescind the unfair tax increases in the Government's May Budget.

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I have a number of petitions on the same subject from Nova Scotia, British Columbia and from Ontario from Canadian citizens who persist in the futile perception that if they ask the Government to act on their behalf it will listen to them. They ask that the deindexation of family allowance be withdrawn and the unfair tax legislation also be withdrawn.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I have a petition on behalf of a number of residents from St. Catharines who ask the Government to consider that the deindexation of family allowance and the massive cut-backs in the public commitment to child benefits are really an unfair attack on women and families with children, especially single parent mothers.

I have another petition from Dartmouth, Nova Scotia; Sackville, New Brunswick; and Castlegar, B.C. on the same topic asking the Government to reinstate full indexation of universal family allowance.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, in the dying days of debate on Bill C-70, I have a number of petitions also on this very important subject affecting children, families and particularly single parent mothers with young children who are very often poor. They are asking the Government to reinstate full indexation of universal family allowance and to rescind other budget measures such as unfair tax increases that affect families.

The first petition is from my own riding of Vancouver East. I have received many, many petitions from residents of that community. This is from the Grandview part of Vancouver East. I also have a petition from downtown residents from Vancouver Centre as well as Vancouver East who represent a very low income community concerned about this issue.

I have another petition from Vancouver Kingsway on the same subject asking for full indexation of family allowance.

I have another one from residents living in Langley and Richmond, B.C., both Conservative ridings, asking for the Government to change its position and to reindex family allowance. I have another petition from New Westminster and Surrey on the same subject, and one from the Conservative riding that includes White Rock, B.C. The petitioners are asking the Government to reconsider and fully index family allowance to the cost of living, and to do it now.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my honour and duty to present four petitions, one from the Regina area of Saskatchewan. Some people from Prince Albert have also signed it. I have petitions from Nova Scotia, Ontario and from Gibsons, B.C. All of these petitioners request the House of Commons to reinstate the indexation of universal family allowance and to rescind unfair tax increases.

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## STARRED QUESTION

**Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, would you be so kind as to call Starred Question No. 472?

### *COSTS OF NATIONAL MUSEUM OF MAN AND NATIONAL GALLERY

Question No. 472—**Ms. McDonald:**

1. Is the cost of the construction of the National Museum of Man and the National Gallery expected to exceed the guidelines set in 1983 and, if so, by what amount?

2. Will the architectural firms and major engineering contractors receive professional fees in connection with these projects in excess of those contracted before July 1985 by the National Museums Construction Corporation and, if so, for what reason?

3. Will all new contracts or amendments to contracts resulting from a new allocation of funds be made public?

**Mr. Stewart:** Mr. Speaker, it is with pleasure on behalf of the Minister of Public Works that I answer Starred Question No. 472 as follows:

(1) Yes. In 1983, the cost of construction of the two museums was estimated to be $191,145,000; $810,000 of this amount was to come from the private sector. However, since the previous Government had not, prior to the initial allocation of funds in September, 1981, undertaken a detailed analysis of the design and construction problems inherent in the projects, the cost of completion is now estimated to be $261,800,000—$133,100,000 for the National Gallery and $128,700,000 for the National Museum of Man.

• (1210)

Accordingly, since the preliminary study was incomplete and the projected funds fell short, after an exhaustive study, the Conservative Government announced on October 23 an increase to $69.6 million to the total of the project due to the fact that the original funding was insufficient by this amount. This amount had been omitted in the initial study in 1981.

(2) Yes. The contracts with the architects and engineering professionals call for adjustments to be made on a percentage basis related to the estimated value of construction. The precise amounts of the adjustments are not yet known and are presently under discussion with the respective consultant organizations.

(3) No. It is not normal to make public details of contractual agreements without the consent of the private sector participants concerned. Therefore, the Conservative Government has taken every possible measure to ensure that no additional funds will have to be allocated to these projects.

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## QUESTIONS ON THE ORDER PAPER

(Question answered orally is indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I should like to advise the House that Question No. 469 will be answered today.

[*Text*]

STORES ON ARMED FORCES BASES

Question No. 469—**Mrs. Cossitt:**

Does the Department of National Defence still operate stores on armed forces bases which sell civilian goods and, if so (*a*) where are they located (*b*) are the staff paid by the Department and, if not, by whom (*c*) are there any plans to close down any stores and, if so, which ones?

**Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):** 1. Yes.

(*a*) The Canadian Forces Exchange System (CANEX) outlets are located on Canadian Forces bases and stations across Canada, Europe and in Bermuda.

(*b*) CANEX, with non-public funds generated by the system, pays all its own employees except for normally one or two military members per base or station, who are paid by the Department and are assigned as basic management staff for CANEX operations.

(*c*) Store closures are planned at Cadin/Pinetree Line stations which are being phased out over the next few years, as announced by the Minister in the House on March 13, 1985.

[*English*]

**Mr. Speaker:** The question as enumerated by the Parliamentary Secretary has been answered.

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

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

**Some Hon. Members:** Agreed.

*Income Tax Act, 1986*

## QUESTION PASSED AS ORDER FOR RETURN

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, if Question No. 468 could be made an Order for Return, the return would be tabled immediately.

**Mr. Speaker:** Is it the pleasure of the House that Question No. 468 be deemed to have been made an Order for Return?

**Some Hon. Members:** Agreed.

[*Text*]

RATES OF PAY IN ARMED FORCES

Question No. 468—**Mrs. Cossitt:**

What is the rate of pay, at the present time, for (*a*) privates (*b*) non-commissioned officers (*c*) warrant officers (*d*) commissioned officers including the Commander of the Armed Forces?

Return tabled.

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# GOVERNMENT ORDERS

[*English*]

## INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

**Hon. Ray Hnatyshyn** (for the Minister of Finance) moved that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and passed.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am pleased to speak today on Bill C-84, an Act to amend the Income Tax Act and several related statutes. These include the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Act.

The Bill contains measures proposed in two notices of ways and means motions tabled in the House earlier this year, one being a general way and means motion tabled on May 23 and the other being a detailed notice of ways and means motion tabled on November 21.

The Bill represents a substantial and integral component of the Government's program to secure durable economic renewal for Canadians. Hon. Member will recall that we established the broad framework for that strategy in November, 1984. Since then we have moved clearly and consistently to develop and to implement specific initiatives which are the building blocks for durable economic growth.

[*Translation*]

This Bill is an important component of the program developed by this Government to ensure a lasting economic renewal for all Canadians. Hon. Members will recall that we outlined that strategy in November 1984. Since then, we have acted clearly and continuously to develop and implement special measures which have contributed to a lasting economic renewal.

[*English*]

The renewal strategy is designed to create steady and sustained improvement in the basic conditions for economic growth.

The Bill proposes to continue our strategy for far-reaching and wide-ranging economic renewal. Therefore, it is appropriate to review briefly the corner-stones of that strategy. First, the Government is determined to reduce the federal deficit and bring the growth of the public debt under control. A second corner-stone of the renewal strategy is the direct encouragement of private initiative as the key to productive growth and job creation. Third, we are improving the efficiency and effectiveness of Government by cutting waste, by removing obstacles to economic growth and by making better use of scarce and precious resources. We are ensuring that Government assumes a less instrusive place in the lives of Canadians.

Finally, we are bringing about all these vital changes in a manner which is as fair as humanly possible. In acting to improve the climate in which our private sector in Canada can excel, we are building on the basic senses of compassion, tolerance and justice, which are the essence and the character of our Canadian society.

The Bill we are considering today is firmly and squarely based on these corner-stones of the economic renewal strategy. The Bill will implement many significant measures which the Minister of Finance (Mr. Wilson) introduced in the Government's first full Budget. These measures have attracted widespread support and are eagerly awaited by Canadians.

[*Translation*]

Mr. Speaker, this Bill contains very important amendments to the Income Tax Act. If I may, I would like to mention some of them.

First, there is the $500,000 capital gains exemption. As I have already said in this House, this amendment will change the attitude of Canadians as far as savings and investment are concerned and help the whole business sector, especially small businessmen.

Mr. Speaker, when I speak about small businessmen, this includes the farmers. They own small businesses, and after meeting farmers in my constituency, whether they are from Yamachiche, Saint-Barnabé, Saint-Sévère or Pointe-du-Lac, I know that they are impatient for the Budget to come into effect, especially the $500,000 lifetime capital gains exemption.

Mr. Speaker, a second important point is the provisions that investments in pension plans and RRSPs may now be used for small businesses.

Mr. Speaker, as you know, this Bill will allow all those who have RRSPs or RRSFs to use this money to purchase equity in our small businesses, which will help these businesses to expand and provide a new source of capital, which is essential to develop our economy and create more jobs.

A third part of Bill C-84 concerns the income-splitting provisions which used to provide a means to avoid paying taxes for members of the same family. We all know that, very often, there were interest-free loans between members of a same family and the person who had no income at that time declared interest income on which very little or no taxes were payable. Bill C-84 eliminates this loophole.

Mr. Speaker, it is unfortunate that the Opposition has not pointed out that this is a good thing. We have not heard about it from the other side and I think that if the Oppostion had been honest, they would have applauded this initiative.

The fourth change concerns the administration of the taxation system. Seizures and all search activities carried out under the previous system by the Department of Revenue, which had been mentioned frequently under the former Government, have been eliminated.

A fifth measure proposed in the Budget was the risk capital fund for workers. Individuals who invest in risk capital funds constituted by workers will now be entitled to a tax credit amounting to 20 per cent of the cost of purchase. This is another very useful measure which unfortunately has not been mentioned very often by the Opposition.

Mr. Speaker, the sixth point concerns research and development. Tax credits for small businesses up to $2 million will provide a 100 per cent refund instead of 40 per cent as is the case now.

All those are positive measures, Mr. Speaker. I could go on for a long time, but I think that, after reading Bill C-84, it is easy to see that this legislation is of vital importance for the Canadian economy and for all Canadians.

• (1220)

[*English*]

In conclusion, this Bill provides for a new direction for the Canadian income tax system, new measures such as the $500,000 lifetime personal capital gains exemption to encourage Canadians to invest their savings in productivity of Canadian activity and to take business risks.

This Bill improves the fairness of the tax system by removing some of the ways in which unintended advantage may be taken of the tax system and increases the effectiveness of government programs by reducing the base for investment tax credit where other grants or assistance have been received for expenditures made.

This Bill increases the fairness of the tax system by introducing change of control rules to prevent unacceptable sales of unused tax credits. These changes are long overdue. We know that Canadians share our desire to improve the economy and are willing to share the burdens so that we will all share the triumphs.

This is a major Bill. It is in some areas complex, but such complexity is unavoidable where measures such as those contained in this Bill affect the fundamental principles of our tax system. The new direction this Bill provides, and the benefits that Canadians will gain more than justify the changes. Mr. Speaker, I recommend Bill C-84 to this House, and I look forward to the speedy passage of these measures.

**Mr. Speaker:** In the context I think we will waive the technical issue of a question and comment period. Therefore, I give the floor now to the Right Hon. Leader of the Opposition (Mr. Turner).

**Right Hon. John N. Turner (Leader of the Opposition):** The Parliamentary Secretary has just urged a speedy passage. The House Leader has taken care of that by imposing closure on the Bill. I cannot remember, in major pieces of legislation reflecting what is at the core of the Government's economic philosophy of budget where closure has been applied in this type of case, where the debate has been limited in the House of Commons, and where the committee hearings have been restrained to one week's hearings.

That gets to the issue that troubled the House earlier today in Question Period when the Government—in return for getting an agreement on how this Bill was to be treated, among others—made an undertaking before Christmas to open up committee hearings on the de Havilland affair.

True, Your Honour referred to those matters as being committee proceedings, but the issue related to an order of the House which limited the time available for debate, of course, reinforced unilaterally by the Government using the hammer of closure.

It is with no disrespect to the Parliamentary Secretary that I suggest to him and to the Government that on the third reading of a budget Bill reflecting the economic policy of the Government the Minister of Finance (Mr. Wilson) should be in the House, and so should the Minister of State for Finance (Mrs. McDougall). I had the honour of holding that portfolio, the Ministry of Finance, for four years and I always made it a practice as Minister to attend to Bills personally in the House of Commons, not always during the report stage, but certainly during the second reading and third reading stages of a major piece of legislation. I consider it to be a continuing affront to the House, and I say that with respect, Your Honour, that Ministers are disregarding that courtesy and not attending the House when their legislation is being considered.

I want to congratulate our financial critic, the Member of Parliament for Saint-Henri-Westmount (Mr. Johnston), ably supported by the Member of Parliament for Laval-des-Rapides (Mr. Garneau) and the Member of Parliament for Trinity (Miss Nicholson) who have had the custody on our side for the disposition of this Bill and for the critique of the Bill. I want to state what I stated during the budget debate. We have grave concerns about the tenor, tone and substance of this Bill. We thinks it reflects a Budget that is unfair. We think it reflects a Budget that is sneaky. We think it reflects a Budget that is unnecessarily taking money out of the economy, particularly the domestic economy, to the detriment of Canadian owned small business. This Government enjoys the largest majority in Canadian history. It has also presented to the Canadian people in this Budget the largest tax increase in Canadian history. Instead of the Minister of Finance having the courage and the guts to stand up on budget afternoon and say to Canadians, "I am raising your taxes", he did it in a sneaky, clandestine and hidden fashion. Most of the tax increase is done at the sales tax level and at the deindexing level.

I had the honour in 1972, unanimously supported by the Conservative Party at the time, of indexing our taxes, that is to say I indexed the brackets and the deductions to reflect the erosion of inflation on the income of Canadians. I did it with the unanimous support of the country and of the Leader of the Opposition at the time, Mr. Robert Stanfield. We did it because we felt it unfair that Canadians should be taxed at higher rates because of the inter-reaction of inflation against the progressive tax system. They may have received salary increases, but when you balanced that against inflation there was no real increase at all. There might have been a nominal increase in their salary or their wage rate, but no real increase at all. Yet by moving them into higher tax brackets the Ministry of Finance took that money from them.

Because of this hidden tax we have not only a sneakiness in the system, because the Minister did not have the guts to say he was going to tax Canadians by an increase of 3 per cent per year, per year, he just deindexed the system by 3 per cent per year, per year, but the way that the deindexing is going to work will have very unfair consequences. Not only is it hidden, but it will hit the lowest income earners hardest.

I recite figures that my colleague, the Member of Parliament for Laval-des-Rapides got from an official document from the Department of Finance which was never denied by the Minister as not being legitimate. We get these figures over a period of four consecutive years cumulative. A man or a woman in this country earning $15,000 a year will have a cumulative tax increase in four years of 36 per cent. A man or a woman earning $30,000 a year will have a cumulative four-year increase of only 11 per cent, compared to that 36 per cent. If you earn $100,000 a year in this country over that four-year period, your cumulative tax increase will be 4 per cent. If you happen to earn $200,000, that cumulative tax increase over the same period of time will only be 2 per cent—$15,000 a year, a 36 per cent increase, $200,000 a year, a 2 per cent increase. Now, that is not fair and it is not perceived by the Canadian people to be fair. When you take that and couple it with the capital gains tax exemption of $500,000 over a lifetime, reduced at the maximum rate to a $125,000 cash

bonanza, you have inequity taken, I believe, to a Dranconian degree.

The average family is taxed about $450 to $500 a year more. Over a period of four years, there is a cumulative tax increase of 30 per cent to 36 per cent. Yet when you add back that capital gains tax exemption to the wealthier, the man or woman earning $200,000 a year will be 4 per cent or 5 per cent ahead. Only 4 per cent of the earners in this country invest in a way that will make them eligible for that tax bonanza.

So I am saying that we have had here a real revelation of a Tory philosophy. After nine months of cosmetic politics, of a meeting with the President of the United States on St. Patrick's Day, and on Valentine's Day a meeting with the provincial premiers in Regina, then a national economic conference, and all the cosmetics and photo opportunities that the Prime Minister (Mr. Mulroney) loves so well, he finally came up with a Budget. It has been the longest period of time in modern Canadian history between an election and a Budget. All the deductions, all the tax brackets are being deindexed by 3 per cent a year, and that will mean, in gross terms, by 1989 a hidden tax increase over what we have now of $11.5 billion. The Minister of Finance did not have the courage, the guts, the frankness or the forthrightness to stand up in this House before Your Honour and admit that.

• (1230)

[*Translation*]

Mr. Speaker, when the Government tried to de-index Old Age Security pensions, the Minister of Finance (Mr. Wilson) had the audacity to claim before the House that he had the support of our Canadian senior citizens. He was badly mistaken. Finally, after thousands and thousands of petitions and signatures were tabled in the House, after public meetings were held across this country, 2.5 million pensioners protested because they felt deceived and betrayed by the Prime Minister (Mr. Mulroney) and the Government of Canada, and because the Prime Minister had made a commitment in Sherbrooke, during the election campaign, when he said to all our senior citizens: I am protecting you against inflation and I will never withdraw that protection. In the Budget, that protection was reduced by three per cent annually. Finally, justice prevailed thanks to the people of Canada, the unions, and even businessmen and women, and all the organizations.

We were frankly disgusted, and that is putting it mildly, at the lack of understanding and the insensitivity of this Government.

This Government, which had shown itself to be entirely devoid of compassion, fortunately was not able to execute its plan. Nevertheless, this Bill, as I said before, is widening the gap between rich and poor in Canada.

[*English*]

Let me outline for Your Honour, the House and the country the impact on the disposable income of families of all the budget measures, most of which are contained in this Bill. I am talking now about the immediate effect of the budget measures, not the cumulative effect that I recited earlier. A family with an income of $15,000 per year will have $634 less in disposable income as a result of the budget measures. That is 9.8 per cent less. A family with an income of $20,000 per year will have a disposable income of $808 less as a result of this Budget or 8.5 per cent less. A family earning $30,000 per year will have $1,089 or 7.9 per cent less. A family earning $40,000 per year will have a disposable income of $359 or 1.9 per cent less.

Because of the cumulative effect of this Budget, a family earning up to $75,000 per year will have a disposable income of $1,269 or 3.3 per cent more. The disposable income of a family earning $100,000 per year will increase by $2,054 or 3.9 per cent. A family earning $200,000 per year will have $4,519 or 4.2 per cent more. Is that fair? Is that what the Minister of Finance and the Prime Minister consider to be a fair sharing of the burden of getting the public finances under control? If that is so, I think they have been blindly misled and I believe the people of the country will have a reckoning sooner than they think.

My colleague, the Hon. Member for Saint-Henri-Westmount, spoke eloquently on the $500,000 capital gains tax exemption. As you know, Mr. Speaker, we presented two amendments to the House on that issue. Sixty-three per cent of that benefit will go to 4 per cent of the taxpayers of the country. The rather feeble rationale that the Minsiter of Finance attempted to give for this measure was that it would encourage investment and jobs, but there is nothing in the measure before the House to limit that bonanza to Canadian-owned businesses. There is nothing in the measure to limit it to companies registered or listed on Canadian stock exchanges. It is wide open.

The capital gains tax exemption can be benefited from whether one invests in a condominium in Florida, an apartment building in Hong Kong or European art. There is nothing to relate the exemption to Canadian production, jobs and growth, and that was the reason my colleague, the Hon. Member for Saint-Henri-Westmount, introduced an amendment designed to give a tax break on Canadian investments only. I might say that although members of the NDP voted against that particular amendment, they introduced it in committee. They thought it made good sense then and it does make good sense now.

I do not agree with the capital gains tax exemption at all. I do not think it should have been introduced in this Budget. I do not think the Government can give a bonanza of $125,000 to the rich and wealthy and those fortunate enough to be able to invest in assets while taxing the average Canadian family the way it has been taxed under this Budget. However, if there is going to be a tax exemption, it should at least be limited to Canadian investments, companies and businesses.

The only excuse that the Minister gave for not limiting this tax exemption to Canadian investments was that it would make the tax system too complex. As my colleague, the Hon.

Member for Laval-des-Rapides, pointed out, even those who would benefit from this cash bonanza, reinforced by tax lawyers and tax accountants, recognize that the way this exemption has been constructed, when combined with the minimum tax proposal, it will lever investment in favour of offshore and American markets rather than the Canadian market. What these measures do to tax dividends means that it is now more useful for those with surplus funds to invest in the American market and benefit from a lower tax rate than qualify for Canadian dividends from Canadian companies. The Minister has a hopeless situation on his hands. He is encouraging investment outside the country by the interlocking of these two measures.

When talking about a complex income tax system let me point out that those who live in Quebec have to deal with four tax codes. There is the Quebec tax code, the federal Income Tax Act which this Bill is purportedly amending, the new minimum tax code, and the capital gains tax exemption code. It is impossible for the average person to understand how this system was put together. The Minister has not simplified or reformed the system. He has added layer upon layer of complexity, which will only discourage investment and, as I have said, encourage those with the power to invest to go beyond our shores.

[*Translation*]

In the House and in committee, my colleagues have already mentioned the fact that this Bill also puts an end to the Registered Home Ownership Savings Plan. For eleven years, more than 2.5 million Canadians have been using this plan to help buy their first home. Many young couples have taken advantage of this mechanism to acquire their own home as soon as they started a family. To them it meant recognition of the fact that Canadians and especially young Canadians see owning their own homes as a right. Today, however, the obstacles facing young people in this respect are almost insurmountable, and despite our efforts and a number of amendments that were tabled in the House, the Government has withdrawn the RHOSP. To quote my colleague from Montreal-Sainte-Marie (Mr. Malépart), this Government is very "mal runné", and I could not agree more.

[*English*]

When the Minister introduced the Budget, he said that he wanted to get the deficit under control. A set up question was asked of him this morning so that he could try to indicate to the country that he was on his own target. We will see. Whatever he has done, he has done on the backs of the unemployed and on the backs of middle-class families.

Both in response to the question this morning and in response to the question I put to the Minister on Tuesday when I asked where the Canadian dollar is going and if the Minister will admit that higher interest rates are being provoked by the Governor of the Bank of Canada in order to stabilize or prop up our dollar, the Minister was trying to patch things up. In response to my question, he was forced to tell me to wait for his February Budget. That was a recognition by the Minister that the real reason the dollar is falling and has been in speculative trouble is that there has been a lack of confidence on world markets that this country is being properly run. The Minister was forced to say that in the House on Tuesday, and he had a set up question asked of him to try to indicate to the markets that he was on target today. That displays an anxiety on the part of the Minister who is trying to reassure the markets so that the Bank of Canada will not have to inject more funds into the system in order to prop up a falling currency.

We believe that the tax Bill before the House also reflects lousy economics. It takes billions of dollars out of the economy. It reflects a Government that is relying primarily on the export thrust to maintain the health of the Canadian economy. Most of the purchasing power that will be drawn out by this Budget, $11.5 billion in four years, will be to the detriment of small Canadian independent businesses.

When the people of this country voted for this Government, they voted for change. They wanted a new direction. They have not received it. All they have received is incompetence. However, in the Bill which is before us they have received worse than that. In this Bill they see a demonstration of a lack of sensitivity and a demonstration of unfairness. They see a demonstration of the lack of courage of the Minister of Finance and of the Prime Minister who have failed to come clean with respect to the hidden tax increases which are really represented in the Budget.

• (1240)

In terms of the sales tax increases and deindexation of the system, the Canadian people are being hit harder in this Budget than they have been in any Budget tabled in the history of the country. They have been hit in such a way that they will not know what they are being hit with until it creeps up and hits them like a rabbit punch on the back of the neck.

We believe the Budget portrays an insensitivity which does not deserve the confidence of the House. We will not be able to hold it up or stop it. We have been able to say that the Budget reflects an old-fashioned Tory philosophy which says, as the Minister has said: "Sure, you want to encourage those who succeed". However, it certainly does not protect those who are struggling in the country. It does not protect those with families, those who are trying to get above the poverty line, and those who are trying to get ahead. It does not protect those who are trying to build up capital. The Budget reflects old-fashioned market forces which put heat on ordinary Canadians and leave all the scope with those who are able to take care of themselves.

We urge the House not to support this measure. We have done what we could within the limited time given to us under the rules. We have been restrained in what I believe to be a very undemocratic way by the use of closure on a tax Bill. After all, the fundamental role of Parliament is to review the tax system. The fundamental role of Parliament is to review spending. These roles have come down from Westminster. They came about as a result of the early fights between the

nobles and the king, fights between the British aristocracy and the Crown, and, eventually, fights between the people and the aristocracy. What Parliament could always refuse was spending. What it could always refuse was the imposition of taxes. There is nothing more important to our system than that there be proper debate and proper scrutiny of these types of measures. Yet, the debate on this measure was restrained. It was curtailed at both the committee stage and before the House.

We oppose this measure. We are revolted by it. We think that it is wrong, unfair and sneaky. We leave it in the hands of the country until we next have an opportunity to deal with it.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** Mr. Speaker, I understand that, of necessity, the Minister of Public Works (Mr. La Salle) has to leave Parliament Hill shortly after one o'clock and that he wishes to have an opportunity to speak before that time. If that is the case, then I am certainly prepared to relinquish my place in the speaking order to allow him an opportunity to speak.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I will take that as a very kind parliamentary courtesy. I recognize the Minister of Public Works (Mr. La Salle) on debate. When we return after lunch, we will hear from the Hon. Member for Kamloops-Shuswap (Mr. Riis) on debate. We will treat the Minister's speech as the next Conservative speech in the round of speeches.

[*Translation*]

**Hon. Roch La Salle (Minister of Public Works):** Mr. Speaker, I listened with interest to the remarks of the Leader of the Opposition (Mr. Turner). Obviously this legislation will have a significant impact on all Canadians. Mr. Speaker, I sat on Opposition benches long enough to know that it is a lot easier to make unflattering remarks about a Government which is accountable and assumes its responsibilities. Still I entertain some reservations about the comments of the Leader of the Opposition, for his credibility can be challenged since he too assumed major responsibilities as Minister of Finance in the Government which Canadians turfed right out over twelve months ago.

I vividly recall that the present Leader of the Opposition once decided to return to the private sector rather than stand up for his Party and his Government, as he should have done—

**An Hon. Member:** You too decided to join the Union nationale.

**Mr. La Salle:** Yes, to continue to serve the Quebec voters for whom I have always had consideration and respect.

At least I had the courage to offer my modest contribution to the people of Quebec, I had that kind of courage, unlike the present Leader of the Opposition who chose—as was his right, and I am not criticizing his decision—to look after his own interests and leave Canadians at the mercy of a Government which was already running out of breath, the same Government to which we owe our current difficulties.

Mr. Speaker, there has to be a limit to such attacks in the House, intended as they are to make Canadians believe that everything we do is wrong, and sometimes in terms which border on demagoguery.

Mr. Speaker, there is no doubt that changes have to be made, and that is what we are doing because we know where we are going, we know what we want, and we know what Canadians expect from us.

Mr. Speaker, would anybody in his right mind miss this opportunity to remind Canadians that the present Leader of the Opposition heads the Party which is trying to tell us how to improve the management of public affairs and which, as it happened, was in office for the past 15 years when 100,000 more Canadians swelled the ranks of the unemployed year in and year out, at least 1.5 million of them all told? That within our first 15 or 18 months in office we successfully reversed this vicious trend so harmful to Canadians? The judgment rendered by Canadians 15 or 16 months ago already was unmistakable: they simply had had enough of a Government which was driving Canada into bankruptcy. Thank God, our economic performance in recent years indicates quite clearly that things are a lot better than they used to be.

Most business people endowed with a good business sense—some Hon. Members opposite know business very well, much better than I do, Mr. Speaker—realize that the economic performance of this Government is quite encouraging and would deserve much better support than it has received so far.

But Canadians should be aware that Members of the Opposition have a part to play, but only to the extent that the interests if their own constituents are well served.

Mr. Speaker, they will interrupt us, level all sorts of accusations against us and use all means at their disposal to try to hinder the normal operation of Parliament. And they will refuse to help the Government which, through its measures, is trying to restore an economic climate likely to attract investments. But we are on the right track, Mr. Speaker, and well on the way to achieving this objective of a new economic outlook for Canadians. We have a lot of catching up to do. While trying to solve almost hopeless problems, we are being asked to work miracles.

Mr. Speaker, it is not easy to turn the country around and off the direction which was leading Canada to bankruptcy. But we came up with changes and economic policies more than a year ago, and we are glad we did, for we have put an end to this disastrous habit of creating 100,000 new unemployed each year. Instead, as we had hoped and encouraged it to do, the private sector has created between 400,000 and 500,000 new jobs in Canada this year.

• (1250)

In Quebec, a province of which I am very fond for readily understandable reasons, we have also managed to put an end to this tragedy and to create over 100,000 jobs. Members of the Opposition will say that it is not enough. They will add that a very serious problem exists in Montreal East.

Mr. Speaker, it is a fact that the previous government's ill-advised policies and lack of long term strategy for Montreal East as well as the rest of Canada have created enormous difficulties, but we have already shown our determination and we have already achieved results which, in the eyes of most businessmen and people of good faith, deserve consideration. And we intend to continue, Mr. Speaker.

The Leader of the Opposition says that the purpose of all our efforts is to help the rich, Mr. Speaker. It is a fact that we have come up with incentives to convince those who can invest to invest even more. I think it makes sense to help them invest more for the purpose of creating new jobs. That is the whole idea. Members opposite know it. Do not think that I am not well aware of the problems experienced by those who are unemployed or on welfare. But it must be realized that they are not in a position to generate new investments tomorrow morning. We must therefore look to people who can. And they are not all millionaires, Mr. Speaker. Quite the contrary. Members opposite are quick to blame the elimination of the capital gains tax, implying again that this action will benefit only a handful of millionaires. But nothing could be farther from the truth. Canadians by the millions will benefit from this action. We need only ask farmers, a class of Canadian citizens which I hold in very high esteem. Farmers are businessmen. Go and ask them whether they feel that this action is not quite in order and encouraging for them. But they are not millionaires. That is not true.

Again, there is a consequence which we have seen and which all members in good faith could see if they wanted. That measure will thus enable farmers to pass their farms on to their children at much less cost, due to the fact that we are allowing them very legitimate profits by way of the proposal called the capital gains tax repeal, Mr. Speaker.

The Leader of the Opposition has also said we lacked interest and respect for mothers because we propose changes to the family allowances. Anyone who is honest and who correctly understands the proposal put forward by my colleague, the Minister of National Health and Welfare (Mr. Epp), will see it is aimed at something that any man and woman in his or her right mind would support, and that is helping the most in need, Mr. Speaker. And by rationalizing the child tax credit and the dependent child benefit and family allowances, we are indeed increasing our assistance to mothers or families most in need, those whose income is considered low.

Mr. Speaker, it is clear in all those instances that this new concept permeating our Government is aimed indeed above all at reviving the Canadian economy, which in my view is the first responsibility of a Government, restoring hope to those young Canadians who were facing unbelievable despair because of an unemployment rate that was so prejudicial to the whole Canadian nation.

Therefore, during the past fifteen months, Mr. Speaker, interest rates have come down in a way that is both significant and encouraging for the construction industry. Thousands of jobs have been created in the construction industry, and also jobs related to the building of thousands of new homes. The inflation rate has been maintained at a much more encouraging level than that experienced over the last five or ten years. Economic growth has taken place and surprisingly, at a still higher rate than was experienced in the United States. Business confidence also increased, and this is important when we want to give the private sector all due credit in that economic renewal. And we do have confidence in the private sector. However, and I was forgetting this, they are blaming us because of this legislation repealing tax credits, capital gains tax, because we had made no provision for dictating to Canadians where they should invest those capital gains.

Contrary to what that Government did for so many years, we will not dictate to Canadians how they will live, not even in their kitchens. We have confidence in Canadians, and in forthcoming measures all those who can invest will also find incentives to invest those gains within the Canadian economy. We do not believe that Canadians will hastily send abroad the savings or gains they may have realized within our Canadian economy that is equally respectful of all Canadians, in order to favour foreign economies. Quite the opposite, Mr. Speaker, we do a lot of thinking. Our first reaction is to trust the Canadian people as a whole.

Today we appreciate the competence Canadians are showing and already, Mr. Speaker, we are assured that those Canadians who have the means will invest their money in Canadian industries because also of the benefits we will offer them. Why? We always have in mind creating jobs in all areas as sophisticated as those of new technology.

That is the goal of the Government we represent, for which I think I have every reason to ask the support of all Hon. Members, to recapture the wealth which the previous Government woefully squandered. And to redistribute fairly to all Canadians the money they pay in taxes, we must rebuild the wealth we have lost, and we have a wonderful opportunity to do so by means of measures which also convey the interest of all those investors who also wish to contribute to the building of this country in all generosity and fairness to our whole nation. I am therefore unimpressed by the attack that was launched today by the Leader of the Opposition who stooped so low as to comment only in negative terms on our economic performance which is envied by many countries around the world.

I owe thanks, of course, to the Minister of Finance (Mr. Wilson), my colleagues in the Cabinet and all Members of our party who accepted and approved the sort of measures we are proposing. True, Mr. Speaker, we still have a lot to do. But we have nonetheless succeeded, in a short time, in clearing the atmosphere with the provinces. We have also assured them that they will play a greater role in the momentous decisions the Canadian Government will have to take. The Members opposite will go on voicing their pessimistic views and will do all they can to have Canadians believe we are on the wrong track. However, the facts speak for themselves. Canadians will see through the rhetoric, they will understand the meaning of this opposition, the reasons behind this negative attitude and this desire to misinform the public.

These people, Mr. Speaker—and Canadians must be aware of it—do not want us to achieve this urgent economic recovery which is already under way. These people, and the Leader of the Official Opposition in particular, know perfectly well that if we succeed, even in limited way, they will never regain power with the limited team they have. They are missing the opportunity to abide by their commitments to the voters, Mr. Speaker. It is disheartening for all Canadians, Mr. Speaker, to see that these people refuse to assume their fundamental responsability: representing the legitimate interests of their constituents, which in this case means ensuring economic recovery, a quick recovery in all parts of Canada, not only in Quebec, through investment and hard work. To this end, Mr. Speaker, we are forced to ask Canadians to make sacrifices, we must ask them to help pay for a $200 billion national debt, incurred by our friends opposite. We wonder whether Canadians agreed with this approach that created an artificial economy which, today, has become a terrible burden for the entire country, and to what extent the present Leader of the Opposition and Opposition Members are responsible.

Mr. Speaker, in concluding, I hope Canadians will understand that the kind of vision we have demonstrated so far, and this Government's new orientation, are in the best interests of all the people in this country.

[*English*]

**Mr. Speaker:** Order, please.

**Mr. Johnston:** Point of order, Mr. Speaker.

**Mr. Speaker:** Is the Hon. Member raising a point of order?

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Will the Minister and others please stop this. Order, please.

The Hon. Member is raising a point of order?

**Mr. Johnston:** It is a question on a point of order, Mr. Speaker. I presume that the Minister will be here at two o'clock to answer questions? Are we not entitled to pose questions?

**Mr. Speaker:** That is not a point of order.

**Mr. Gauthier:** Sure it is.

**Mr. Speaker:** Order, please. Having had the courtesy extended to him to allow the Minister to speak, it seems to me appropriate that he should show the same courtesy to the Chair.

**Mr. Riis:** Point of order.

**Mr. Speaker:** If someone has a point or order to raise, it will be appropriate to raise it at two o'clock.

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

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

**Mr. Speaker:** I should advise the House that it has been our practice at second or third reading stage to grant the first speaker for the New Democratic Party a longer time to speak than the normal 20-minute period, if necessary. Is there unanimous consent to grant the Hon. Member for Kamloops-Shuswap (Mr. Riis) more time if he needs it?

**Some Hon. Members:** Agreed.

**Mr. Nelson A. Riss (Kamloops-Shuswap):** Mr. Speaker, I appreciate my colleague's generosity. I do not expect to need the extra time.

In his very flamboyant speech before lunch the Minister of Public Works (Mr. La Salle) went on for some time about a topic which I think most of us feel quite strongly about, that is, the criticism so many of us levelled at the previous Liberal Government for not creating the jobs this country needed at the time. I recall that the Progressive Conservative Opposition was equally outraged over the fact that unemployment levels were so high and things were so difficult. The amount of job creation taking place was abysmally small. However, the implication which flowed from what the Minister said, as well as from what the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and others have said, is that more jobs have been created in the last 14 months than, presumably, in the previous 14 months under the Liberal Government. Goodness knows I do not want to be an apologist for the previous Liberal Government, but I want to put this very clearly on the record. In the 14 months which have passed since the election, there were indeed 415,000 new jobs added to the Canadian workforce. However, in the 14 months previous to the last election, under the Liberal Government, there were 416,000 jobs added to the workforce. If you are going to be technical about it, the Liberals were actually creating more jobs. I just wanted to set those facts out so that people do not think that somehow things have changed. We all agree that

the Liberals made an abysmal attempt at job creation, but it turns out that the Tories have been even worse.

**Some Hon. Members:** Shame!

**Mr. Riis:** Indeed, shame on both sides for not creating enough jobs during very difficult times.

In my short remarks this afternoon regarding Bill C-84, an Act which introduces a number of changes to Canada's tax system, I want to talk about poverty in Canada. It is fair to say that during the 1970s, poverty in Canada was on the decline. On an annual basis, the number of people defined by Statistics Canada as having an income below the poverty level was actually going down year by year. Unfortunately, during the 1980s, this process was reversed and the number of poor is getting larger and larger. In 1984, some 4.3 million people in Canada were living below the poverty line as defined by the Government. In the next four years, the Canada Council on Social Development indicates that, as a result of many of the measures introduced in the last Budget by the Conservative Government, the number living in poverty will actually increase by 630,000. What that means is that the gap between the haves and the have-nots, the rich and the poor, is actually getting wider. More and more people are entering the poverty ranks than ever before, and it is now escalating at a rate which quite frankly is unprecedented since the 1930s.

One would then assume that the Government would take action to reverse this trend. That would be the only reasonable assumption to make. However, we have seen in the last Budget and in the tax measures we are discussing today quite the contrary. The average Canadians citizen will be much worse off as a result of these tax changes and the wealthier will actually be better off. To be more precise, let us consider an average family consisting of a mother, father and two children and assume that one of the spouses earns the income for that family. As a result of the increased taxes in this Budget, that family earning an annual income of $15,000 will actually lose $2,270 over the next five years. In other words, such a family will be much poorer in the next fives years as a result of this Budget.

• (1410)

If this family has an income of $35,000, it will also lose the considerable amount of $4,216 over the next five years as a result of increased taxes. However, the situation changes with upper-income earners. Those earning an income of over $80,000 will gain $5,662 in the next five years as a result of tax changes. The rich are getting richer and the middle class and poor of Canada are becoming poorer as a result of the provisions to change the tax system of Canada that we are discussing today.

There are serious problems with some of the provisions we are debating today. For example, there is the change to capital gains legislation. We have always been concerned that those people who derive their income from capital gains are only taxed on half while the other half of their income from capital gains is tax free. The Government is making the situation worse by allowing those who derive their income or part of their income from capital gains an exemption from capital gains tax on a lifetime accumulation of $500,000.

An individual who earns an income from capital gains will not have to pay income tax this year on $20,000. This increases yearly until it accumulates to $500,000. However, ordinary wage earners pay taxes at source as they always have, with very few deductions, loopholes or tax exemptions at their disposal. The heavier burden is being placed on the backs of working people in this country while those whose income is derived from capital gains will not pay any tax on a major portion of that income. Statistics show that only 4 per cent of Canadians declare capital gains on their income tax. This major provision, which is meant to revolutionize investment in Canada, will only benefit 4 per cent of Canadians.

Another provision for tax changes is the increase in the ceilings for RRSPs. The Government is saying that the amount people may set aside tax free at the end of the year for their retirement will be increased to $15,000 a year. However, what must one's income be to be eligible for this increase in exemption? It must be $86,000 a year. How many Canadians have incomes in excess of $86,000 so they may benefit from this provision? Furthermore, do these Canadians need help to provide for their retirement at a cost to Canadian taxpayers, at the cost of deficit increase, and at the cost of social programs? We cannot emphasize enough that the provisions of this Budget and its tax changes are only assisting a handful of upper income Canadians at the expense of ordinary Canadians.

The same can be said with respect to provisions affecting the corporate tax. The legislation assists the larger corporations rather than small and medium sized business. Even today, thanks to previous Liberal Governments, middle and small businesses actually have a higher effective tax rate than larger corporations. The corporate tax changes we are discussing are biased heavily in favour of large corporations at the expense of the small and medium sized business sector.

I received many petitions in the mail today from the constituency of Kamloops-Shuswap. My constituents have been complaining about the increase in gasoline sales tax. They believed that they would see a decrease in the price of gas at the pumps as a result of the decreasing price of oil on the world markets. However, on January 1 the tax on gasoline went up for everyone in the country. There is no doubt that this discriminates against certain Canadians, particularly those who live in regions of Canada where goods and foodstuffs must be transported long distances, and those Canadians must travel farther as opposed to Canadians in central Canada. It is essentially a tax on distance, which is a bias against western Canadians in such a case.

The Government has decided to increase sales tax at this sensitive time in our recovery. The Minister tells us that the Government will derive some $1.6 billion this year and next year from the increased sales tax and excise tax on gasoline which will proportionately have a more severe impact on lower income families. That $1.6 billion will come from the pockets,

purses and wallets of low and middle income Canadians in order to compensate for massive tax breaks given to upper income earners and the larger corporate sector in many cases. This is a redistribution of income from the bottom to the top—a Robin Hood in reverse approach to taxation.

There is a trend in our tax system. The first Government Member who spoke stated that the Government was taking a new and clear direction. It is not so much a new direction, but I agree that it is perhaps an acceleration to a clear direction toward a tax system of consumption. It is a tax on disposable income with no tax or a deferral of tax on savings, interest and investments. We are moving to an era of tax on consumption, which is definitely biased in favour of those who obtain their income through capital gains from the stock markets, investments and savings. The savings and investments of those with large disposable incomes are untouched by the tax man.

**Mr. Fennell:** It goes to create jobs.

**Mr. Riis:** The Hon. Member for Ontario (Mr. Fennell) says that it creates jobs. The Hon. Member believes that it will create jobs and I question whether it will create jobs, yet there is no way to know who is right. There is no accountability in our tax system. I challenge any Hon. Member to indicate how we can know whether these tax expenditures give us what we expect in return. Since there is no accountability, it is impossible to say whether or not taxing capital gains this year will cost $440 million in lost taxes.

**Mr. Fennell:** You know that is not true.

**Mr. Riis:** I am just taking this from the book given to me by the Minister of Finance. He says that it will cost $440 million this year. What will we get in return? If the Minister could guarantee that a loss of $440 million to the Treasury of the country will result in massive job creation or even a considerable amount of productivity, I would not be so concerned. However, there is absolutely no evidence that this will happen because there is no accountability in the tax system. It is wrong to add more loopholes year after year without knowing what we are getting in return for that lost revenue.

● (1420)

I know Mr. Speaker, you are asking yourself how much in lost revenue we are talking about, Mr. Speaker. What is our tax system costing the people of Canada? The Auditor General does now know. He looks carefully at the books and says: "This is costing us a great deal of money. All of these tax exemptions, loopholes, are costing us a lot of money, somewhere between $30 billion and $50 billion a year". Think of it, Mr. Speaker. The Auditor General cannot determine what it costs because there is no accountability.

I remember Mr. Lalonde, the Liberal Finance Minister, introduced what was called a scientific research and development tax credit in 1983. He said that it would result in all sorts of research and development. It was going to cost the taxpayers about $100 million to accomplish all of this research and development in new scientific experimentation and the like. After some analysis was done and a good deal of prodding by Opposition Members, it was found that it was costing us, at that time, at least $1.5 billion and increasing, approaching $2 billion. Only a few months earlier Mr. Lalonde had said it would cost about $100 million.

There was no accountability. Goodness knows if Opposition Members had not been doing their work and created enough pressure to expose this boondoggle, I cannot imagine what would be going on. Individuals were putting together shell companies and collecting from the federal Government $10 million, $15 million and in some cases as much as $42 million in cash and not doing anything with it. It was very fraudulant in some cases, but obviously it was a tax exemption that was a total mistake which had not been thought through carefully at all.

It is for these reasons that we decided as the New Democratic Party to carry out a probe of our tax system. We are calling it Tax Probe 86. A number of members of the NDP caucus will be travelling across the country talking to knowledgeable people in the various areas of the economy, the forest industry, the agricultural industry, the small business sector, women's and various social groups, tax experts, tax lawyers and advisers in an attempt to identify which of the tax expenditures up to perhaps $50 billion—of lost revenue—is giving us something in return.

We need to establish some accountability for our present tax system. Is our tax system fair? I do not think anybody would say it is fair today, but how can we make our system more fair, more accountable, more effective and more efficient? That is the mandate that we are taking upon ourselves as a result of our initiative called Tax Probe 86.

I suppose if there is one thing we must do, it is to take tax reform and place it more on the public policy agenda and perhaps try to place it on the political agenda of the country.

I remember that in 1984 during the federal election campaign the NDP suggested that we should have a minimum tax. Some people in Canada are making incomes of $400,000 and $600,000 plus, and many are not paying income tax, not even a cent. We felt that that was wrong. We felt that it was indicative of an unfair tax system. Ronald Reagan in the United States moved to change that. We felt that Canada should do the same. The Liberals agreed, and even the Prime Minister agreed during the debates in the 1984 election. The Government did introduce a minimum tax, but it is a disaster, Mr. Speaker.

The minimum tax makes the tax system much more complex. Here is a Government that was going to simplify the tax system, yet one of its first changes was to make the tax system much more complicated. There is much more red tape for small business. The Government needs to hire an additional number of people for Revenue Canada to read these doubled up tax forms. The Government is increasing the bureaucracy of Revenue Canada.

Consider what the Government is doing. It is saying that all of those exemptions that upper income earners have used over

the years can be parlayed over the next seven years. It is like exemption or loop-hole averaging. If you cannot use the exemption this year, use it next year or the following year. Financial writers and tax experts writing in the various learned journals are pulling out their hair and saying that this is going to cause an absolute financial adviser's nightmare. What are the implications of rolling over all of these exemptions year after year and parlaying them?

In an effort to introduce a minimum tax, the Government has created more and more fuzz, with more complexity. It is changing the tax system more than ever into an network of impossible passages which the average taxpayer must attempt to manipulate.

Bill C-84 is a reflection of the Government's last Budget introduced a few months ago. It reflects an attempt by the Government to improve the situation of Canada as perceived by the Minister of Finance. He gave a speech to the Canadian Economic Association in Montreal in May, 1985, and said at that time, "No matter how we define the term, Canada has an acute shortage of rich people". The Minister has done his best, using the tax system, to assist more and more people to become richer. One could argue in an academic debate about the merits of doing that, but not at the expense of ordinary Canadians, not at the expense of small business, farmers and fishermen. But that is exactly what Bill C-84 does. It provides tax breaks and, in some cases, almost a financial bonanza for a handful of upper income earners and large corporations. For the average Canadian it imposes additional tax burdens at a time when that is exactly the wrong initiative to be taking. We should be encouraging people to use their disposable incomes to assist and invest in local business, to purchase needed goods and services in local communities helping the small business sector to expand, develop and create jobs. To take disposable income out of the pockets and wallets of ordinary Canadians to pay off the bank bail-outs and to pay for the huge new exemptions being given to a handful of upper income Canadians is wrong. That is the reason we are going to oppose this legislation when we vote.

**Mr. Deputy Speaker:** Are there any questions and comments? If not, we will resume debate. The Hon. Member for Trinity (Miss Nicholson).

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the Official Opposition has said, since the Budget was brought down that it is an unfair Budget. We have also felt constrained to use the very harsh word sneaky about it. That is not a word one would use lightly. Unfortunately, it is a word that is appropriate for the process with which we are dealing.

When I talk first about the unfairness of the Budget, I refer primarily to the deindexation of the personal income tax system on the one hand, and the capital gains tax exemption on the other.

Deindexing the personal tax system will quietly rob thousands of low and middle income earners whereas the $500,000 capital gains tax exemption is an up-front, no strings gift to a wealthy minority. Personal tax deindexation is targeted and calculated to strip billions of dollars from low and middle income individuals and families, whereas the capital gains exemption is completely open-ended, not guaranteed to benefit Canada in any way, except to fatten the wallets of the well-to-do.

• (1430)

This measure could have been targeted in ways which would make it more acceptable.It could have been targeted to owners of family farms or to owners of family businesses. It could have been targeted, as the amendment of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) would have done, to Canadian businesses. None of that was done. We have an open-ended system from which people can benefit even if their gains come from art, jewellery, boats, condominiums in Florida or racehorses in Kentucky. There is no requirement that people benefiting from this should invest a dime in any Canadian business or do anything for the Canadian economy.

Whereas the personal tax deindexation will simply extract more tax from those least able to pay, the capital gains exemption will put more money into the pockets and bank accounts of those with the highest incomes. In fact, 64 per cent of the benefits of this program will go to 4 per cent of Canadians, those with the highest incomes. Because the personal tax deindexation, like the sales and excise tax increases, is broadly based with a cumulative effect, its negative effect is not readily apparent. This is why we have felt obliged to use the harsh word "sneaky".

The Minister finally introduced his Budget. As our Leader pointed out earlier today, it was the longest interval in Canadian history between an election and the introduction of a Budget. However, when the Minister finally introduced his Budget following, we were told, extensive consultations, he did not say that he was introducing an across the board tax increase of 3 per cent. What was quietly slid in was the deindexation of the personal tax exemption. Deindexation means that the Government is proposing to do away with the indexation of personal tax exemptions except when the Consumer Price Index exceeds 3 per cent. When the CPI exceeds 3 per cent, the Government will still be taxing that first 3 per cent. As the Hon. Member for Saint-Henri-Westmount explained, the effect is to transfer the assets of Canadians over to the Government in large amounts. The actions of the Government have belied the rhetoric about fiscal responsibility. It will amass $4.3 billion in 1990-91 through this measure. When we ask why the Government is leaning so heavily on low and middle-income earners for tax revenues, we are told that it is important to reduce the deficit and that fiscal responsibility must be brought to bear. We are all concerned about the deficit, but when we look at the large amounts in our deficits, we find that the two worrisome amounts are the payments to service the national debt and the expenditures on unemployment insurance. Clearly any responsible attempt to reduce the deficit must be primarily based upon job creation, because if people are employed, not only do they not need to draw unemployment insurance, but they are able to pay more tax, they are able to purchase more, and they are able to stimulate

the economy and continue the consumer-led recovery we are just starting to see.

However, in the Budget do we see anything that will encourage job creation? No. In the capital gains exemption we see a measure which will cost the Government billions of dollars in foregone revenue with no guarantee whatever of any return. Surely it is inconsistent for the Government to tax low and middle-income earners within an inch of their lives, while at the same time it gives lavish and unsolicited tax breaks to those at the higher income levels. For the Government to hand out a tax give-away of this magnitude without any requirement for benefit to the Canadian economy is not only inconsistent but is foolish.

Millions of Canadians have been told by the Government that it cannot afford to give them protection from inflation and that they must help pay to bring down the deficit. Then the Government offers a $500,000 capital gains exemption, a tax bonanza for the few who are wealthy enough to take advantage of it, and we are told to have faith that this money will find its way into the Canadian economy and will create jobs. However, people with $15,000 incomes will be paying 36 per cent more in taxes over the next four years. When we add in all the measures in the Budget—higher sales taxes, new sales taxes and reduced inflation protection—they will certainly pay, but it is not at all clear where these tax revenues will be applied.

What will the Government do with all the money it is taking out of the pockets of middle-income Canadians? Perhaps this tax revenue will replace the billions of dollars the Government is giving away to the multinational oil companies, amounting to $2.5 billion in 1990-91. We have heard great statements of faith from the Government that investment in the oil patch will create jobs, but it has not explained how.

Perhaps the Government will apply these consumer tax revenues to the almost billion dollar tax exemption it gave to Olympia & York, or maybe the Government will use this taxpayers' money to make up for some of its ill-advised investment as a result of the two bank failures which will cost Canadian taxpayers somewhere in the order of $2 billion.

The point is that in none of these multimillion dollar giveaways did the Government appear to have deficit reduction or fiscal responsibility in mind.

We are not fooled and taxpayers are not fooled by a Government which says that it must have tax on pet food, even if it is for a guide-dog for a blind person, in order to help reduce the deficit, and that it must reduce protection from inflation for the poor and middle-income earners to help reduce the deficit, when it proceeds to give away millions of dollars to large corporations and to the wealthy without any guarantee of benefit to the economy. There is no question that such measures are not only unfair and inconsistent but, I would suggest, they are not even sensible. All this money which is being taken out of the domestic economy could be used to help our domestic situation. Low and middle-income earners do not stash away money in savings. They spend their money on the necessities of life; they keep the economy going. As the Government blindly plans to reduce domestic demand, what is its plan to replace it? Does it think that it can be replaced with exports? What kind of faith is it operating on, and why is it not telling us what is its plan? We suspect that the Government does not have one.

Investment outside Canada is being encouraged by another measure which is not specifically described in Bill C-84 but which remains to be dealt with by regulation under this Bill, that is, the new proposal to allow a larger proportion of investment funds to be invested outside Canada. The plan, as announced in the budget papers, is that for every dollar that a pension fund invests in small business in Canada it will be allowed to invest $3 outside the country. This plan has not been particularly well accepted by pension fund managers. Pension fund managers tend to be cautious in investments, and rightly so.

• (1440)

Because of the very nature of small business, which is entrepreneurial risk taking, there will be problems in finding small business in which to invest that meets the prudent standards of investment by pension funds. Nevertheless, the Government claims that it is helping to provide money for small business. We are told in the budget papers—again it remains to be done by regulation—that pension funds can set up small business investment corporations to this end.

The pension fund managers are not enthusiastic. We had a recommendation before the Finance Committee which objected to the linking of these two objectives. The pension fund managers pointed out that they were in favour of investing in small business when it is prudent, that, in fact, they do this to a large extent, but that they could not see the amounts proposed by the Government as being viable or practical. While they would like some freedom in some cases to invest outside of Canada, they did not want this particular linkage.

Even now there is pension money earmarked for venture capital investment, but it is sitting in short-term securities waiting for the right opportunities, because the right opportunities are not easy to find, that is, right in terms of being a good investment opportunity, but also one that meets the particular requirements for caution and prudence that are involved in dealing with pension funds. The fear among trustees, of course, is always that if they lose money because of a risky investment they could be sued, I think rightly so because people's pension funds, their retirement security, are particularly important to them and not something that can be replaced. If you make a bad investment when you are young, hopefully you can recover it somewhere else, but if a bad investment has taken away your retirement security when you are 70, you are really left in a very vulnerable position. This is why pension fund managers have been—and I hope will continue to be—extremely cautious about investments.

The Government has told us that there could be $10 billion for small busienss as a result of this measure, but what we are hearing from the industry is that at least 95 per cent of all pension fund assets will remain in traditional asset classes.

Again we have a measure that the Government put forward apparently without thought, without adequate consultation, and with a lot of smoke and mirrors. It declared it was doing splendid things for small business, but in fact it is not doing so. What it could have done for small business was to have left purchasing power in the hands of low and middle-income Canadians.

This Bill, together with other measures, the sales tax and so on, will result in $11.5 billion being pulled out of the domestic economy. That is a lot of purchasing power which could have done a lot to stimulate demand for small business.

We see before us a Bill that seems to be based on poor economics, one that gives advantages to the wealthy but attacks the lower middle-income earner. It is a Bill that cobbles on a minimum tax in an attempt to show some concern for fairness, but cobbles it on to a complex measure in a way that increases the complexity. It is a sad Bill, it does nothing for Canada, and the only comfort is that since the Minister is, we hear, going to bring in a new Budget soon, perhaps in fact some of these measures here will be cancelled out then.

[*Translation*]

**Mr. Deputy Speaker:** Questions and comments.

The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

**Mr. Gérin:** Mr. Speaker, I heard a comment that reducing the deficit should be based on job creation.

Would the Hon. Member mind expressing her satisfaction with the Conservative Government for having created 450,000 jobs since it came to power and could she explain what caused these jobs to be created? Perhaps she could mention the policies of the Conservative Government and also explain why the previous Liberal Government created one-fifth as many jobs in five years.

[*English*]

**Miss Nicholson:** We are dealing with a Conservative Government's Bill C-84 and I can understand that the Hon. Member, who is a concerned Member, is embarrassed by this Bill and would like to shift the emphasis somewhere else. If I were in his place, so would I.

• (1450)

[*Translation*]

**Mr. François Gérin (Mégantic-Compton-Stanstead):** Mr. Speaker, the Hon. Member's answer is that they have no answer ... They are absolutely incompetent and cannot do otherwise but admit to the fact.

Certainly, to reduce the deficit we must create jobs. You heard the Prime Minister (Mr. Mulroney) saying yesterday, as he did all week, that 450,000 new jobs were created across Canada, including Quebec. That is a fact. And don't tell me there is no connection with the Bill now before the House which proposes to implement budgetary measures drafted early last year. The jobs are there, you must admit that.

It is no sin to recognize one's mistakes. In fact, the previous Liberal Government ought to apologize to the Canadian people for accumulating a deficit so large that today we have to spend nearly $30 billion on interests payments alone. And if instead of paying this amount every year we had the $30 billion to spend more on the elderly and our families, just imagine what that would represent. I say this because I get the impression the Liberals have never bothered to look at it this way.

For instance, we know that in 1986-87, servicing the public debt is expected to cost us $28.865 billion. Family allowances are expected to cost $2.5 billion. Old Age Security, including the Guaranteed Income Supplement and the Spouse's Allowance, will cost $12.985 billion this year.

You could take all the family allowances and all the old age security pensions in Canada and multiply them by two, and this would only add up to the interest payments on the debt, the Liberal debt. That is a fact, and you ought to realize that.

Take away this responsability, remove this requirement to pay interest on the debt, and we will then be able to triple old age security pensions and guaranteed income supplements, and triple spouse's allowances and family allowances as well.

I heard the Leader of the Official Opposition (Mr. Turner) say in his speech earlier today that he wanted to remove the $500,000 capital gains tax exemption. What about Canadian farmers? Not a single Liberal member has mentioned Canadian farmers, who are now in trouble, thanks to the Liberals. None of them mentioned the $500,000 exemption. Canadian farmers will be thrilled to hear you want to get rid of the exemption. You did not mention, for instance, the people who used it this year because they are entitled to use the full amount of the exemption as of the date on which the Budget was brought down. In my riding, I am going to send them all a letter explaining that the Liberals are asking to have this exemption removed, which would put severe financial pressure on our farmers.

How come the Leader of the Opposition, your leader—for a while anyway—did not say a word about farmers in his remarks? How come no Member of the Official Opposition even mentioned the provisions benefiting agricultural producers? Not one of them did. They simply could not care less. They drove the country and its agricultural producers right into the ground, but today they wash their hands of it. It is unfair, absolutely unfair.

The small business bonds—

**Mr. Gauthier:** On a point of order, Mr. Speaker.

**Mr. Deputy Speaker:** The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

**Mr. Gauthier:** Mr. Speaker, the Hon. Member is entitled to make comments, but he asked several questions. Might we not at least have the decency to give the Hon. Member for Trinity (Miss Nicholson) an opportunity to respond within the 10-minute period allocated for questions and comments?

Should the Hon. Member seek the floor later on, he will have our undivided attention.

**Mr. Deputy Speaker:** At the beginning there was a period for questions and comments. The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) asked a question and the Hon. Member for Trinity (Miss Nicholson) answered. Then I asked if there were further comments and questions, but nobody rose. Therefore we continued with the debate and the Hon. Member is now speaking to the Bill.

**Mr. Gérin:** The small business bonds . . . Not one of you talked about the benefits to Canadian farmers. We are extending this program for another two years precisely to give an opportunity to Canadian producers. Close to $700 million in small business bonds were issued under this program. Sixty per cent of loans outstanding were made to farmers and the rest to small businesses, whether incorporated or not. Are you after them?

In short the Government . . . We can all appreciate today that the financial plan introduced in May 1985 has already paid handsome dividends to the Canadian people and to Canadian agricultural producers. If the number of jobs created since then in Quebec and the rest of Canada is any indication, as is the satisfaction expressed by Canadian agricultural producers, the Government is restoring in Canada the kind of economy we need to honour the commitments made by the previous administration, with the resulting deficit which, in other circles, might be described as criminal.

Mr. Speaker, this capital gain provision will cost $550 million for 1985. This capital gain provision will cost $700 million to the public treasury in 1986, and a lot of that money will go to Quebec and other Canadian agricultural producers.

As to the two-year extension of the small business bonds, it will also cost some $7 million, 60 per cent of which will benefit Canadian producers. These are positive measures and, next Wednesday, Canadian dairy producers will probably hear about the new long-term dairy policy for Canada. I am anxious to hear what the Liberals, who were unable to do anything about it during their last four-year term, will have to say about it. Mr. Speaker, those are the reasons why I support the Budget.

[*English*]

**Mr. Riis:** Mr. Speaker, I listened with interest to the speech of the Hon. Member and I have two questions for him. The Hon. Member mentioned the jobs that were created in the first number of months that the Tory Government was in office. When his Leader was at Meach Lake in the early part of the month, he said that the creation of 415,000 jobs since the Conservative Government took office in September 1984, its first 14 months, is probably a record. Of course, he used the word "probably" because in the last 14 months of the Liberal regime, 416,000 jobs were created. In actuality, the Liberals created more jobs in the same length of time.

Would the Hon. Member have a comment to make in terms of the Government's record on job creation? Second, could he elaborate for us on how the capital gains provision in the Budget will result in expansion in Canada's farm communities?

[*Translation*]

**Mr. Gérin:** I suggest my hon. colleague should forget about the last month and remember the last five years of the Liberal administration to see just how many jobs it created. On the basis of his question, I wonder if the Liberal and NDP Members are still bedfellows or whether they are trying to get together again. However, we only have to look at the last five years. If we consider the period between 1980 up to September 4, 1984, we realize that the Liberals created altogether fewer than 100,000 jobs. Such was the performance of the Liberal administration. On the other hand, I support several of your remarks. At the time, you blamed severely the Liberal Party for allowing the deficit to grow unchecked and I felt at the time that you were right to criticize it. The Liberals are responsible for not creating jobs and allowing the situation to deteriorate. That is why we are making every effort to try and curb the deficit.

I feel therefore that our performance over the past 15 months compares favorably with that of the Liberals during their 20 years in office. If they had been allowed to continue five more years, I wonder what would have happened to Canada. It would be alltogether bankrupt. That is the main point. My first concern, when I decided to get involved in politics, was to try and give Canada a financial direction which made sense. The situation was getting out of hand.

It is true, and I am dealing here with your second comment, that to help the economy recover from the frightening carelessness which characterized the last years of the Liberal administration, we shall have to take other steps, and the idea of the Conservative Government is to encourage the private sector. We feel that the private sector is more in a position to create jobs. By allowing the private sector to play its part, a less cumbersome and centralized Government apparatus than the one created by the Liberals should normally give Canada a richer and enormously more promising economy, which would make it possible for the Government to share the wealth with the needy and less affluent in Canada. That is the reason why we should be allowed to continue governing Canada for a number of terms, so that we may eventually have the money we need to implement the programs suggested by the other two socialist parties in this House.

• (1500)

**Mr. Deputy Speaker:** Questions and comments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

**Mr. Gauthier:** Mr. Speaker, I want to ask a simple Friday afternoon question. Far be it from me to guarantee that the Government party will be able to stay in power very long. If it were up to me, that party would be out of a job tomorrow. However, the Hon. Member may dream if he wants to.

I would like to remind him that, in his speech today, the Leader of my party said that he is against the $500,000 exemption which allows some people to make foreign investments and have capital gains that will not create any jobs in Canada but can still be used to obtain a tax rebate. We find this completely unjustifiable. Indeed, the amendment against which the Hon. Member voted on Wednesday, the day before yesterday, would have guaranteed that these $500,000 in capital gains were invested in Canada and that people were not allowed to make profits on race horses, condominiums in Miami, or any other foreign investment. The Hon. Member must admit that this proposal made sense. The Right Hon. Leader of the Liberal Party never said that the farmers could not transfer ownership of their farms or assets to their children without paying any taxes. This was provided in the Liberal program, and I would like the Hon. Member to be more honest.

[*English*]

**Mr. Dick:** You did not do it in the 22 years you were in power.

[*Translation*]

**Mr. Gauthier:** I beg your pardon?

**Mr. Gérin:** I am glad to see that the spokesman of the Liberal Party is beginning to recognize that certain provisions of the legislation are valid and useful, and I would like the Leader of the Opposition to be informed that, within the Liberal Party itself, there are those who agree with some of the things proposed by the Conservative Government. If the Leader of the Opposition knows the names of Canadians who take the money from capital gains—

**Mr. Gauthier:** Income tax information is not made public.

**Mr. Gérin:** —to invest elsewhere, he is perhaps better informed than I am, because contrary to the Leader of the Opposition and other Liberal Members, I do not have an office in Bay Street.

**Mr. Gauthier:** Me neither!

**Mr. Gérin:** I live among small farmers who are trying to survive. They want this $500,000 exemption and I shall do everything in my power to ensure that it will continue to be available to these farmers and small businesses. I do not think that a company like Power Corporation would need a $500,000 capital gains exemption. The Hon. Members should think about it. Where I come from, it is the small businesses which, instead of selling their assets and putting their savings in a nest egg, are selling their shares and buying something else and creating economic activity because they are encouraged by the new economic possibilities provided by the Conservative Government. That is what has brought about the creation of 450,000 new jobs. If you do not believe it, you should begin by looking at what you did to place us in such an impossible situation. You should be glad to see that all the economic indicators now say that we were right.

[*English*]

**Mr. Althouse:** Mr. Speaker, the Hon. Member mentioned in his speech, and in his response as well, that he is looking for a financial plan which makes sense. I assume he is portraying this particular Budget and this particular Bill as such a plan. Because I have trouble making sense out of the theory which is behind the current Government, which is a theory similar to that put forward by the Liberals, can the Hon. Member explain why his Government is saying that tax breaks should be given to large income earners, corporations and invididuals, which will act as investment incentives, and then because the Government is short of tax revenue it must borrow money which these same people provide to the Government, with interest? The Government then ends up with not only a deficit and forgone tax revenues from these wealthy Canadians, but it rewards these parties by providing a very good interest rate. Why do we not just collect the tax from them in the first instance and avoid running up these big deficits? Why do we persist in exacerbating a wrong decision?

[*Translation*]

**Mr. Gérin:** Mr. Speaker, I think my colleague is referring to what is forthcoming, that is a minimum income tax. We said we would have a minimum income tax. So the Conservative Government is the first Government to provide for a minimum tax on incomes exceeding $50,000. The first Government to do so. And you the socialists over there, I am very anxious to hear your reaction. The first Government to so. And you the socialists to do so is a Conservative Government. How can you say we are protecting the rich? We are imposing a minimum income. We are the first Government to do so. This is a fine example, and I tell you: Think it over during the weekend.

[*English*]

**Mr. Deputy Speaker:** The time allotted for questions and comments is over. The Hon. Member for Essex-Windsor (Mr. Langdon) on debate.

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, I wish to be fair in this debate.

**Mr. Dick:** You never have been before, why start now?

**Mr. Langdon:** I concede that it has been difficult to stick to this commitment, faced with the foolish economic policies of the Government. However, in this case, I want to start my remarks with a sense of fairness which recognizes that the problems are difficult.

The problems which face our country are difficult, as are the problems which face the United States. In fact, the problems which face the entire western world are difficult, in terms of trying to come to grips with a series of extremely large deficits which affect most countries. These are difficult times in terms of a series of interest rate changes which are almost out of the control of the national jurisdiction of our governments. The problems are difficult because there faces us a series of competitive moves by large corporations which, frankly, look to governments for tax breaks and benefits of every possible kind.

All of this is being played off against the backdrop of a liquidity crisis, a crisis which threatens the bankruptcy of not just those Canadian banks which bit the dust in this past year but a whole set of banks which recognize that the large loans they made to Third World and other countries have left them in a very exposed position. It is not an easy time to be a Finance Minister at the start of 1986. In that respect I offer my sympathy to our present Minister of Finance (Mr. Wilson). However, it is especially difficult to be a Finance Minister at the beginning of 1986 when, in addition to these basic given problems, we are carrying on with a set of ideological blinkers which make it impossible for us to try to tackle the reality of the challenge which faces us.

That is what faces this Government now. Because of the massive set of promises which it made across the country in its irresponsible search for political power, there is a whole host of expenditure commitments to which this Government is now committed. Because of the close relationship with the corporate sector, which has always characterized the Conservative Party, there is a complete tying of hands as far as trying to do something about the revenue side of the picture. Frankly, Mr. Speaker, we get Budgets which are abortions, which do not respond to the realities of the problems which face the country and which do not look for savings in areas where it is legitimate to search and which ignore the possibilities of getting increased revenue from corporate sources in ways which are absolutely basic, straightforward and fair. The consequence of these ideological blinders is that this Government finds itself not fairly putting new burdens on the corporate sector but instead, unfairly giving new give-aways to that corporate sector. It is unfairly giving new gifts and new benefits which do not have as their objective an attempt to increase the efficiency and effectiveness of the operation of the private sector.

● (1510)

We have a Government composed of members who cannot even be good Conservatives because of the bankruptcy of the campaign they ran for power. There is a counter-approach to that which this Government is following. It is a responsible approach. It is an approach which we as a Party have advocated in this House of Commons. It is an approach which our finance critic has specifically outlined and which we in the action group put forward last April. It is an approach which clearly could take us back to a sense of fiscal responsibility and economic seriousness. It recognizes, first, that a tremendous number of the tax breaks we give are a total waste, not just in terms of their unfairness but in terms of the fact that they give to the rich who do not need the money and who will spend it elsewhere in the world. They are tax breaks which are totally without any economic rationale and which do not face the structural problems which confront this country in 1986. Those are the tax breaks which this Government should eliminate in its next Budget.

I can name some of those tax breaks. A company can borrow money from one of our large banks and can take over another company with absolutely no benefit to the country, to the workers or to the community. It can then write off the interest which it has to pay on the large loan it has taken to pay for this takeover as a tax benefit, which means that the very people who are suffering in many cases from these takeovers are paying out of their tax dollar for the tax break which is allowing them to be victimized. To put it bluntly, the Darcy McKeoughs of this world are paying for their own funeral. I will not shed many tears for Darcy McKeough but I ask what sense it makes in our society to have a tax break like that set in place? What sense does it make to put into effect, as did the past Liberal Government, the scientific research tax credit which has turned into the scientific tax research discredit? It discredits the whole notion of tax benefits for the corporate sector. What possible sense can tax breaks like that make? What possible sense can it make to have a series of benefits set up in the tax system for the large scale corporate sector without a single set of guarantees on the part of the companies which enjoy those tax breaks that they will in fact make a contribution to this country through those tax breaks?

On the other hand, what possible benefit can it be to this country to put a new tax into place on poor and middle income Canadians which will require them to take money out of their pockets which would normally go to small businesses, which in turn would create jobs in their community? Instead, that money goes to make up for these corporate tax breaks. What sort of logic from the point of view of either fairness or some kind of economic sense of effectiveness can be achieved by this sort of tax system? The answer is very clear; none.

We have seen study after study of our tax system which all say in effect that Canada is the greatest mugs game the corporate sector of this world has. It is the greatest poaching ground for fast buck artists from all over the world to come streaming into this country and take advantage of our people. I talked this week with a reporter from the *Calgary Herald* about the scientific research tax credit. He said that that tax credit has been something which his research shows has been taken advantage of by over 200 American and other foreign entrepreneurs who have come into this country to set up shell companies in order to take advantage of our tax system. It is

quite possible that they will no longer be able to take full advantage of our tax system because at least we managed to grab the horse's tail as it ran out of the empty barn, but even so, there is still the major question as to whether or not we are going to be able to get these people. According to sources of the reporter at the *Calgary Herald* the Minister of National Revenue has decided to search after these scam companies with just income tax personnel and only under the Income Tax Act. That means that there can be no subpoenas issued outside of this country. There can be no use of the RCMP to do an investigation outside of this country. These fast buck artists who have come in and exploited our country's tax system can quite possibly get off scot-free. There is no logic to that whatsoever. Not to me, not to anyone in this House of whatever Party, not to anyone in the country regardless of the Party they support.

• (1520)

We have to somehow get things right. We have to turn it around. We have to put the tax burden where it belongs, on people and companies who have the capacity to pay. Those of us who have the capacity to pay are not going to be upset about that. My good supporter in the Windsor area, William Tupperman, who owns a great set of furniture stores throughout that part of southwestern Ontario, has no compunction about paying a fair share of taxes. The professionals who vote for us in Amherstburg have no problem with paying fair taxes. What outrages them, what makes them fiercely angry, is to see people earning exactly the same amount of money as they are and taking advantage of loophole after loophole after loophole while escaping their fair share of taxes. This Budget, with its $500,000 capital gains scam, makes it even worse. That is a scam without any control or regulation. It is not even like a MURB. Despite the fact that a MURB might be unfair and open only to certain professional groups, it at least had to be for something here in this country which would create a physical asset in which people could live. However, in the case of this exemption it is quite possible for capital gains to be created on yachts in Florida, jewellery purchased in Mexico, skins collected from Africa and commodity dealings in Chicago, all of which have absolutely no connection with the real economy of this country. These kinds of capital gains are totally useless to the Canadian people and our economy. Yet we have here, prancing happily and smiling gaily, the Minister of Finance (Mr. Wilson) saying that this is something which will help Canada. It is going to help the rich and, by doing so, delegitimatize even further our tax system.

I suspect that each of us in this House knows of small business people desperately in need of help. These people will create dozens of jobs if they get that help. They are the ones who should be getting help from this Government, not just because of fairness but because if we continue these tax boondoggles and scams it will be simply unbelievable when Members of the Conservative Party stand up and talk about deficit reduction. The Canadian people will see deficit reduction as simply a way to hide the fact that they are hurting the poor and helping the rich.

This has to change. If it is not that Government that makes the change, I tell you it will be this Party that will make the change.

**Some Hon. Members:** Oh, oh!

**Mr. Langdon:** People in this country are furious. They are so upset about the tax system and its lack of fairness that they are willing—I pity my friend from Kamloops-Shuswap who may have to be the next Minister of Finance—to give us a chance to fight for tax fairness. I look forward to the first Budget from my colleague from Kamloops-Shuswap. He will for the first time give us a Budget aimed at fairness, financial responsibility and equity for the future of this country and for good.

**Mr. Deputy Speaker:** Are there questions or comments? If not, we will resume debate.

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, several months—

**An Hon. Member:** Will you be talking about insurance?

**Mr. Gagliano:** We will deal with insurance on Monday. Several months have gone by since the 1985 Budget, and being the critic for the Liberal Party in matters relating to small- and medium-sized businesses, I found it essential to prepare a detailed analysis of the impact on Canadian economic growth of the major proposals put forward by the Conservative Government.

The Government has focused its economic strategies on the creation of so-called favourable climates, rather than initiatives directly impacting this country's economic life. The Government discharges its responsibilities by suggesting that the capital gains tax exemption and the releasing for investment of the money held in RRSPs and other pension funds would have a positive, moving effect on the whole Canadian economy.

Mr. Speaker, since May last two banks have failed. There has been the insurance crisis, and we should be looking at the last statistical report to see how this Government is collecting our taxes. We have seen an increase of nearly half a billion dollars and it was not individuals but mainly companies that had the opportunity to re-establish their income tax payments.

It is imperative in my view that we make a thorough analysis of those measures because they are the cornerstone of the 1985 Budget and they shed a good light on the future economic trends of this Government.

The Budget provides that individuals will be entitled to a lifetime capital gains tax exemption of $500,000. Already, 50 per cent of capital gains were not taxable. This measure, therefore, is introducing a $250,000 tax exemptions.

The Minister of Finance figures that the $500,000 tax exemption on capital gains will result for the federal treasury

in a tax expenditures of $550 million in 1985, $700 million in 1986, and starting from 1990, annual tax expenditures of about $1.2 billion a year.

Mr. Speaker, I would like to quote a few figures for the purposes of this debate. For the first fiscal year for which complete data are available, that is 1982, some 393,000 Canadian taxpayers reported capital gains in the order of $3 billion.

• (1530)

Taxable capital gains exceeded $1.6 billion, while deductible losses totalled a little less than $240 million. Net taxable capital gains, which in 1982 totalled $1.373 billion, plus 63 per cent of the value of net capital gains, were declared by individuals earning more than $60,000 per year. And nearly one-quarter of the net capital gains was acquired by taxpayers earning more than $250,000 per year.

People in the highest income tax brackets obviously stand to benefit most from changes in capital gains taxation. However, if we look at the loans statistics for 1980, we see that over 94 per cent of net capital gains was realized in real estate transactions, and we all know, Mr. Speaker, that changing the ownership of a residential building does not create jobs, except for the amount that goes to the lawyer who draws up the contract and maybe the real estate agent, if there is one, if he gets a commission, but that does not create jobs, not even temporary ones.

Only $72 million in net capital gains was generated by capital invested in companies. These figures reveal only part of the picture, since it is the sum of capital losses and gains. In fact, in absolute terms, nearly all income brackets lost money on capital invested in shares, with the exception of those earning $100,000 and over, who made considerable gains. It is not the average Canadian who creates jobs or is going to be able to take advantage of the capital gains tax exemption. It is always the people who earn $100,000 or more.

In 1982, 21,000 taxpayers earning more than $100,000 declared a net capital gain of $417 million from the sale of shares. Only 21,000 taxpayers, Mr. Speaker, earning over $100,000 per year, and these are not average Canadians, these are all people earning more than $100,000 per year. If the budgetary measures proposed by the Conservative Government are supposed to promote investment in small businesses, this pool of 21,000 people would potentially be the primary source of investment capital. Since 1973, profits generated by risk capital in the United States worked out to an average of 23 per cent. These profits were mainly in the form of capital gains. If the $417 million just referred to come from venture capital investments and generate the same kind of profits, the capital gains tax exemption will produce an after-tax profit increase of 17.25 to 23 per cent, or a real increase of 33 per cent in investment income.

Those figures presuppose that roughly $1.8 billion in venture capital are now in circulation and that a 33 per cent after-tax income increase would boost the venture capital pool by about 10 per cent. This would free $180 million which would be available for venture capital investments. I would point out however that the $1.8 billion figure might be too high, considering the fact that the United States had $5.8 billion in venture capital in 1982, while we only have $1.8 billion.

Still one should not forget that in an ideal situation where $180 million would be available—10 per cent of $1.8 billion—investments would have to be spread out over several years, if only because the capital gains tax exemption will be introduced on a gradual basis. It has been claimed that a $10,000 capital investment in a small business creates one permanent job. Were this assumption to become reality, we might expect only 18,000 new jobs. Those 18,000 jobs spread over a number of years will however cost $1.2 billion a year to the federal treasury beginning in 1990, or $68,000 a year for each job created. We have to keep in mind that income losses are cumulative, and therefore each new job will cost hundreds of thousands of dollars.

I am firmly convinced that the projected figure of 18,000 jobs is too high because of the following factors. First, I suggest it is overly optimistic to expect one permanent new job for each $10,000 capital investment. A more realistic figure would be $20,000, so the number of new jobs created would be reduced by half.

Second, in the Budget the Government has eliminated the possibility for an individual to deduct his capital losses from his general income. This strongly increases the risk associated with investment in a small business. This increased risk incurred by the investor will probably limit considerably the positive spin-offs expected because of the increase in after-tax profits from the investments.

Third, Mr. Speaker, as I have already mentioned, the bulk of capital gains comes from real estate transactions. The Budget will make this type of investment still more attractive, compared with a risk capital investment. We should therefore witness a major exodus of capital toward the real estate industry at the expense of industrial and commercial ventures. After several months, we can witness the impact of that on the market, because it is very easy nowadays to buy an apartment building. So far, the Budget has favoured speculation but not increased small business investments, which foster job creation.

Now, Mr. Speaker, I should like to deal briefly with the registered retirement saving plans. The second aspect of the PC strategy in the area of job creation and investment is based on channelling part of retirement plan funds into small businesses.

In a document published at the same time as Budget 1985, the Minister of State for Small Businesses (Mr. Bissonnette) supported the idea that some $20 billion could be used to

invest in small businesses, inview of the fact that the RRSPs and the Registered Retirement Savings Funds account together for a capital pool of some $40 billion. In this document, the PC Government claims that since a total of $160 billion is now accumulated in pension funds, up to $11 billion could be invested in small businesses. An objective analysis of these two investment vehicles will show that the figures put forward by the PC Government are clearly unrealistic and even fallacious.

The Budget would like to encourage RRSP contributors to invest up to 50 per cent of their funds in shares of private Canadian corporations. RRSP contributors, however, must have no connection with the firms in which they would like to invest or with their owners. They can invest directly in small businesses, but not in small businesses belonging to themselves, their relatives or business relations. The provisions concerning arm-length investments are extremely rigid and restricting.

Mr. Speaker, how can anyone suggest that a Canadian investor will be willing to invest in a small business which relies only on the owner himself? There are no board members. The investor cannot rely on five-year financial statements, but only on the ability of one person.

• (1540)

That is the reality; that is what a small business represents.

Mr. Speaker, instead of helping such people by saying "Go and get some capital, use your own pension fund and take 50 per cent to invest", the Government says: "No, you cannot touch it." The Government is willing to trust investors and to say: "There is no limit as far as capital gains are concerned; you can even sell a property in Florida or Italy without paying any capital gains tax." However, when it comes to small businesses, it is not the same story. The Government has to put a stop to it because everyone could take advantage of this provision. Such is the climate of confidence which this Conservative Government is trying to create.

The studies on the creation of businesses in Canada and the United States clearly show that the major sources of financing for small businesses are the businessman himself, his family, his friends and his business relations. Indeed, that is quite normal and understandable. Access to small businesses is always very limited for the investor. Very often, the investor can only rely on his own evaluation of the integrity of the businessman based on his background and on the business contacts the investor has already had with him.

By systematically eliminating the possibility for the businessman himself, his family and business relations to invest in a company, the Government is flying in the face of a basic concept in the development of small businesses.

In addition, it must be pointed out that the benefits related to the investment of RRSP funds in small businesses are considerably reduced and probably eliminated by the capital gains exemption.

The capital gains produced by an RRSP are fully taxable. Even though the taxes due are different in the case of an RRSP, it would be surprising if an investor chose to pay taxes later rather than take advantage of the lifetime capital gains exemption. This exemption will therefore incite the average investor to invest in instruments which will provide non-taxable capital gains, that is gains from other sources than RRSPs. Such an investor will have every advantage in limiting his investments in RRSPs and instruments which will produce an assured annual income in the form of interests or dividends rather than capital gains.

Mr. Speaker, not only are we far from the $20 billion in investments forecast, but in practice, we shall probably see a major outflow of funds since investments in businesseswill no longer be attractive for investors in RRSPs.

Once again, the Conservative Government has chosen to put the emphasis on a program doomed to failure, but with effects that are rather counterproductive because of a bad overall economic strategy.

Mr. Speaker, I am happy that my colleague who spoke a few moments ago has come back. He referred to capital gains for farmers. We have nothing against that. We are for it. And even where small businesses are concerned, we have nothing against the extension of capital gains—

**Some Hon. Members:** Hear, hear!

**Mr. Gagliano:** Wait, you will learn something.

Conservatives are like that. Just like in the Muppet Show. One gets up and all the others applaud without knowing why. Wait, you will see what I mean.

We are not against the exemption for capital gains, providing they are invested in the job-generating economic sector. You want to reduce the deficit, but you are giving money away with the other hand, without making sure that jobs are created. That is what it is all about!

If the capital gains exemption is to create jobs, why not have restrictions requiring re-investment in Canadian business to create jobs? But no, you give it to all and sundry. That is the Conservative philosophy you were attempting to describe earlier. Well, here it is: What you give to the rich you take from the poor.

**Mr. Deputy Speaker:** Order! Questions and comments? I now recognize the Hon. Member for Megantic-Compton-Stanstead (Mr. Gérin).

**Mr. Gérin:** Mr. Speaker, it is better to be deaf than to have to listen to such nonsense.

**Mr. Deputy Speaker:** Order. We are resuming debate. I recognize the Hon. Member for Richelieu (Mr. Plamondon).

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, thank you for giving me an opportunity to speak to what I see as the most important matter facing this country today, and I refer to the rebuilding of our economy, a process we started as soon as we came to power in September 1984. All economic indicators show that what we have done up to now has been positive, and thanks to the removal of bandaid policies, all Canadians can already look to a better and, especially, far more satisfying future for our young people.

Mr. Speaker, Bill C-84, an Act to Amend the Income Tax Act, which is part of a series of Bills to enact the tax measures and other proposals announced in the May Budget, this Bill is one of the key instruments of the concept of rebuilding an economy devastated as a result of the irresponsibility of the previous Government. This Bill contains measures inspired by the principles of social justice and equity for all.

Mr. Speaker, this Bill contains draconian measures that will affect people with high incomes and our large financial institutions. It contains measures that the New-Liberal-Democratic Government of the past was always afraid to take, since despite their socialistic vocabulary, they served the interests of the far Right.

Mr. Speaker, this Bill shows, whatever the Official Opposition's irresponsible rhetoric may conclude, that our Government is acting in the interests of the needy and the middle class in this country. It is acting in an almost revolutionary spirit, as revolutionary as the actions, if not the words, of the previous government were reactionary and synonymous with stagnation.

Mr. Speaker, at this point, for the benefit of Canadians, I want to recapitulate what Bill C-84 has to offer this country.

First of all, the capital gains tax exemption. The Budget is proposing an important measure aimed at promoting risk-taking and investment in small and large businesses, and to help farmers—my colleague mentioned this point earlier—by offering a cumulative capital gains exemption of up to $500,000 during the lifetime of the taxpayer. This change will be an incentive to Canadians to set up new businesses and help small businesses expand.

The second element of this Bill which has hardly been mentioned in the debate until now is the labour-sponsored venture capital fund whose model was first established in Quebec with the co-operation of the union led by Mr. Laberge. Incidentally, the Thibault plant in my riding was able to use a $750,000 investment from that fund—three-quarters of a million dollars—to create 70 jobs and expand its operations, it now has 190 workers on the payroll. Most of those funds came from company workers. A new tax credit has been proposed to encourage long-term investment by individuals in labour-sponsored venture capital organizations set up within a province to maintain or create jobs and stimulate the economy.

The proposed federal tax credit applies to shares purchased by individuals after May 23, 1985. It will be equal to either 20 per cent of the cost of the shares, or the amount required to bring the combined federal and provincial credits to 40 per cent of the shares, whichever is less. That is a new initiative which will enable workers to earn a share of company profits.

Then there are investments, pensions plans and other retirement income plans in small businesses.

• (1550)

The Bill proposes a number of other measures to help small- and medium-sized businesses obtain investment capital through pension funds. First of all, RRSPs and other similar plans will be allowed to buy shares of Canadian-controlled private corporations that are at arm's length from the plan beneficiary.

Second, registered pension plans will be allowed to set up special corporations for tax-exempted investments in small businesses in order to encourage the purchase of shares of small businesses.

Third, pension funds and other deferred income plans will have more flexibility to invest in these limited partnership corporations specializing in small business investments due to the fact that these investments will no longer be consolidated with foreign assets in the computation of the total portfolio-limiting ceiling.

Fourth, pension plans will be authorized to invest three dollars in foreign businesses for every dollar they invest in small Canadian businesses. This way, they will be able to diversify their portfolios easily and create a great many jobs.

The Bill refers also to housing funds. The Budgets proposes to exempt from tax a number of benefits, including low-cost or no-interest loans which employees may obtain from their employers when they must relocate to keep their jobs or take up new positions. This measure will favour workers' mobility and will reflect the fact that housing loans represent for employers a good way to compensate their staff who must move to an area where the cost of living is higher.

This reform Budget deals also with research and development. The tax credits obtained by a small business on the first $2 million spent in research and development current expense will be reimbursed fully, instead of just 40 per cent as is the case now. Other changes will help eliminate the restrictions applicable to the research and development activities which open entitlement to fiscal incentives.

The Budget proposes to make fully refundable the credit accrued to small Canadian-controlled private corporations in respect of current research and development expenditures. The refundable part of the credit unused by these companies is now limited to 40 per cent, as I said earlier. Under the present

provisions, the balance of the unused tax credit may be carried over a maximum of seven years. The new proposal will enable a taxpayer to use all of the earned credit, either to reduce his income tax or to get a refund. That provision will have no expiry date and will apply to eligible expenses incurred after May 23, 1985, as for the other provisions.

Let me now refer to the small business bond, another initiative proposed in this legislation. The bond program will enable farmers and small businesses facing financial difficulty to secure loans at reduced interest rates. The Budget proposed to extend the program for another two years, and to extend it to that type of bonds that will be issued before the end of 1987. The initial expiry date was to be the end of 1985. Another budget proposal would allow farmers and small businesses still tied up with loans obtained under the SMB and the previous small business development bond program, which was in force in 1980 and in 1981, to refinance their loans when falling due if they are facing financial difficulties at the time of refinancing.

Let me also refer to the investment tax credit. That special tax credit, amounting to 50 per cent of manufacturing investments in designated areas, which was introduced in 1980 for a five-year period, was due to expire at the end of 1985. The Budget proposed to extend that special credit until December 1986. It was further proposed that expenses in respect of projects that are not completed by the end of 1986 also provide entitlement to that tax credit. Buildings under construction at the end of 1986 and machinery and equipment ordered in writing before 1986 also will provide entitlement to the credit.

Let me now refer to family support. There has been much talk about it, often in a negative way. But the positive sides are much greater. The child benefit system—that is the family allowances, the child tax credit and the dependent child deductions—is undergoing various changes to provide greater help to lower income families, while reducing benefits now received by higher income families.

The child tax credit, of which my colleague for Champlain (Mr. Champagne) spoke so eloquently yesterday, will increase by $70 in the 1986 taxation year and by $35 in 1987 and 1988. The level of income over which the child tax credit will begin to decrease will be brought down from $26,330 to $23,500.

There is also a point about which little has been said, namely the help provided for the handicapped. In 1985, a $2,590 deduction from taxable income is provided for the handicapped, who are now defined as people suffering from blindness at some time during the year or people who must stay in bed or in a wheel-chair for a considerable part of the day.

Approximately 185,000 people should benefit from this extended definition compared with the 65,000 who now claim such a deduction.

Let us talk about the investment tax credit. Bill C-84 reduces the credit when the taxpayer receives a refund or investment assistance from the public sector or other taxpayers, restricts the possibility of using investment tax credits when there is a change of control, and redefines the classes of share issues which can be used to transfer to outside share investor the unused investment tax credits.

Let us talk about the approach to income generally. The rules governing the distribution of income among members of a same family will be made more stringent to prevent tax avoidance through low interest loans.

Mr. Speaker, I am enthusiastic about all these proposals contained in Bill C-84 and I must say that, in my opinion, our Government is acting as a responsible Government, as a Government which has the interests of Canadians at heart, as a Government which keeps its election promises and which will see to it that our Canadian economy is renewed and continues to develop as all known economic indicators show is now happening.

**Mr. Deputy Speaker:** Are there any questions or comments?

[*English*]

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, it is fascinating to follow the intervention of a Progressive Conservative Member of Parliament, because one wonders why no reference was made by him to some aspects of Bill C-84 about which his constituents should hear from him and about which I suspect his constituents would be very interested in being kept informed. Why, for instance, was there no reference by that Hon. Member to that aspect of the Bill which eliminates the Registered Home Ownership Savings Plan? In his riding and in the ridings of each so-called Progressive Conservative Member of Parliament there are young people who would like to know why the present Government has decided to abolish, through this Bill flowing from the Budget, that very important program. There are young Canadians who want to save in order to buy houses. The Liberal Government instituted the program to facilitate the savings of young couples and to facilitate their ability to purchase houses. Why was this measure abolished, and why was there no mention in the speeches made by preceding Members of the Progressive Conservative Party? I see it is four o'clock.

• (1600)

**Mr. Deputy Speaker:** I regret to interrupt the speech of the Hon. Member. The Hon. Member will have the floor the next time this matter is debated in the House. It being four o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

# PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

## CRIMINAL CODE

### AMENDMENT RESPECTING LEGAL COUNSEL FOR UNBORN CHILD

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso)** moved that Bill C-254, an Act to amend the Criminal Code (legal counsel for unborn child) be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am honoured to speak to Bill C-254, an Act to amend the Criminal Code to provide legal counsel for unborn children. It is regrettable that we must debate this Bill and that existing provisions of the Criminal Code are being abused and ignored. At present Section 251 of the Criminal Code purports to protect the unborn children in this country. It purports to balance competing rights. Just what does Section 251 of the Criminal Code require? Section 251 of the Criminal Code requires that before the life of an unborn child can be terminated legally in this coumtry, people appointed by the Board of the medical institution must evaluate an application put forward by a Canadian who wishes to terminate the pregnancy or the life of the unborn Canadian.

The process requires that these medical people decide whether the health or life of the mother is jeopardized by continuing the pregnancy. That is what Section 251 of the Criminal Code requires of the medical profession in this country. Section 251 requires this because in this country it is not legal to terminate the lives of unborn children on one's sole desire without any grounds whatsoever. The Code requires the doctors to make a decision based on medical evidence.

It sounds very good, but in practice we have a situation in hospitals from the east coast to the west coast where doctors gather routinely for perhaps one half hour or an hour each week and over this period of time, these medical people decide whether the lives of 60 or perhaps 100 unborn Canadians should be terminated.

**Some Hon. Members:** Shame!

**Mr. O'Neil:** The unborn child will be very fortunate if his case or her case is given more than 60 seconds of consideration by the people in this country who have the responsibility to decide whether that life shall end or shall continue. That is the practice, and in my view that is illegal. The practice is outside the spirit and the legal requirements of the Criminal Code. We have a situation in this country where many people have decided to turn a blind eye to the strict requirements of the Criminal Code and to allow this flagrant abuse of the rights of unborn children to continue. The question is what can be done about this abuse? Many would say that we should repeal Section 251 altogether, and perhaps that is not a bad idea in some cases. Another idea is to make an amendment to the Criminal Code which is consistent with the spirit and the design of that Section which was designed to provide a judicial or quasi-judicial environment in which the rights of the unborn child would be protected. It is obvious that at the present time when these hearings occur that there is no spokesperson for the unborn Canadian, that the process has become one of rubber-stamping.

It is for this reason that I have introduced Bill C-254, an Act to amend the Criminal Code, that would require the presence of legal counsel for unborn children, legal counsel who would work to ensure that the rights and representations of the unborn Canadian are made. When I advance this concept I am not advancing something which is revolutionary. Section 251, as I said earlier, is a recognition of the rights of unborn Canadians. Abortion is illegal in this country, in general terms, and legal only in certain exceptional cases, because we as a society have recognized the rights of unborn children to continue.

This is consistent with the rights of unborn Canadians as protected by the Canadian Bill of Rights, which in Part I(*a*) states that "(*a*) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;" must be protected in Canada.

That is a guiding principle of our society, and a guiding principle of our judiciary system. In this case is being flagrantly abused. Similarly, Section 197 of the Criminal Code is very interesting because it imposes a legal duty on everyone as a parent, foster parent, guardian or head of a family to provide the necessities of life for a child under the age of 16 years. An unborn child is a child, by definition, and it is under 16 years of age. There are very similar sections in the Criminal Code in which we recognize the rights of unborn Canadians.

There are protections in an area of law known as tort law whereby an unborn child can sue, for example, after birth for injuries and wrongs that were inflicted upon it prior to its birth. These protections are well recognized in our body of law. Therefore, when I advocate that the unborn child has in fact certain rights that must be protected, I am simply outlining what is part of our body of common and codified law today.

The unborn child has certain rights and protection with respect to the inheritance of property. Those are well recognized and outlined in various court judgments. I found it quite interesting two years ago to read in *The Globe and Mail* a front page story in which a Family Court Judge acting under child welfare legislation held that a foetus deserved the shield of the law. That was a decision by a Family Court Judge in Kenora. He ruled that a foetus, or an unborn child, was abused because its mother refused to stop her excessive drinking during the pregnancy and the unborn child was in need of protection under child welfare law.

It is well recognized that an unborn child is something special in our society and has life. We live in an era when the knowledge of unborn life, the biological reality is becoming even more known to all Canadians. It is being taught at elementary and high school levels and the biological details of life are well known and widely accepted. I have here an issue of *Newsweek* magazine of January 11, 1982. The cover story is

"How Life Begins Biology's New Frontier". In this article, which is in a popular magazine, the author's outline states biological information which is revolutionary in our day. For example it portrays that at three weeks the heart of an unborn child beats and the brain begins to develop. At four weeks limb buds appear. At five weeks the brain has divided into three parts and limbs to grow. This is just some indication of the biological reality. It is for that reason that we are in a better position than any of our predecessors to express an informed view on this question of life. There are those who say that this is not life and that we must treat the unborn child as if he or she were nothing more than a fingernail.

• (1610)

As I sat in the Chamber yesterday, I found it quite interesting to hear from other Members their views on the value of children on our society and on the value of family life. I will repeat for Hon. Members who are here today and for the record some quite interesting comments that were made yesterday. I am reading from page 9855 of *Hansard*:

> They have refused to listen despite the sense that any civilized society has that children are a common concern, a common responsibility and a responsibility which all of us in society have to defend.

That, Mr. Speaker, is a position which I wholeheartedly endorse. It goes on:

> Any society deserves to give such children full respect—
>
> Mr. Speaker, this debate deals with justice . . . We want a society where the children are the pride of their country.

I agree. Those comments were made by the Hon. Member for Essex-Windsor (Mr. Langdon), a member of the New Democratic Party, just yesterday in this Chamber. As well, I would like to turn to some comments made by the Hon. Member for Mount Royal (Mrs. Finestone), a member of the Liberal Party. She had this to say on the debate that took place yesterday in the Chamber, as reported at page 9859 of *Hansard*:

> The family allowance confirms the value of child rearing to society at large. It is the sole, consistent economic recognition of the contribution of all mothers in our society.

I agree with that, but the recognition of the value of the child must begin with the life of the child. It is widely accepted today that life begins well before birth and that what happens at birth is that the child emerges into a new context. It is well recognized that the rights of unborn Canadians do exist quite apart from the abortion issue.

I know some of my colleagues would like to register their support for this initiative. In conclusion, I would like to say that what I have presented to the House today is an opportunity to ensure that the widespread practices in hospitals across the country, the widespread violations of the Criminal Code, come to an end. I am asking the House to bring the law in line with the biological reality as we know it.

I have reviewed for the House the protections granted by Section 251 of the Criminal Code, the so-called abortion Section. That Section of the Criminal Code sets up a regime designed to protect the rights of unborn children. Our law makers and enforcers have allowed society to turn a blind eye to the abuse that is taking place. These offences that are occurring across the country in our hospitals are criminal offences and it is time that we moved to ensure that the practices in this country reflects the law in this country.

**Mr. Jim Jepson (London East):** Mr. Speaker, first I would like to congratulate the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) for sponsoring a very good piece of legislation. Bill C-254 was, I am sure, inspired by a sense of indignation at the widespread increase in the abortion rate. Our discussion today will provide another chapter to the long history of the abortion debate in this House.

This Bill represents a great opportunity for agreement within the House. It will have the effect of guaranteeing the presence of legal representation for the unborn child at the therapeutic abortion committee that would pass judgment on the mother's intention to have an abortion. This is not a new idea. Under our legal system, people accused of crimes have always enjoyed a fundamental right to the advice and counsel of a lawyer to support their defence when standing for trial. This is one of the basic elements of the principles of fundamental justice that are enshrined in our Constitution.

Although the right to counsel is a fundamental right, its application is somewhat inconsistent. In Canada, this right has never been withheld from an accused person. However, thousands of unborn children who are not accused but innocent are tried, sentenced and executed every day without the right to counsel.

In my mind, there is no greater contradiction within our system of justice than that, while civil libertarians are doing everything to extend the rights of criminals, the rights of totally innocent Canadians are so neglected. I still cannot understand why some people uphold the death penalty for innocent, unborn children while proclaiming that they stand for the sanctity of life.

Extending the right to counsel to unborn children is the type of proposal the House should support unanimously. In doing so, we would not be guilty of so many of the so-called offences that prevent action on the question of abortion. We would not be legislating morality. The effect of this Bill would be to improve the quality of whatever decision is made by a mother, her doctor and the therapeutic abortion committee.

Decisions are made by weighing information and choosing between alternatives. This Bill would allow the unborn child's legal counsel to present to the committee information about the child's interests. What is to be gained by excluding certain information pertaining to a child's best interests from a decision relating to the pregnancy? The only reason that could exist for not wanting that information presented is the fear that it might influence the mother, perhaps even traumatically, so that she would change her mind. However, is that not the best possible reason for gathering information before a decision is made? This information is so important precisely because it might make a woman think twice about an abortion and it might save the life of her child.

Even radical pro-choice people should be happy when a woman decides not to have an abortion but to keep her baby. They often seem to think that every decision to have an abortion was the best possible choice. I would be delighted to hear someone who is pro-choice say just once that in one case the person had heard about, the decision to have an abortion was a mistake. I think this would be a breakthrough.

It would be my hope that the legal counsel acting on behalf of the unborn child present at the therapeutic abortion committee could at least make the case that the unborn child has a right to life. He would be able to describe, depending upon the stage of pregnancy, the development of hands, feet, a face, hair or fingernails. He might describe the movements of the child, its weight and the fact that its heart had already started to beat. He might bring up the point about the thousands of Canadian families that would welcome the baby with love into their own homes, bearing in mind that in Ontario, there is a five-year waiting periof for those who wish to adopt. He might suggest to the mother the joy she would receive from keeping the baby herself.

Finally, legal counsel for the baby might indicate what would happen to the child if the decision to have an abortion were followed through with. He might describe how the baby's body is cut to pieces by a sharp scraper when the D and C technique is used or how it is pulled apart by a powerful suction tube during a suction abortion. As well, there is the hypernatremic abortion in which the baby is poisoned, its skin is burned by a powerful salt solution and some days later, after suffering, expelled. The legal counsel might inform the mother for the first time that the child was facing a painful and lingering death. I think a mother would want to know that and should know that. I also think that there is a good chance that it would change her mind about having an abortion.

A woman does not always have access to all of this information and particularly to the good things about childbirth and the bad things about abortion. The idea of extending civil and human rights to unborn children is not a new one. In fact, apart from the right to life and to the due process of law, unborn children, in many legal respects, are fully recognized as persons.

● (1620)

The question of when life begins, I believe, is at conception. Medical science can identify when each process that is essential to life, such as the functioning of the heart and other organs, begins. However, there is a necessity to incorporate some definition of life into a society's system of laws. In order to charge someone with murder one has to spell out exactly what the life is that one is accused of ending. If everyone agreed that life began at conception, then people such as Dr. Henry Morgentaler could be found guilty of murder.

In our system of laws there are many indications that our society fully recognizes unborn children as legal persons, fully entitled to the protection we all enjoy under the Charter of Rights and Freedoms. Common law relating to property generally recognizes the unborn child as a person. A child can be the benefactor of an estate left to him or her in a will. Counsel acting on behalf of an unborn child can petition the courts for inclusion of the unborn child in a will that leaves an estate to other children in the family. This even holds if those other children are identified explicitly by name and the unborn child is not mentioned.

There is an implicit common law contract recognized in the right of an infant to the necessities of life. Similar protection is extended to an unborn child, if the mother has an intention to continue with her pregnancy.

Our legal system also provides in other ways for unborn children. They are given the status of persons and can be eligible for benefits under workers' compensation and accident benefits legislation. This indicates to me that not only does society recognize the fact that unborn children have their own interests, but that we also have an interest in the welfare of unborn children.

Unborn children also have rights to receive compensation for criminal injuries. If a pregnant women is injured through violence or negligence on the part of someone else, and the unborn child suffers as well, then they have an equally well grounded legal entitlement. The contradiction of this arrangement is the fact that if a child dies before it is born, then its rights as a person cannot be represented or defended.

Unborn children, then, are protected by most rights except for the right to life itself, which is the most fundamentally important one as far as our society is concerned. Even the Criminal Code sections related to abortion seem to recognize that the unborn child is valued by society. Under our laws abortion is an indictable criminal offence for both the mother and the doctor, if they do not follow the required procedure with a therapeutic abortion committee. Unfortunately, the law also provides two massive loopholes. One is the role of therapeutic abortion committees, which provide nothing more than a rubber-stamping process, in a great many instances. The other loophole is being tragically exploited in Ontario. Dr. Morgentaler is allowed to continued the operation of his abortion clinic in outright defiance of the law because it is not being enforced. This is something upon which I strongly urge the Government of Ontario to take proper action.

However, it is important to note that one can receive an abortion by going around the law. The law itself still forbids abortions in most cases. This is because the law recognizes that unborn children are entitled to protection of the law to the same extent as the rest of Canadians. It is for exactly this reason that I ask the House today to take the step which would guarantee the right to counsel for unborn children. It is not a big step, but it is a step in the right direction. If we do not take this step it is because we have fallen into a trap which has been seen again and again throughout history. I am speaking of the exploitation of the weak by the powerful. The extent to which we are civilized and human is the measure by which the weak enjoy the protection of our society.

One opponent of abortion described the problem like this:

Slavery, witch-hunts, and wars have all been justified by their perpetrators on the ground that they thought their victims to be less than fully human.

Abortion has claimed more lives than slavery, witch-hunts, and wars put together. In Canada, over the last 15 years, there have been close to one million deaths due to abortion. If one were to add up the deaths caused by drowning, car accidents, and warfare over the last 50 years, one would see that the figure comes to about one-third of that for abortions.

I find it ironic that in a day and age when we spend billions of dollars on medical research to save lives at the same time we allow the killing of healthy baby boys and girls. We have hospitals which on one floor are exercising all the medical research and expertise possible to save lives while on another floor of the same hospital hundreds and thousands of unborn children are being killed. It is time our society lived up to its responsibility and that we as legislators acted in the name of justice and human dignity instead of expedience, opportunism and convenience.

The Bill before us today is an example of the type of Bill which I think all Members of the House can and should support. It is unique in the respect that it represents some substantial progress regarding the tragedy our country faces over the abortion issue. I hope that we will all consider giving this Bill our full support today.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I do not know that I can say that I am pleased to be standing today in my place to take part in this debate since it seems to me that every two or three weeks we seem to be debating the same issue. It is a very important question. However, it is a question on which I believe it would be hard for this House to reach a consensus. As well, I believe there is really no full consensus on the issue in Canada today.

In preparation for the debate today I looked not only at the Bill but at the explanatory note. I read Section 251 of the Criminal Code as it stands at the present time. I wish to read part of that section into the record for those who may not be aware of it. Section 251(1) states:

> Every one who, with intent to procure the miscarriage of a female person, whether or not she is pregnant, uses any means for the purpose of carrying out his intention is guilty of an indictable offence and is liable to imprisonment for life.

Section 251(2) states:

> Every female person who, being pregnant, with intent to procure her own miscarriage, uses any means or permits any means to be used for the purpose of carrying out her intentions is guilty of an indictable offence and is liable to imprisonment for two years.

The section goes on to qualify what some of the terms mean and it then states certain exceptions, such as the case of a therapeutic abortion committee at an accredited or approved hospital.

It seems to me that one whole section has been left out. I say this with not a great deal of seriousness. However, it does point out something which I am sure male Members of the House might like to consider. If the Bill is referred to a committee I wonder if the Member who proposed the Bill would consider another amendment to the Criminal Code which would state the following:

*Criminal Code*

> Every person who impregnates a woman with male sperm causing her to be pregnant against her will is guilty of an indictable offence and is liable to imprisonment for life.

● (1630)

It seems to me that makes just as much sense as some of the things we already have in the Criminal Code. Perhaps this kind of amendment would cause people to consider, first, who causes unwanted pregnancies. That brings us to the question before us today; who causes the unwanted pregnancies? It is pretty evident that without the male sperm there would be no pregnancy, therefore, the man in each case has a very major responsibility. Second, who makes the very difficult and painful decision as what should or should not be done about an unwanted pregnancy? I think the answer is perfectly clear, certainly to the women in this House. It is the woman who is going to have to deal with this very painful decision and no one can tell me that any woman faced with an unwanted pregnancy will not face a very, very painful decision, particularly if she decides that she has no alternative but to consider abortion.

Finally, who is faced with the responsibility of rearing a child if the pregnancy is continued and who often is left alone without resources to rear that child? There again, we know that it is the woman who is responsible for this and we have a lot of statistics to show that most of those women do not have adequate finances. I believe some of the witnesses to the divorce Bill hearings would substantiate the fact that these women do not have adequate support and certainly increasing numbers of women are left alone with the responsibility of their children with no support whatsoever. I would say, particularly to the male Members of this House, that it is indeed a very serious and difficult emotional question which faces women who have been made pregnant and who are forced to consider what they should do in the case of an unwanted pregnancy.

We in this House have very different points of view—and it is easy to get very uptight about this. I do myself—so it is very important that we look at the various areas on which perhaps we can agree. The whole question of abortion is fraught with emotion on all sides. We know this. I would hope we can learn somehow to respect our different points of view and perhaps not discuss it when we know there is absolutely no potential for reasonable communication. I also hope that we can agree that no woman really wants an abortion and those women who are driven to seek one usually do so because they have little or no alternative. I do not think any feminist group advocates abortion as a method of birth control. That argument is *passé*. I do not know of any feminists, including myself, who feel that abortion is a positive thing. It is not. No one really favours abortion. However, women, particularly young women, poor women and women under a lot of stress, really have no other alternative when they are left in a pregnant state. They are unable to care for their child and they have no other alternative. It is a desperate situation in which a woman finds herself and so very often they are alone. I do not feel we give enough consideration to this point.

I also hope that we in this House can agree that it would be far better to put our efforts into prevention. Surely we can work together on that even though we might have different philosophies about the whole question of choice of abortion. I would hope we could somehow work together to develop programs and to work with the Ministers responsible so that we could have far more research into adequate methods of contraception. I feel we should have much greater research into contraception as it applies to men. I feel this whole area has been neglected. We know there are many, many cases where the pill and other methods of contraception have had very negative side effects. We must find more effective methods of contraception. I hope that all of us in this House agree that it is far better, far more humane and far more important to prevent unwanted pregnancies than for a woman to be faced with the situation of having to consider an abortion.

Men have a great responsibility in this area and they are not assuming their responsibility. I would say that many of the supporters of this Bill which is before the House are probably not doing their part to ensure that we are putting all of our efforts into prevention. I hope that we can agree to put much more research into contraceptive methods as well as, of course, education, particularly for young people. Many parents need help because they are not comfortable discussing matters of sexuality, family planning and birth control methods. I hope as well that we can agree that despite our very different and strong emotional and personal views on the question of abortion that we, as Members of Parliament do not have the right to use our position as elected Members of Parliament to introduce laws which would arbitrarily impose our views on others. We must be very careful in the way we exercise the power we have. It is not up to me to force a woman to have an abortion or to say she cannot have an abortion when she is pregnant. It is not up to me to say. It is not up to me to bring in laws which are going to force a woman to go to a back street abortionist because we are restricting access to a safe medical procedure. It is up to the woman. It is an individual matter. It is not up to us to tell that woman and her doctor what should be done in an individual case.

Professor Charles Kelbey, a law professor, I believe, said in an article in *Newsweek* that when highly emotionally charged issues have to be resolved in law, it is far better to come down on the side of freedom than on the side of prohibition. Therefore, I would say to my colleagues that I respect their vies. I know many of their views are different from mine and mine are different from theirs and I believe we must respect each other's views. We surely have no right to impose our views on another person. I think the whole question of choice is important. It is not pro-abortion to be in favour of choice. None of us, I hope, are pro-abortion. We in this Party cannot support this Bill. It would appear that the intent is to further complicate procedures and make it more difficult for women to have access to safe medical abortions. Access to abortions is already far too restricted. I am not going to get into the whole question of when life begins because I believe that is something which will always be a personal and philosophical view and we could argue forever and not agree on that. I agree with my friend that the present law is not being carried out because access to abortion is far too restricted. There are very few hospitals in maritime, northern or rural communities, for example, where women have any choice at all. The present law requires, as we know, that a woman present her case before a therapeutic abortion committee of at least three doctors in an accredited or approved hospital. I know in my province of British Columbia, there are a number of hospitals which no longer have therapeutic committees. This is making it more difficult for women. My doctor tells me that many women from Victoria, for example, have no access and are going to the U.S. as a result. That is the only choice they have.

● (1640)

I have no facts to substantiate this but I would hazard a guess that the fact there is no access to abortions is not stopping unwanted pregnancies. What are women doing? I am sure they are taking illegal steps to have abortions. Is that what Members want? Do they want women to die? That seems to me to be the final outcome of this kind of restrictive philosophy which does not leave the matter to individual choice.

Approximately 75 per cent of our hospitals do not have therapeutic abortion committees and therefore do not offer the service to their surrounding areas. I received letters last year from the Canadian Medical Association which feels there should be some reconsideration of the concept of a committee because it gets very complex. They feel it should be really more of a medical decision. However, there should be therapeutic abortion committees in accredited hospitals and they should be available in all regions of Canada. It does not make sense to have this provision in our law and then not have the service available in certain communities.

With all due respect to my friend who brings this Bill forward, I wonder if he is aware of some of the following facts. First, making abortions more difficult to obtain will not cut back on the number of women who are seeking and obtaining abortions. It will not stop them. The only thing that will stop unwanted pregnancies and abortions is prevention. Let's get together and start working on more prevention.

Another fact is that if there is no access to abortions, these women will simply go back to obtaining unsafe abortions where they may die or be maimed for life. That is what the situation used to be like. If they are wealthy, of course, the wives and perhaps the daughters or partners of Members of Parliament and people with that kind of a salary, what are they going to do? They are probably going to go across the line to states which have easy access to abortions, or they are going to go to private medical care of some kind. What if you are a poor woman or adolescent girl? There are girls 14, 15 and 16 pregnant now and if we carry through with this philosophy we will be forcing them to go ahead and have babies. This will be destructive to both the child and the young mothers.

I deplore the fact that this is happening just as much as other Members. However, the fact is that in countries where

abortions are illegal, women continue to need and get abortions. There have been unwanted pregnancies throughout history. We have heard stories of women who used a hot bath and a bottle of gin to get rid of an unwanted pregnancy. It is going to happen no matter what policy we have concerning access to abortion. What we need is prevention. I ask Members, regardless of their views on our present Criminal Code, to give much more emphasis to prevention. That is what we need.

What of women who live far from centres where these services are available? If they cannot afford to travel or to have other children in the family looked after while they are gone, or whatever the reason is, they simply become prime targets for back room butchers or unsafe abortion methods. There are long delays which are difficult for both the woman and her doctor because they do not have adequate access and as a result the pregnancy often goes on too long.

I have many, many other points I would like to make and I am sure that since this matter keeps coming up again and again I will have further opportunities to make them. However, I implore my fellow Members to think about this. It is very tempting, because of our gut emotions, to polarize this situation. I feel as strongly as anyone about this issue, but I wish we could work together on the positive things that we can agree on. Let us really work together to try and make sure that there is adequate family planning, information and services available. Instead of cutting back on planned parenthood we should be supporting the Minister of National Health and Welfare (Mr. Epp) in obtaining more money for more adequate research and programs which are targeted to young adolescents to help them deal with their sexuality and avoid situations which will ruin their lives. We should have family planning in every community. I would certainly hope that we could all work together on all methods of family planning.

I was in Nairobi, Kenya, this summer, along with some other Members and the Minister responsible for the Status of Women (Mr. McLean). I can tell the House that the number one issue in Third World countries is that of over-population and family planning. We have to deal with this constructively, both internationally and here at home.

**Mr. John Reimer (Kitchener):** Mr. Speaker, I would like to begin by commending the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) for the Bill he has placed before us today. It was a new concept for me when I first read it, yet I think it has real merit. I would like to see the Bill go to committee so that we could discuss it more fully. We could call witnesses and fully deal with this concept and the issue of abortion itself. I would also commend the Hon. Member for London East (Mr. Jepson) for his comments. I think they were very well expressed and well taken.

The Hon. Member for Vancouver East (Ms. Mitchell) said that she did not like the fact every three or four weeks she had to get up to respond to something like this, to in essence say no to the request being made by a Member. The fact that it is coming up so often is very significant. I encourage the Hon. Member to do what she would do on many other topics. If we constantly raise the question, say, of pensions or family allowances, she would certainly like us to look at that very seriously. Well, here is an issue which keeps coming up. Let us address it equally seriously and make sure we can take this Bill to committee and fully investigate all the facts surrounding the Bill. I ask for a little consistency from the Member in the way in which she addresses this Bill. Rather than complaining that the issue keeps coming up so often, let us deal with the fact that it does and start addressing it properly.

As I said, this Bill represents a novel concept where we would have someone present at an abortion committee hearing who would speak for the unborn. That is an excellent concept. I am not sure how it would work in our abortion clinics across the land. It is my understanding that abortion clinics do not have these therapeutic committees, but that is something we could deal with in our committee. I still believe we should take it to committee to be explored. It is an excellent concept which we should examine.

• (1650)

If I recall correctly, the Member for Vancouver East said that we should not force on others our morality and views about some of the issues which we as individuals hold very dear. While I can understand some of her argument, I have studied this topic at length. I was a member of a hospital board for several years in Kitchener-Waterloo. I recall that when we studied this topic at the Kitchener-Waterloo hospital board we spent over a year using the medical expertise that was available to us. In spite of the fact that we were only carrying out about 40 per cent to 50 per cent of the abortion requests coming to the hospital, and therefore taking quite a narrow application of the law, we found that our therapeutic abortion committee was approving abortions for 66 different reasons under the present law. I suggest that it was far too liberal an interpretation of the law.

We must take seriously the argument not to force our morality on others. Therefore, when it comes to the topic of abortion I suggest that we should be as thorough and objective as possible. Rather than talking about the side issues that surround this topic, and becoming involved in all the emotions that come into play, let us address the central issue: Are we dealing with a human being who should have the full protection of the law or are we not? If we are dealing with a human being, let us ensure that they have the full protection of the law. If not, let us withdraw this section from the Criminal Code and let people simply do what they wish. We must be as objective as we can.

I am particularly interested in the fact that in 1975 in West Germany the Lower House was asked to deal with that country's abortion law. Its practice is quite similar to ours today. It was cognizant of the fact that from 1933 to 1945 Germany had denied human rights to a certain segment of its population. It wanted to be very careful that it was truly a full democratic state in the true sense of the word, giving full protection of the law to all its citizens, including the unborn if that foetus was considered a person. Therefore, the question was given to the Supreme Court which called in 133 world

experts, including geneticists, obstetricians and gynaecologists. They were asked to address this question of whether or not a foetus is a human being and therefore should be accorded the full and equal protection of the law. After two weeks of considering this question this group brought in a unanimous recommendation. In answer to the question: "When does the foetus gain the civil right to life?", they answered:

> Life, in the sense of historical existence of a human individual, exists according to definite biological-physiological knowledge, in any case, from the fourteenth day after conception.

The reason they chose the fourteenth day after conception is that it is possible for the cells to divide into twins or triplets up to that point.

Their statement is remarkable because it was unanimous and specific in stating that life exists from the fourteenth day because the cells could divide into twins or triplets before that time. We should also note that this recognition of life is even before the woman knows that she is pregnant. Therefore, according to these 133 world experts, we are dealing with a human being.

I submit that if that is the evidence and we are trying to be as objective as we can, as we must, then our actions should begin to follow the facts. We would be required to do so in economic policy and we are surely required to do so in all of our social policy. Let us begin being honest about abortion policy. The abortion statistics in this country today are a travesty of justice. It is a pure refusal of people to address the facts because they do not want to be bothered. They have already made up their mind.

The House will know that Dr. Morgentaler opened a clinic in Toronto. This was challenged in the courts and he was acquitted. The Government of Ontario appealed and the acquittal was overturned. Now he is permitted to continue with his clinic in spite of that. The existence of the clinic is against the law which specifically states that abortions much be dealt with by a therapeutic abortion committee in the hospitals. Even Grade 3 children could understand that. However, we sit here in our comfortable seats and ignore that fact as if it does not matter. It is a sad commentary on Members and a sad commentary on our society.

Let us begin to be objective. This Bill asks that we at least have someone present to speak for that child. Surely that is a minimum request. This Bill is attempting to have us think and become objective again in order to be truly supportive of the weaker in our society who need the full protection of the law. The strong will look after themselves. The rich will look after themselves. Let us begin defending those who cannot defend themselves.

I urge Members to seriously think about what we are doing and pass this Bill to committee so that we can have an objective, fair and calm discussion, not addressing all the side issues but the real issue about the protection of the unborn.

**Mr. John Oostrom (Willowdale):** Mr. Speaker, I also welcome the opportunity to speak to this Bill introduced by my seatmate, the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil). The Bill before us today proposes that the unborn child be represented by legal counsel for the purposes of the therapeutic abortion committee meetings pursuant to the provisions of the Criminal Code. This would be a fundamental and welcome change to the present procedures and I would also like to see this Bill go to committee.

Today we are focusing our attention once again on a very important moral issue. In 1969, the Criminal Code was amended to provide that an abortion could lawfully be performed by a qualified medical practitioner in an accredited or approved hospital if the therapeutic abortion committee of the hospital has issued a certificate stating that in its opinion the continuation of the pregnancy would or would be likely to endanger the woman's life or health. However, the life and health of the mother are very rarely, if ever, endangered.

Many doctors are signing death warrants instead and many so-called doctors, such as Dr. Morgentaler mentioned by the Hon. Member for Kitchener (Mr. Reimer), are performing abortions in non-approved locations. This situation should be investigated. Furthermore, in some provinces the federal law is not obeyed at all. In some locations the abortions are outnumbering the live births.

In 1979, the federal Government appointed the committee on the operation of the abortion law to conduct a fact-finding study to determine whether the procedure provided in the Criminal Code for obtaining therapeutic abortions was operating equitably across Canada. This group, under the chairmanship of Robin Badgley of the University of Toronto included as other members of the committee, Dr. Marian G. Powell of the Toronto General Hospital and Montreal lawyer, Madame Denise Fortin-Caron. The committee was not asked to consider the merits of the abortion law itself or to make recommendations but I believe this should have been done at the time.

Earlier, I spoke to a Bill similar to this one. With modern technology such as imaging created by ultrasound vibrations, new medical evidence has emerged and has proven that life exists since conception.

**Mr. Speaker:** Order, please. The hour provided for the consideration of Private Members' Business has now expired. It being five o'clock, this House stands adjourned until Monday next, pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

# HOUSE OF COMMONS

**Monday, January 20, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

**Hon. Jake Epp (Minister of National Health and Welfare)** moved that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the third time and passed.

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, I have spoken on this Bill before but we on this side still have to rise to continue putting the case that we have been putting. It seems, however, that the Government is unable or unwilling to listen. There was some suggestion last week from a Conservative to my left, whose riding escapes me for the moment, that we were not taking this matter entirely seriously. Let me put that to rest first of all. We take this issue very seriously indeed. I do, particularly, coming as I do from the Province of Newfoundland.

The basic argument against this Bill is that it hits those people in Canada who can least afford the added burden, namely, the low income people. You can make all the arguments you like about the family allowance Bill *per se*, but if you add it to the other measures that have been taken that impact on low income people in various parts of Canada, it is true that they are going to be hit very hard.

The family allowance will be deindexed from 1986 onward. The child tax credit, although it will be raised to $454 per child in 1986 and thereafter, will be deindexed from 1989 onward. The child tax exemption will be reduced from $710 per child in 1986.

We talked about the tax exemption last week, Mr. Speaker. The $50 federal tax deduction is being eliminated and some families will pay $100 more in federal tax. The federal sales tax is being increased. If you add it all together, there will be a net reduction for low income people. This coming year and thereafter low income people across the country will get less money net than before as a result of Bill C-70 and the other measures taken by the Government. That is an unacceptable situation, Mr. Speaker, because of the economic situation existing in Newfoundland and in provinces like Nova Scotia, particularly in the Cape Breton area. It seems that the Government has written off the Atlantic region completely.

Let me put that in context. The Hon. Member for Mississauga South (Mr. Blenkarn), who is the Chairman of the Finance Committee, suggests that all of these measures have to be taken because the deficit has to be reduced and the fiscal house has to be put in order. He says that to take up the slack, we must put the private sector front and centre. That makes sense in theory, but not in reality.

In Newfoundland and in the Atlantic area the private sector is weaker than it is in other parts of the country. The Prime Minister (Mr. Mulroney) tells us continuously about the 300,000 or 400,000 jobs that his Government has created since coming to power, but that may or may not be true. That may or may not stand up in analysis. But the very studies to which the Prime Minister is referring that confirm, to him at least, that the Government has created 300,000 or 400,000 confirm also that only 8 per cent of those new jobs have occurred in the Atlantic area. The private sector in that area is weaker than in other parts of the country.

• (1110)

Our economy has depended upon Government intervention and government support systems of economic survival until now. The case I want to make is that we must not take away those programs, we must not cut those programs, and we must not tamper with the social security system, until such time as we have put something else in its place.

**Ms. Mitchell:** What do you mean by "until such time"? Not at all.

**Mr. Rompkey:** If the Government does that, there will be a double whammy in the Atlantic area. Not only are the new jobs not being created, but we are losing support in terms of Government programs, transfer payments and social security programs on which we have depended until now.

That is one of the main reasons my province came into Confederation. We are a new province in Confederation. I was not born in Canada. I was 13 years old, as I keep saying, when my people came to this country. That is true; I was 13 years old in 1949. One of the reasons we joined Canada was the kind of economic and social security which Canada could offer us. That is one of the reasons we are part of Confederation. Only 52 per cent of our people voted to join. The very issue on which Newfoundlanders voted to join Canada is being tampered with now and is being taken away as far as we can see. This is happening at a time when we have the highest cost of living and the highest unemployment rate anywhere in the country.

Statistics Canada will show that our unemployment rate is something like 20 per cent. I think it is more than that. If we add in the hidden unemployed, those people who have given up

looking, the unemployment rate is something like 40 per cent. I would say that among young people it is more like 50 per cent. That is the situation which has to be addressed and put in context in this debate.

At the same time that we have that high unemployment rate and that high cost of living, what else is happening? People are being laid off in the Department of Fisheries. Hundreds of people will be laid off in that Department this year. Everyone knows how much we depend on the fisheries. Everyone knows how many public servants there are in our province in that Department. Transport is being cut. The latest cut about which we are hearing and we want confirmed, and I hope disavowed, is that there will be a complete and utter shut-down of Terra Transport, which is CN Rail in Newfoundland. It is the last remaining vestige of railway service in Newfoundland and it will be done away with by the Government. We have to add all these factors together.

It is not enough to say that we have signed the Atlantic Accord and that it will be the salvation of our people. It will not be, because those jobs will not come for years. When they do come, how much will we make out of the Atlantic Accord? Perhaps it will be $200 million per year, but the provincial deficit is something like $300 million per year. It will not be the salvation of our people.

I have put these points on the record to show that it is not only this Bill on family allowances. This Bill, along with other measures, will have a very serious impact on people in my province and on people in the Atlantic area. The Government has to recognize that. If it looks at nothing else, it should look at the polls and see the reaction of people to this particular issue. That kind of attitude must change. They cannot tamper with those programs. The Hon. Member to my left who said that they cannot be tampered with in any way is quite right. However, the point I am working is that at a time like this it is particularly unacceptable and unbrearable for people to be subjected to the kinds of cuts we are experiencing, not simply in Government programs upon which we have depended for a long time. The small craft harbours budget is something else which we use to create jobs. Even make-work programs have changed now so that people in rural areas are disadvantaged. Projects such as Canada Works are more difficult for people in rural areas to take advantage of because they involve training elements and that kind of thing. There seems to be a general, over-all thrust or drift to the right, which is having a completely unbearable impact in my particular area. This family allowance Bill is something which highlights it.

People have rights to fair and equal treatment. We cannot have blanket policies which fit everywhere in Canada. We know that. Joey Smallwood used to tell the story from time to time about Procrustes' bed. Procrustes was a Greek who operated what we would call a motel today. He had one bed, and every traveller who came to that inn had to fit that bed. If he was too long, he chopped him off; if he was too short, he extended him so that he would fit the bed. That cannot be done in Canada. Canada is a country of regions, and we must have a sensitivity to that reality. One of the things that is absent, as I see it, in the present Government is a regional development policy. I have asked for it in the House before; I have asked for it to be enunciated. It has not been enunciated. What happened to DREE? What has been put in its place? Where is the regional development policy of the country? Not all areas of Canada are equal. If they come in with blanket programs saying that they will slash willy-nilly across the country, it will impact more heavily on those people who are already in an unequal position. That is the reality and that is the situation.

I return to my main point. The Government has not announced what its economic development policy will be for Newfoundland. I hope the Hon. Member for Mississauga South will address this issue because he is a proponent of free enterprise carrying the load. The thesis is: "You are going to be all right because we are going to put private enterprise front and centre and it will be the saviour of the country". I am saying that there is no evidence that that is happening in Newfoundland. There is evidence in the meantime that the public service programs and social security programs on which historically we have heavily depended all the while that we have been in Confederation are now being chopped and nothing is being put in their place. Not only is that wrong in principle, as my friend to my left said, but it is particularly wrong at this stage in our development because it will simply sink us economically altogether.

I want to see the reaction of the Premier of Newfoundland not only to those measures but to the measures which will impact upon us very soon—today, tomorrow or in the next few days—with the cut-backs in CN Rail and the complete wiping out of Terra Transport in Newfoundland. The only reaction can be to fight it with all our might. I hope there will be a consolidation or a firm coalition of all those who are interested in fighting that battle. It is a battle which has to be fought. This a bad Bill in and of itself. It will impact negatively on low-income people. If we add the family allowance changes, the child tax credit changes, the child tax exemption changes, the sales tax and the deindexation of the income tax, there is a net reduction to low-income people. Those people cannot bear that in principle and should not have to bear it in principle. They should not have to bear it at a time when their economic future is in grave doubt and grave uncertainty. That is the reality, that is what is happening. I do not know how often we have to point that out to the Government. It seems that any such plea is falling on deaf ears, come from where it may. The latest group to add its voice to those of others is the Canadian Conference of Catholic Bishops which has been very active in my province as well. Indeed the Pope, when he was in this country and spoke in Flat Rock, Newfoundland, addressed this very issue. Surely he is more eloquent than I am, but I have a responsibility today to stand in the House of Commons and echo what he said and what the Canadian Conference of Catholic Bishops said. They said: "We have noted the rationale for the restructuring of social programs, namely, deficit reduction". Whatever the merits of such a strategy, society must not succumb to an ideology of restraint that

subordinates human dignity and human needs to abstract economic theories. That is the point. You cannot succumb to an ideology of restraint that subordinates human dignity and human needs to abstract economic theory.

• (1120)

Low-income people, no matter where they live, have a right to be served by the Government of Canada and the Parliament of Canada, and have a right to those services that they have historically enjoyed: They say: "It is our fear that the social and human impact of the proposed changes to the family allowance will only add to the already widespread suffering of our families, particularly families headed by women".

According to the recent report on poverty by the National Council on Welfare, the number of families living below the poverty line has increased for the fourth year in a row. The most vulnerable groups include one-parent families headed by women, unattached young people and the elderly. That is the constituency that this Party has historically tried to defend by bringing in those social security systems and regional development policies and by making sure that people who did not have were helped in some way. There has to be that Government intervention in areas of this kind. I am speaking particularly on behalf of my own province.

This Bill is wrong in principle because it hits, along with other measures, particularly at low-income people who should not have and cannot afford to bear that burden. It is particularly wrong at this particular time when the economic situation is so fragile and in such great difficulty, and in the absence of any regional development policies to show the regions of the country that are have-not regions that you have some way of securing their economic future. That is the reality of this Bill. That is why we should defeat it if we can, and that is why we have to do whatever we can, use every vehicle or mechanism at our disposal, to point out to the Government the error of its ways and to hope, in the final analysis, in the eleventh hour, that it will change its mind.

**Mr. Deputy Speaker:** Are there any questions and comments?

**Mr. Kilgour:** Let me say to the Member who just spoke that I understand that the Member for Mount Royal (Mrs. Finestone), a member of his own Party, indicated on Thursday that under this Bill low-income families would be better off until 1991. We believe that that is the case as well. I would simply ask the Member why it is that he is opposing a Bill that will help the low-income families of Canada, including those in his own province. Why is he opposing this Bill?

**Mr. Rompkey:** It may be true that for a while there is going to be some sort of net benefit, but the long-term prospects are for a net reduction, and those figures are incontrovertible whichever way you look at them. The reality is that over the long term—and the long term is not going to be very long in coming—there is going to be a net reduction to low-income people. I think that is unacceptable. If you add up the various budget measures, the changes in family allowances, the changes in the child tax credit, the changes in the child tax exemption, the deindexation of personal income tax exemption and the sales tax, if you add all those together, you get a net reduction in the amount coming in to low-income families. That is what I am saying is uncceptable, not simply in principle but unacceptable at a time and in areas where you have a very fragile economy that has historically been dependent on Government services that are now disappearing and where you have nothing else to put in its place. That is the real tragedy, Mr. Speaker.

**Mr. Kilgour:** I direct my question to the Hon. Member. Does he accept, speaking at least under 1991, that if this Bill is passed by the House, low-income families in Newfoundland, as is the case elsewhere across the country, will be better of because of this Bill than they would be under the situation that exists today?

**Mr. Rompkey:** You could take a trip for a week, Mr. Speaker, and we are going to feed you very well in the first couple of days, but we are going to starve you for the rest of the week. I do not think anybody would accept a proposition like that. If I am going on a trip, I want to make sure that I am fed for the whole trip. If I were going north with the Minister of Indian Affairs and Northern Development (Mr. Crombie) and he said, "You could come with me for a week and we are going to have turkey for the first few days, following which we are going to have to go on water", I could not accept such a proposition, and neither will my people accept that.

**Mr. Edwards:** Thank you, Mr. Speaker. I appreciate the partial concession that my friend, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), has made to my colleague from Edmonton-Strathcona, and I would further ask him this question, since he is a man of intellectual integrity. When he was alluding to the joining of Canada in Confederation by Newfoundland in 1949 I think I heard him say that part of the deal was the indexation of family allowances. I wonder if the Hon. Member can inform me what specific indexation existed in 1949.

**Mr. Rompkey:** I appreciate the question, Mr. Speaker, and the Member that it is coming from. The issue in 1949 obviously was not indexation, because indexation occurred later. We did not really have inflation in 1949, but we encountered inflation thereafter. As a result of that inflation it was decided to index family allowances, and indeed other measures, so that low-income people could keep up with costs that they were confronted with. There was no indexation obviously at the time of Confederation.

The point that I was making was that we negotiated the terms of union, a contract with Canada in 1949. One of the strong selling points made by Mr. St. Laurent and his Government at that time, and by the Parliament of Canada, was that Newfoundland would be eligible for social security payments such as family allowances. If you had to take in Newfoundland one symbol of the support for and the importance of Confed-

eration to us, it would be family allowances. Certainly that was a high priority. There were other things that we encountered too, such as funds for economic development, and later on programs for economic development. At the time of Confederation in 1949 when that contract was made between the two sovereign countries, one of the outstanding issues that sold Confederation, only to 52 per cent, but it did sell, was the issue of family allowances. I am saying now that our people are looking at this issue and thinking back about how important this and other Government programs have been to them. They will be judging in a historical context the doing away with what was very important to them and one of the fundamental and essential points on which they agreed to come into this country.

**Mr. Edwards:** Mr. Speaker, I am glad that the Hon. Member has given us a historical perspective, and I am wondering if he can inform us which Party first altered the indexation of family allowances and when it was done, and which Party imposed a 5 per cent limit on those allowances when inflation was well into the double digits?

**Mr. Broadbent:** Good question.

**Mr. Rompkey:** It may be a good question. What we are here discussing is an issue that is happening here and now. The fundamental point that I am making is that measures are being imposed on low-income families who can least afford to bear that burden. One of these days you may get a chance to govern—

**Some Hon. Members:** Hear, hear!

**Mr. Rompkey:** —in the meantime you have to stick to the issues. What is happening here and now is that there is a net loss to low-income families, regardless of what we did or did not do. I will tell you something we did not do, and that is, was we did not cut Government programs in places that depended on us. This Party has a record in the Atlantic provinces, and I think the indication of that record is the fact that we have seven Members from there. What is happening here and now is that there is a net loss to low-income families. Whatever it was we did, something we did not do was to cut—

• (1130)

**Mr. Heap:** You know what you didn't do.

**Mr. Rompkey:** I am telling you what we did not do. We did not cut Government programs in places that depended on them.

**Mr. Benjamin:** You didn't do a lot of things. That's why you're sitting over here.

**Mr. Heap:** You cut family allowances.

**Mr. Rompkey:** This Party has a record in the Atlantic provinces and I think an indication of that record is that we have seven Members here in the House of Commons from Atlantic Canada while the Party whose Members are screaming on my left does not have one and is not likely to get one.

The people know our record in the Atlantic provinces. It is that, over the years, we stood up for those people. We stood up for those people in have-not areas and those people with low incomes who have not had the same kinds of economic opportunities as those whom my friends from the left represent who live in the wealthy economic areas like downtown Toronto and elsewhere. That is the record of this Party in the House of Commons, and the people from the Atlantic area know that. They are going to judge us on that and they are going to judge the Party opposite on what it does. The measure we are discussing strikes at the fundamental rights and abilities of people to survive and to have a future in this country. That is completely unacceptable.

**Ms. Mitchell:** Mr. Speaker, the Hon. Member who just spoke represents a very important province, the Province of Newfoundland. I was most interested in his comments about the commitment regarding family allowances that people from Newfoundland felt when they entered confederation.

Following up on the last point that was made, does the Hon. Member realize that if family allowances had been fully indexed from the time they were brought in by the Liberal Party at the insistence of social policy groups, not the least of which was the CCF, way back in the 1940s, the women of Newfoundland would now be receiving over $50 per month rather than $32 per month? While he is up, will he tell us what the women of Newfoundland think about this?

**Mr. Rompkey:** Mr. Speaker, I know what the women of Newfoundland think about family allowances, something which has been quite rightly identified with this Party. I know what the women of Newfoundland think about the child tax credit, which quite rightly is identified with this Party. I know what the women of Newfoundland think about other measures this Party has brought in over the years. If "if's" and "and's" were pots and pans, there would be no work for tinkers.

One may have all kinds of ideas, but one may or may not have the ability to put them into effect. The fact is that we did have ideas and we put them into effect. Over the years, the people have known that this Party stands for family allowance and child tax credit. The people have known that this Party stands for a regional development policy that supports and helps low-income and have-not areas of the country. That is the record of the Liberal Party in Canada, and Newfoundland and the women and men of Newfoundland know that that is so.

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, perhaps the House will forgive me a slight digression at the outset of my speech. I would like to respond very briefly to the exchange we just heard between a Conservative Member and a former Liberal Minister who is now on this side of the House.

Coming from the Conservative side of the House, we heard what is now the classic rationale for Conservative policy. This rationale began not very many days ago when the Prime Minister (Mr. Mulroney) was asked both in and out of the House why he shut down a refinery in Montreal. He indicated

that he was simply trying to catch up with the Liberal Party which had shut down three refineries while he had shut down one. If it was all right for the Liberals to do it, the Prime Minister said, then that was a coherent, cogent reason for a Conservative Government to do the same thing.

We are now hearing the same thing about family allowances. A Member from the Conservative side of the House asked a former Minister if he would admit that the Liberal Party cut back on family allowance indexing when it was in power. To understate it considerably, that does not persuade me that it is right for the Conservative Party to do today what was wrong for the Liberal Party to do a decade ago.

On the other hand, we heard the former Minister of the Crown make a backhanded compliment to members of my Party by saying that one day we may govern, and we certainly believe that that is true. If I understood him correctly, he added that in the meantime, we have to deal with issues. The implication was that the Liberals deal with issues between elections but when they get elected they forget them.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Perhaps, Mr. Speaker, you will excuse a somewhat partial person if he says that that sort of sums up this little debate and my views of these two old Parties.

I do wish to turn to the substance of the issue and not simply deal with some of the arguments that have been made, although it seems to me that those arguments are pretty germane to what is going on right now. In my judgment, today is really a sad day for Canada, Canada's families, Canada's children, Canada's parents and particularly Canada's mothers.

As far as my Party is concerned, the central issue involved in the debate is the question of fairness. Later on today, the Conservative majority will rise unanimously to demonstrate by its vote its concern not for fairness but for unfairness. That will dramatically illustrate that the Government is not only insensitive to the claims of fairness but is also insensitive in the face of opposition to this particular measure on the part of a wide range of groups that represent every part of our country.

Many very good points have been made about family allowances in this debate. However, for me there are two crucial aspects to the history of family allowance in Canada. First, when family allowances came into being, our society recognized by state action the value of children by earmarking a very specific sum of money to be directed to children in society. That was an important action. Normally, in most of our transactions, a good part of which is totally justified in a market economy, people have the freedom to choose how they dispose of their incomes. That is part of what freedom is all about. However, my Party has long held the view that the allocation of financial resources in society ought never to be exclusively determined by market considerations.

Historically, the fundamental reason we came into being was that we favoured the view that society itself, through its elected men and women, ought to interfere with the marketplace constructively, positively and without embarrassment to decide that there are certain collective goals for the community as a whole that ought to be met by spending income. When we decided many years ago on family allowances, we were saying as a society that children and families are important and that the state is earmarking a particular sum of money to go to the children of our society. That is important and has become part of our social history.

The second important aspect of family allowances is something which, though not intended as such, was immediately perceived and has remained, and that is, what it has meant for many women in Canadian society. The point that has now been recognized by members of all Parties but is not made today is that the only cheques many women in Canadian society receive in their own names are the family allowance cheques, and that is a very important consideration. I am sure Members on all sides of the House have run into women in rural Canada, urban Canada, the Atlantic provinces, the West, downtown Toronto and downtown Montreal who have said that the family allowance cheques, though perhaps they are not an awful lot in dollar value except for low-income families, are important to them because the cheques come in their names. These two points are very important. I would suggest that a Government sensitive to these elements of social justice in our past would not be changing them now for the future.

• (1140)

Some 40 years ago family allowances were introduced. I would argue that they have an important place in the shared set of social values which most Canadians support. Without going into all the details of the history from that point in time onward, I do wish to mention a few crucial points.

We heard from a former Liberal Minister who gave what I would call a selective view of the history of family allowances. He failed to mention that in 1971, after they had been introduced, members of the Liberal Party, with a majority Government, attempted to abolish family allowances entirely. They did not attempt simply to reduce them or curtail their increments but, in 1971, the Liberal Party tried to abolish them entirely. They did not get away with it. They backed down after a prolonged debate in the House of Commons.

Then, in the early 1970s—and I say so with some pride and without trying to be sanctimonious—in the early days of minority Government, which held office from 1972 to 1974, a whole range of social programs were indexed. At that time I was proud to be chairman of my caucus. I took part in the discussions. We made the case that social programs, most of which but by no means all—which is important in terms of their effects—must go out to people who need the money. We made the case that when the economy is inflating, those social programs should be indexed to reflect the change in the cost of living. I wish to say to our Liberal colleagues in the House that they did not automatically respond by saying "Isn't that a good idea. Let's do it". There was something to do with power and its maintenance involved. We put it to them bluntly that if they wanted to remain in office one of the things they had

better do is to index not only family allowances but pensions and other social programs. We won an important battle. We want to preserve those benefits.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I say to the Minister responsible for this Bill, and I know he has had this referred to him a number of times, that when he was on this side of the House and when he spoke on the subject on September 6, 1973, he joined in support of the indexation principle. Following that debate the Minister moved to the other side of the House and he has shifted his argument. However, I want to be as fair as I possibly can to the Minister. He responded to one of my colleagues earlier in this debate in defending his current position. He admitted that when he was on this side of the House he took the position that full indexation was to be supported. Now that he is on the other side of the House, he says that we need a change because of the deficit. That is what he said in the House recently. He said that the deficit has increased significantly as a proportion of our GNP.

I wish to say to the Minister two things in this respect. First, in a document which he prepared as a forerunner for a discussion of pensions he said that there would not be any change in terms of cutting back on social programs, in this case pensions. He said that money from those programs would not be allocated away from them to deal with the deficit. This year, when the economy was inflated and when the debt was just about as real, he made a commitment that there would be no change in social programs in order to use that money for the deficit. However, he is now doing just that.

Second, I want to say to the Minister that it is our view that if you are taking revenue to deal with any economic problem faced by a Government—a Government which will take money from pensioners or recipients of family allowances—it should never do so except in the final result. By God, it should certainly never do it when it is giving a $500,000 capital gains tax gift to the rich in Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I say to the Minister that the argument simply does not wash. As Leader of a social democratic Party I would be prepared to say that at certain times absolutely everyone must pay his or her share. In wartime, or under certain other circumstances, I can understand that, and in this category I include pensioners and recipients of the family allowance. However, I say this should be done only if there is a real crisis. I am certainly not saying that we have that type of situation in Canada today. I do not accept that, when we continue to have one of the most unfair tax systems in the world and this Government keeps that unfair tax system in place.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I also want to say that although indexation was brought in by a minority Government, after the Liberals regained a majority they began the process of cutting back on family allowance increases which were to be related to cost of living increases. Members of the Liberal Party reduced the amount through their six and five program, which was a decision they made in the early 1980s, and before that, in 1978, there was another reduction.

If we look at the history of the Liberal Party simply on this issue we see that their members sound like great social democrats now that they are on this side of the House. However, if we look at the history in recent years and compare the results of what family allowances would have been if they had been left alone with what they are actually now, as has already been pointed out by other members of my Party, we find that the family allowance would be at least one-third greater than it is today. I say to our Liberal colleagues that in criticizing the Conservatives just for once they should be a little more honest, a little more fair, and they should remember their own past.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** The Government knows that single parents at the poverty level will be hit hardest by this Bill. The Government also knows that some 90 per cent of single-parent families happen to be headed by women, and that over 50 per cent in this category are living at the poverty level. Therefore, the Government knows that while it is taking needed money away from these Canadians, it is giving millions of unneeded dollars to the rich in the form of this special capital gains tax hand-out. When this measure was brought in I said, and I repeat it now, that instead of showing more compassion for the poor of Canada, or for the ordinary citizen, what we have is a Conservative Government which, quite literally, is taking from the needy to give to the greedy. That is what the Tories are doing.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I would now like to say a few words on this important issue in our other official language.

[*Translation*]

I repeat, Mr. Speaker, poor and needy families will be the worst off. Wait until the economy is in better shape, says the Government or, more accurately, the Prime Minister. Everybody knows the Prime Minister's stock answer on economic indicators. I challenge the Prime Minister to put his money where his mouth is. I challenge the Prime Minister to listen to Canadians and withdraw Bill C-70 today.

The Prime Minister could start today by keeping his promise to maintain our social programs instead of increasing the financial burdens of those who already have trouble coping. The Government is giving Canadian families a long list of broken promises. Perhaps the Prime Minister would like to use his latest excuse: the Liberals did too. As if two wrongs made a right. As I said before, it is an excuse we cannot accept.

In his consultation paper on "Child and Elderly Benefits", the Minister of National Health and Welfare (Mr. Epp) stated that cuts in family allowances would not be used to reduce the

deficit. However, the Minister of Finance (Mr. Wilson) was forced to admit that this money would in fact be used to reduce the deficit. And the Minister of National Health and Welfare, who is here in the House today, made the same admission. I now want to ask the Minister: Who else is going to pay the bill? Certainly not the oil multinationals or the chartered banks or rich investors, individuals and groups which have already been given a lot of money by the Conservatives. Mr. Speaker, Canadian families are paying the bill, families across this country, families in rural areas and in our towns and villages. For many children, these cuts mean they will not have the running shoes they wanted, no school supplies, fewer healthy snacks. In its intransigence, this Government has ignored the voice of the poor, women and even the churches.

Day after day, New Democratic Party members have been tabling petitions in the House demanding that the Government fully index family allowances. Hundreds of thousands of signatures, even more than for old age security pensions.

This Government says it consults, but it does not listen. Before Christmas, the Government refused to meet with the *Coalition des Québecoises pour les allocations familiales*, a group representing a host of community and women's organizations.

Last week, twenty major religious, family, native peoples, anti-poverty, labour and women's groups sent a telegram to the Prime Minister, asking him to withdraw Bill C-70. Today, Mr. Speaker, is the last day in this debate in which the Prime Minister can show he not only consults but listens.

• (1150)

[*English*]

Indeed, this may be the final day of debate on this Bill. It would be somewhat Utopian of me, I suspect, at this time to expect that the Prime Minister will hear the last minute appeal I have made or, more relevantly, respond to the appeals that have come from groups of men and women from all parts of the country. However, I want to assure the Prime Minister that while this might be the last day on which we can speak on this particular Bill, we in the New Democratic Party know that the Budget is coming up and in the weeks ahead we have an obligation to continue to push for fairness in tax matters and to promote fairness, particularly in terms of programs as they affect children. I give notice to the Government that this day it may, because of its numbers, have won the battle, but the war for justice will continue right up to the Budget.

**Mr. Kilgour:** Mr. Speaker, I say through you to the Hon. Member for Oshawa (Mr. Broadbent), would the Hon. Member tell us if he accepts the fact that, with respect to a family of low income, under the reforms we are proposing, the mother will have more money in her purse for the next five years than she would have under the present legislation?

**Mr. Broadbent:** Mr. Speaker, I willingly agree with what the Hon. Member has said. Indeed, we have stated in a number of speeches that if one looks at the specific changes the Government is making, there is that improvement. However, we have also added that we cannot look at that in isolation from all of the other tax measures and actions taken by the Government. Our calculation is that by 1990 there will be a net reduction in benefits precisely for those people about whom the Hon. Member is now asking.

[*Translation*]

**Mr. Kilgour:** Mr. Speaker, I think the matter is even simpler: Is the Hon. Member prepared to admit that the Bill we have before the House today will put more money in the pockets of low-income mothers than is the case at the present time? Yes or no?

[*English*]

**Mr. Broadbent:** Mr. Speaker, I find the question to be a variation of the one the Hon. Member just asked. I would be happy to send him our analysis of the other range of measures which have been brought in in order to show that the net effect for the people about whom he talks will be negative, not positive. The crucial point for us on social programs is—if the Hon. Member agrees with the two points I made early in my speech—first, that the family allowance is an important recognition by the state of the needs specifically of children and, second, that still, at this point in our history, it is the only cheque which comes into the home of many women, and if the Government is sensitive to the moral claims of these two categories, it simply should not alter them in any negative way in any manner whatsoever.

[*Translation*]

**Mr. Desrosiers:** Mr. Speaker, I have a question for the Leader of the New Democratic Party.

He said earlier that family allowance cheques were addressed to the woman of the family. I wish he would explain, because I may have misunderstood, and I hope these allowances are not paid to women since they are supposed to be for the benefit of Canadian children. I hope you understand this.

I would like to know . . . I wish you would explain what you meant when you said that the cheques were made out to the woman of the family.

[*English*]

**Mr. Broadbent:** Mr. Speaker, of course, I do not mean to imply in any sense one or two things the Hon. Member may be getting at, for example, that single parent fathers do not also receive cheques, because they obviously do. But compared numerically with women, the vast majority of the cheques go to mothers. Perhaps the Hon. Member was also implying—and I am not sure—that the moneys sent to whatever parent might be spent for a variety of family reasons or, alternatively, since there is no sort of state inspection or interference, and ought not to be, with respect to how the parents spend the money, they clearly can be spending the money in any way they deem appropriate. There is no doubt at all that the intention of the program is to put money into the pockets of

parents to be used for the bringing up of their children. I add immediately that I have not the slightest doubt that, in the vast majority of cases, that is still how that money is spent.

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I would like to say at the outset to the Hon. Member for Oshawa (Mr. Broadbent) that my family is the most important thing in my life as well. I also recognize that he is a very fair individual and is looking at this question from a realistic point of view. However, I would like to underline one fact and ask for a comment from him. The family allowance cheques will still be going to the mothers who have been receiving them, and those cheques, indeed, will have increased for the first month of 1986. In other words, the Government has merely tinkered with the system, we have maintained the concept of universality, and there has been an actual real increase in the cheques for this year. In the spirit of fairness, I think that direction should not be lost sight of.

**Mr. Broadbent:** Mr. Speaker, to pick up on the language used by the Hon. Member himself, there has not been a real increase at all. If the word "real" is used as it normally is in economics, it means to take into account increases in the cost of living. If I may turn it right around for the Hon. Member, this is what this debate is all about and, unlike the Conservatives, we want to provide the recipients of family allowances with real increases as opposed to bookkeeping entries. As the Hon. Member knows, there has been an increase all right, but it is all of 31 cents a month instead of about four times that amount.

**Mr. de Jong:** Mr. Speaker, my question is directed to the Hon. Member for Oshawa (Mr. Broadbent) and our Leader. Very often we have heard Government Members justify the cut-back in old age security and in the family allowance on the basis of the general notion that we are living beyond our means. Yet our expenditures on social programs are well below those of seven countries of the OECD. Therefore, I find it hard to believe that we in Canada are spending beyond our means. Would the Hon. Member comment on whether the cause of our deficit is not that we are living beyond our means, but that we have not been collecting the revenues we should have been collecting?

● (1200)

**Mr. Broadbent:** We have been living beyond our means in the sense that the vast majority of people are subsidizing a small minority of rich individuals and very large corporations who have been receiving a disproportionate share of the tax breaks paid for by the rest of Canadians.

Very quickly, on that entirely reasonable and fair-minded question, I would like to make two points. One is that if we took a harder look at our sources of revenue, namely that $30 billion-plus category of tax expenditures, which is to say money going to the corporations without a cost benefit analysis, we may, as the Auditor General has suggested a number of times, find not simply millions but billions of dollars in additional revenue. We would then not have to attack family allowance recipients and pensioners and other people who need the money.

The second point is simply to say to Government Members that the Prime Minister of Japan was here recently and I hope our Prime Minister had a serious chat with him. Intermittently over the last decade the deficit in Japan has been larger than ours as a percentage of its Gross National Product, but the Japanese are not doing too badly. They have an unemployment rate of 2.5 per cent. It we could get unemployment down to about 7 per cent, set that as a goal, then instead of whacking away at social programs for needy people we would have enough revenue to wipe out the deficit. That should be the task of this Government.

**Mr. Deputy Speaker:** The period for questions and comments is now over. We will continue debate with the Hon. Member for Scarborough Centre (Mrs. Browes).

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, I welcome the opportunity to speak on third reading of Bill C-70. I have listened with interest to some of the comments made today by members of the opposition Parties. I am pleased to note that both Parties have acknowledged that families are going to be in a much better financial position over the next few years than they would under the legislation presently in place. This Bill fulfils important commitments our Government made to Canadians upon taking office some 17 months ago. The first commitment was to bring federal social assistance to those who need it most, and at the same time, to reduce further our huge national deficit so that our children will not — I repeat, will not —have to bear that massive financial burden caused by past Government overspending.

Bill C-70 demonstrates to Canadians that this is a caring Government. We care about those in our society who are less fortunate than others, and we are doing something about it. The child tax credit, which benefits low-income Canadians, will be increased by $70 this year and $35 in each of the next two years. This is a significant benefit, and just this morning we had both opposition Parties acknowledge the fact that families are going to be in a better financial position.

**Some Hon. Members:** Hear, hear!

**Mrs. Browes:** The child tax exemption, which benefits primarily upper-income Canadians, will decrease in the years ahead.

Over the short period of time that this Government has been in office, it has presented some truly extensive social policy legislation. It is legislation that will help people. We care about people and we will truly help those people in need in communities right across this country. For example, we have extended the spouses' allowance. This is excellent legislation which is helping people, especially older women who are most in need. We broadened the definition of disability for income tax purposes. That was a truly caring policy. We increased pensions for veterans and introduced greater flexibility in the Canada Pension Plan.

**Some Hon. Members:** Hear, hear!

**Mrs. Browes:** Mr. Speaker, members of our Party and Government have high ideals regarding strengthening family values. The legislation I have mentioned will truly help people.

Opposition Members have referred to certain things such as the report of the National Council on Welfare, and we talk about poverty in Canada. In my opinion the best way to reduce poverty is to make sure people have jobs. Families can be strengthened if family members have jobs. They have to have a job in order to eliminate poverty. This Government, over a short period of time, has created over 400,000 jobs right across the country. We can be truly proud of that fact because it means that a caring Government is helping people right across the country. Another very significant piece of legislation which will help families concerns the enforcement of maintenance orders resulting from marriage breakdown. When we talk of single-parent families we know this legislation will help. This Government cares about how Canadian tax dollars are spent. By redirecting social assistance to those who need it the most, we are using federal resources in an efficient and effective manner.

During the election, and since this Government took office, three important themes have formed the cornerstone of Progressive Conservative policy-making. The first was economic renewal. The second was national reconciliation. The third, which we have touched on today, is social justice. Surely the primary reason for social assistance is to help those in need. Therefore, it only makes sense to direct federal money to those people. How can we as Members of Parliament be content with social assistance programs which actually benefit upper-income Canadians more than they do lower-income Canadians? Yet, that is precisely the situation that we have had under the previous legislation. Bill C-70 and future legislation will bring sensibility to the situation by helping those in need by increasing the child tax credit and decreasing the child tax exemption.

• (1210)

My friends opposite disregard another important feature of Bill C-70, that is, the burden that previous legislation has put on the backs of our children and of future generations. I will quote from a very famous individual, Franco Modigliani, a Keynesian economist and the most recent winner of the Nobel prize for economics. He recently wrote: "In reaching levels unprecedented in peacetime, the deficit has become a serious threat to the wellbeing of younger and future generations of Americans". That quote was in reference to the American deficit which, on a per capita basis, is far less than our own.

Industrialized countries around the world are re-examining their social welfare systems in order to find better methods of assisting their underprivileged citizens. New Zealand's recently elected socialist Government has introduced proposals to realign social policies in redirecting moneys. Britain, the United States, and even that bastion of social democracy, Sweden, are all taking a second look at their state welfare programs to find more efficient ways of using scarce tax resources.

Here in Canada, Mr. Speaker, we are faced with the same challenge. The Government is meeting that challenge with sensible, practical programs that will take care of Canadians in need without recklessly spending their money. In short, Mr. Speaker, Bill C-70 is a progressive piece of legislation that will be of benefit, not only to thousands of Canadians today, but to millions of children in the future.

**Ms. Mitchell:** Mr. Speaker, does the Hon. Member have any idea that over 150 organizations, including many expert social policy groups, women's groups, groups associated with children, and many other groups, unanimously opposed this legislation because it was regressive? How can she say it is progressive when it is reducing the indexation on family allowance? This means that the universal family allowance benefit, which I think most Canadian parents, and certainly most Canadian women, feel is a right of their children, is being eroded and will be eroded even more in future years.

The Member referred to the fact that the real way in which to deal with poverty in Canada is to have jobs. I wonder if she has recently talked to women in her riding who are on social assistance. There is no question that we need jobs. I would be the first to say that. We need better jobs, better paying jobs, and full-time jobs. However, that is not exactly what is happening for low-income women, for women who have not been in the labour market, or for many women who are in job ghettos earning pretty low rates of pay. Women are being pushed into part-time jobs and are not taking home a full or adequate pay cheque. Does the Member not agree that these very women particularly need, not only a fully indexed family allowance, but an increased family allowance? The Liberals are the ones who eroded it in the beginning, otherwise it would be worth much more.

Does the Member not think that women who are not working in the workforce, but are certainly working hard at home raising, in many cases, large families, need a fully indexed family allowance? We certainly need jobs, we need better paying jobs, we need women in those better paying jobs, and we need full-time jobs. However, that in no way disputes the need for an adequate support program and fully indexed family allowance.

**Mrs. Browes:** Mr. Speaker, I am pleased that the Hon. Member brought a number of points to the attention of the House, and I would like to respond to them. I think it has been a very healthy exercise to have a discussion on this particular issue. I was pleased, as a Member of Parliament, as a mother, and as a grandmother, to meet a great number of mothers and grandmothers on Parliament Hill during this discussion. I think that is healthy because it means that mothers, grandmothers, and women across the country are becoming more involved in legislation.

The important thing about this legislation is that it in fact creates an increase in the family allowance. It is important to recognize that through this legislation there is an increase in the family allowance and a reduction in the escalation of that increase. The increase is $11.28 annually. In addition to that,

there is a $70 increase in the tax credit for the present year and an increase of $35 in the two subsequent years. That is an important item to recognize.

I firmly believe that the creation of jobs is the way to reduce poverty. I am very pleased to see further legislation in this House which addresses opportunities for women in the work force. I refer to the employment equity Bill which is in committee at the present time. That is the kind of legislation that will give women more opportunities in the workforce in order that they can become self-sufficient.

**Some Hon. Members:** Hear, hear!

**Mrs. Browes:** Mr. Speaker, Bill C-70 is one piece of legislation that is helping people.

**Ms. Mitchell:** How can you say it is helping anybody?

**Mrs. Browes:** The Opposition Members in the Chamber this morning have both acknowledged that this legislation will put more money into the hands of the people who need it most. Families are going to be better off with this legislation. They have recognized and acknowledged that this morning. On top of that, we have other legislation that will assist people in getting jobs. We have created over 400,000 jobs already in the past few months. In addition to that, people will be given more opportunity across the country to get jobs. We have been eliminating poverty and helping families.

**Some Hon. Members:** Hear, hear!

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, as has previously been mentioned, this is the last day of debate on this important piece of legislation. It brings to mind a short story I read several years ago by Flaubert about the last class. It was about the last day of a class held in a French schoolhouse just before the First World War. People faced with the enormity of what they were all of sudden going to have to cope with in terms of that holocaust found themselves having to express, perhaps in more truthful terms, their own feelings, commitments, and attitudes with regard to what they had achieved and what they hoped to achieve. The conclusion of the short story was that at the end of the class the question was how many would remain and how many would come back after the war was over.

I think that has great symbolic value for Members on the Conservative side of the House. This debate symbolizes the question of how many really will come back after having entered into the kind of measures that they are now proposing to the House. Of course, we know what the answer is.

• (1220)

I was struck yesterday listening to news accounts that the Prime Minister (Mr. Mulroney), so typical of the man, blamed the Draconian drop in the support of his Government to the Press Gallery. Somehow the image machine is not working as efficiently as he had hoped. Never once did he question whether it might not be something that the Government is doing wrong. Never once did he ask himself that what the Government was trying to propose was honestly and clearly being perceived by Canadians as being in the wrong direction. Never once did he really ask himself—and the last speaker might have had the honesty to ask herself—whether the Government cared about what Canadians thought about the Government or about issues. It is obvious he did not.

If the Government were more sensitive and responsive to Canadians, it would see that the measures that we are debating today, along with many others, are the real cause why the Government has frustrated the expectations of so many Canadians and as a result is being paid at this moment the most useful response, namely, withdrawal of support.

I cannot believe that any Prime Minister in the history of this country could somehow, with any form of integrity, greet with equanimity the latest poll result, which revealed that 50 per cent of Canadians believe he is doing a worse job than in the previous three months. That is half of the population.

There is a reason for that result. We see before us today in the legislation we are debating a fundamental dishonesty in the case being presented by Members opposite. They are trying to say that people will be better off as a consequence of this legislation.

**Mr. Edwards:** That is absolutely right.

**Mr. Axworthy:** That is what the Government is trying to convince Canadians of. But what the Tories do not take into account is that this legislation is part of a package. It is part of a total presentation by the Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare (Mr. Epp) which will end up in a net reduction of income for poor and middle income Canadians.

When the Tories talk about fairness, caring and sharing, why is it that by 1990 Canadians who make less than $10,000 will have $400 or $500 less income because of these tax measures and withdrawal benefits? How do the Tories explain that particular equation? What we have is a withdrawal of the child tax deduction in the income tax, increases in sales tax and in user costs in transportation. All the tax measures adding up to what economists call the family basket mean is that a family earning less than $10,000 will have $500 less income to purchase goods and services. A family making a modest income, between $15,000 and $25,000 a year, will have $1,000 withdrawn from that income package. Yet we see Members saying that we must sing hallelujah to this legislation because people will be better off.

People do not take one piece of legislation in isolation. People are pretty canny. They sit down and count how much is left in their pockets when it is all over. They know that the net result of this Government's actions based on the May Budget and subsequent legislation, including this Bill, will be a net drop in purchasing power. It will strike at Canadians least able and capable of carrying that burden. Even if you look at the tax burden itself, never mind the other kinds of eliminations and erosions, but again, if you take a family earning $10,000 a year, the net tax increase to that family will be 2 per cent. It

does not sound too bad, but for the person making over $80,000 a year the increase is only 1.6 per cent.

Is that the way fairness is now being defined in Canada? People see through this type of thing very clearly. All the attempts to gear up the image machine, to intimidate the Press Gallery and all the attempts in this House to try to provide the big lie will not work because people are too smart for the Conservatives. They see through the camouflage and the smoke screen. They realize, when it comes down to the full and total picture, that Canadians will be poorer. Even more dramatic is the fact that those who are substantially well off in this community will not be touched in the same way.

I would recommend to Members opposite that they read the national poll commissioned by *Maclean's* magazine which was published in the year end issue. Decima Research, one of the polling outfits used extensively by the Conservative Party—presumably Conservatives trust its accuracy—asked for the mood and attitude of Canadians. The most frightening result of the poll is that Canadians increasingly see themselves in a class-divided society. Canadians see Canada divided between haves and have-nots. People see that the kind of disenfranchisement that is becoming so much a part of Margaret Thatcher's United Kingdom is now beginning to take hold here. That is not a poll done by Liberals, New Democrats or social agencies, but by Decima Research and printed in *MacLean's* magazine.

People see that a fracturing of society is on the increase. This perception on the part of Canadians across Canada runs counter to the principal objectives set by the Conservatives in the last election about national reconciliation. In other words, the goal is almost in reverse proportion to the result. We are not receiving or gaining more sense of a community, we are not bringing people closer together, rather, over the past year, people feel more divided than before.

Why does the Government, with its majority and its sensitivity which it claims, it has not respond to those facts instead of worrying about whether the Press Gallery is giving it a fair deal? It would seem to me that this is a far more serious issue to be faced.

I believe the flaw we see in the family allowance situation is due as much to the failed promise as to the specific items within it. I think many Canadians are prepared to support innovation in social security legislation. They see that is a need to come to grips with the problems of income security.

The family is changing in Canada. I am presently engaged in a major study in my own constituency on the contemporary kinds of families we have. We have social agencies and churches joining us in going door to door to find out what the new modern day family is like. It is an interesting examination, Mr. Speaker. People are saying that in many cases the supports on which people rely to give them assistance in dealing with their children and with each other are being withdrawn.

We are beginning to pay a terrible price for the constant erosion of social services over the last 10 years at the municipal, provincial, federal and even the voluntary level. There is not in any way the same reach of assistance. Sometimes it is counselling, sometimes support and sometimes listening. Many holes are beginning to appear in the social security network.

As Liberals we are not afraid of looking at new ideas and innovations. We were castigated by the Leader of the New Democratic Party in 1971 for suggesting a guaranteed annual income. We know New Democrats are in some ways the real reactionaries in society.

**Mr. Epp (Provencher):** You are right.

**Mr. Axworthy:** New Democrats really do not want anything that was done to change. We recognize that the income security programs devised in the 1940s and 1950s, of great relevance and importance, should be re-examined under the new economic conditions of the 1970s and 1980s. I guess the New Democrats do not want to do that.

• (1230)

We need to have an open mind. We have to be prepared to ask: How do we best provide for families? The family structure is a different one at this time. There are many more single parents and there is a breakdown of the extended family. There is greater disparity among families because they live in different regions. There are different demands upon them because of changes in the workforce. Our security and social services systems should be responsive to those facts.

In this case the Government turned around the argument. One of the reasons it obtained a great deal of support in the 1984 election was that it promised Canadians that it would take a new look at things and that it would be innovative. One area was social policy. However, when it came down to changing the way in which the federal Government dealt with families, it listened to the accountants, not to social policy thinkers. The only changes which are being made are the ones which will allow the Minister of Finance to bring down the deficit. That is the reason the Government is changing family policy. It is not bringing in anything new. It is not taking a broader look at the family. It is not examining other kinds of family issues to see whether it can reallocate or redirect. If that were the case, we could have a very different debate in the House. We could be debating a new policy direction for families. Instead, we are debating a false and flawed premise that somehow families will be assisted by giving the Minister of Finance a piddling few dollars from their family allowance package.

That is why the Government is going wrong. It did not have the courage to launch into an honest and open debate about how Governments and the state can best assist and deal with family requirements and needs in the 1980s and 1990s. I am saddened by that. I looked forward to that kind of debate. It could have been an important debate in the House. Instead, we in the Opposition must try to defend what is there now. We see the wrong attitude when the Government begins to restructure or change the social programs. It is not doing that to improve the programs. It is not doing it to try to assist families more effectively. The Government is doing it because the mandarins

in the Department of Finance say that they have to get the deficit down and that they will take it from families, not from corporations. That is the fundamental flaw in what we are debating today. It is too bad the Conservatives are shaking their heads. I do not know whether they are shaking their heads in sorrow, as they should be doing, or because they find themselves faced with a harsh reality.

**Mr. Jepson:** It is for you, my friend.

**Mr. Axworthy:** They do not have to worry about me. I can look after myself; I have been doing it for a long time.

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** That is right. I have also looked after Manitoba, which is more than the Minister of National Health and Welfare is doing. We certainly looked after our provinces. That is one reason the Tories will lose in Manitoba. The people of that province know who cares about them.

The fact of the matter is that this is a family allowance reduction. It can only be counted in those terms. It is drawing money away from families. I take with some amusement the last speaker saying that Canadians would be out in the streets clapping with wild applause when they get a 31-cent increase in their family allowance cheques this month. Will that send them rushing out to buy services? The problem with attacking family allowances—and in some way it is an easier target—is that the benefits are oftentimes invisible or hidden. Many of the families who receive family allowance often cannot get their problems or issues out of the forefront.

I have conducted an examination of families in my riding and have found out that the family allowance is absolutely essential for many mothers to buy services for their children which are otherwise not available to them. It may provide some better medical help or some decent counselling. It may simply provide bus money or transportation money to allow them to visit or go somewhere else, something which allows them to round out their lives.

One cannot simply apply calculus and say that it is of more benefit to one family than to another. There is an entitlement involved. If we return to the Marsh report of 1943, we see that it contained a basic principle which we are trying to defend, that is, that the opportunity to have a family—and it is a rare opportunity—also carries certain costs which cannot be pigeon-holed in the Department of National Health and Welfare or in the Department of Finance. Those are costs which every family has in terms of its own unique arrangements and needs, so we put some small amount of discretionary income into their hands so they can apply it where they feel the most pressure. Sometimes it may concern schooling or purchasing a certain consultative service in the health field. Nevertheless, it gives each family a certain entitlement or trust provided by the collective society to help them make their choices. If we erode that entitlement and do not replace it with anything else, we reduce their level of choice and their ability and capacity to help their families and children seek out the support services they need. This is why the debate in the House is such an important one. It should encompass the full range of options and choices.

I am sorry the Minister of National Health and Welfare has left momentarily. I was very saddened after the debate on deindexation affecting senior citizens. He was heard to utter a statement that the Government was withdrawing from the field of social policy innovation and reform, that it would no longer engage in it because it was burnt badly. Now it will simply draw into a fetal crouch, not use its mind and imagination to seek out the different alternatives. That is a serious mistake; it is a fundamental error. Instead, the Government is nickle and diming Canadians to death. It is picking away at the income base of low and modest income Canadians. That should not be the action of a federal Government which says that it cares, a federal Government which was elected on fond promises of giving families more hope and aspirations. Families cannot be given more hope and aspiration if $1,000 per year is to be taken out of their pockets by 1990. There is no way any Tory can justify doing that. That does not even take into account the hidden costs which are being brought in every day. We see the Minister of Transport (Mr. Mazankowski) adding a few dollars to air transportation, licensing and certificates. We see other costs related to farmers. The total basket of costs is rising and income is going down. Yet, we heard the last speaker saying that they cared. It is very difficult to rationalize caring when we look at the facts.

Obviously we oppose this legislation, not only on the grounds of what it is doing in the context of family income but also because it represents the wrong direction or approach to dealing with the issues of family life. We must encourage the Government to open and broaden its approach and not to base its revenues upon some kind of restrictive, punitive equation put forward by the Minister of Finance. We should look at the revenues available and see how they can be applied in a more flexible, varied and sensitive way to families. Then we will have a healthier country and a healthier economy. The Government's proposition is a self-defeating one.

**Mr. Hawkes:** Mr. Speaker, I sat here and watched that particular Hon. Member when he was a Minister of the previous Government for quite a lengthy period of time. I find some of his remarks to be absolutely incredible. He said that taking $1,000 per year out of the pockets of families was abhorrent. It is a correct statement; to take $1,000 might indeed be abhorrent, but he participated in a Government which took thousands of dollars per year out of the pockets of families through regressive taxation such as the taxes on fuel to heat homes. There were thousands of dollars in indirect taxation in the last four years of that Government. The taxes which affect children and families almost tripled. That was a Government that gave money out, borrowed money, increased indirect taxation and put the burden on those same children for the future through the deficit. That is what kind of a Government he is supporting. That is his idea of social policy.

• (1240)

I have talked to the people in my riding, poor families who said to me, "We need more money". Rich families say to me, "We need less money and we know that the poor need more." This Government and this Minister have brought in a policy related to family allowance, which says that the rich shall get less through the universal family allowance program, slightly less because of the deindexing, but the poor shall get more through the credits. The Liberals frequently talk out of either side of their mouths, but I think the previous Minister who just spoke speaks out of two mouths. I want to straighten out those two mouths.

Who is the Hon. Member speaking for today? Does he disagree with the assertion that the poor tell us they need more money, and that is what the Government is doing is giving the poor more money than they were going to get under the other system, or is he speaking on behalf of the rich and trying to tell us that the rich in this country do not want to donate that money to the poor? When I move throughout my riding I hear people say this is a good policy. It takes money away from the rich and it gives money to the poor. Who is he speaking for, the rich who want to protect their pockets or is he trying to convince this House that the poor do not need more money? Which is it? Speak with one mouth. Tell us who it is you are representing.

**Mr. Axworthy:** Mr. Speaker, I would like to respond to the Member with the big mouth, never mind two mouths. The fact of the matter is that this Party speaks for all Canadians. We do not, as you do, try to divide between rich and poor. We believe that our mandate has been to ensure that every Canadian, regardless of class or treatment, is given fair opportunity to speak.

The Hon. Member spoke about the income that will be received by the poor. The fact of the matter is, I say to the Member from Calgary, that if he goes back and looks at the net income of a family under $10,000, he will find that by 1990 they will be receiving in the range of $400 to $500 less under the present system of programs.

**Mr. Hawkes:** What about this year?

**Mr. Axworthy:** Mr. Speaker, we are talking about a Bill that deals over a four-year period. Why does he not deal with the terms in his own Bill? He is asking the question, I am giving him the answer. They will receive less. That is the flaw. Furthermore, the other element of the specific child program is the reduction of the threshold from $26,000 to $23,000, which in today's dollars is taking it down to $20,000, which would reduce the eligibility of families for the child tax credit, so that fewer families will be eligible to receive it as a result of this legislation.

What this Government is doing is redefining those who are poor now. We could eliminate poverty if we followed the Conservative example of redefining how poverty is measured—we could bring it down to nothing. We could say there is no poverty because anyone who makes less than $1,000 is rich. That is what you are trying to do, you are redefining the limits and the levels by reducing the threshold. By introducing the other forms of tax withdrawal you are increasing the tax draw from poor income families. The Government is also putting a heavier burden on modest income families, those who are making $15,000 or $20,000. We are talking at that time about close to $1,000 of additional taxes for them. If you add up the combination of taxes and benefits they are going to be $1,000 poorer net in their disposable income.

I would ask the Member the question in return: does it not bother him that in fact the poor people in his riding, or the modest-income people in his riding, are going to be receiving less money to purchase the goods and services that their families need?

**Mr. Rodriguez:** Mr. Speaker, I wanted to ask the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) a question, it is a simple one. I want to preface it first of all by saying that I was in the New Democratic Party, a member of this caucus in the House, in 1972, and there was a minority Government situation and the Liberal Party was tenuously holding on to power. One of the things that we forced that Party to accept so that we could support them in that minority period was the indexation of programs, old age pensions, family allowances and tax exemptions. In 1982, or thereabouts, the Liberal Party's Government started the process of deindexing those programs. It brought in the six and five. The question I want to ask the Member is this, how can he stand so boldly in this House and castigate the Government for its part in the deindexing of family allowances, when in fact it is exactly the same path that his Government put us on?

**Mr. Axworthy:** Mr. Speaker, I am very pleased to answer that question. The Hon. Member was not in the House of Commons during that period. He is an astute student of public affairs and I am sure he was reading the daily press so he knows that we were at that time faced with an acute rate of inflation. In order to bring some economic stability into the country we had to find a way of reducing it. The six and five program was introduced as a major measure. We brought in six and five on the principle that, first, it was temporary, and, second, it was geared to the rate of inflation. The rate of inflation did come down. This Government now is benefiting in large part in terms of an economic renewal based upon those programs. It happens to be the case that we now have a 5 per cent inflation. The fact of the matter is that we introduced that as a means of arresting inflation. Within the next year the rate of inflation came to 6 per cent within one year because of that program, and they are now living on the benefits of that rate of inflation and indexation. That is the reason it happened. Now you are not honest enough or you are not forthright enough to give the credit where it is due. We brought inflation down in this country, that was the reason for that program, and you should be thankful for that.

**Mr. Brisco:** Mr. Speaker, the only ones who believe the statement that we have just heard from the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) are the Canadians who

voted for the Liberal Party in the last election. They are the only ones that are convinced by that argument. Nobody else in Canada is. Look at their numbers. What I heard today reminds me very much of what I heard yesterday from his Leader when he talked about the Liberal policy on freer trade. It is going to be bilateral, unilateral. I tell you it was really a class act out of the campaign of 1984. Boy, Chick was really chic yesterday.

Let me just give this Member once more the figures of the record of that Government. Let us go back to 1976. The family allowance was frozen at $22.08. Under full indexing it would have been $24.55, that is a difference of $2.47 a child per month. That was in 1976. Did we hear any cries of anguish from the Liberal Party at that time? Did we hear any cries of anguish from Canadians at that time? Canadians were so used to being hammered by that Government that they did not know the difference.

• (1250)

In 1979, when the child tax credit was introduced, the family allowance was reduced from $25.68 to $20. Under full indexing, it would have been $27.97. That is a difference of $7.97 per child per month. However, Liberal Members would never mention that.

In 1983 and 1984, when the family allowance was subjected to six and five, under full indexing family allowance would have been $29.82 in 1983 and $31.93 in 1984. Under six and five, it was reduced to $28.52 in 1983 and $29.95 in 1984. That is a difference in 1983 of $1.40 per child per month and in 1984 of $1.98 per child per month. Let the record speak for itself.

**Some Hon. Members:** Hear, hear!

**Mr. Axworthy:** Mr. Speaker, once again I welcome the opportunity to comment on this question because the Hon. Member has introduced a number of new elements to the issue. First he talked about the definition—

**Some Hon. Members:** New elements?

**Mr. Stewart:** It's called the truth. You didn't recognize it.

**Mr. Axworthy:** It is obviously lunchtime. You can tell because the beasts are going wild in their cages again. They have not yet had their full dose of pablum from their national leader. Let us talk about the definition of trade for a moment.

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** The Prime Minister has said many times: "What do I believe in? I'm not sure. I want fuller trade and I want freer trade". This is the Party that does not know where it is going on the trade policy. Thank God there is one Party that had the courage to put forward its position on free trade, and that is what we did yesterday. I would be glad to send that document to Ministers opposite. It will probably be the most intelligent thing they will have read so far regarding the trade policy, because they have certainly not read anything like that from their own Cabinet.

Let us talk about the one change the Hon. Member mentioned. The Hon. Member for Kootenay West (Mr. Brisco) said that he wants to be honest about this. The difference is that when we brought in that change, we brought in the child tax credit and we said very clearly to the Canadian people that we wanted to help pay for poorer Canadians. The net result was that poorer Canadians received substantially more income. That was a result of that action and that was the change that took place. We had proper social reform. We brought in a child tax credit and said that we would limit the family allowance in order to pay for it so that poorer families would receive more money. Under the new Government's measure, they will receive less money. Now answer that question.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I think all of us in this caucus feel that this is a pretty dark day for Canada's children as well as for the women of Canada and for families generally. The family allowance is a very important contract that we as a country have with Canadian families.

We have now come to the final day of debate on the third reading stage of Bill C-70, the Government for the second time having imposed closure on this debate. We are very disappointed that the Government at no time has really reconsidered this Bill based upon the very massive protests of many Canadian groups regarding the deindexation of family allowances.

There have been consultations, advice, appeals and protests made by well over 100 organizations, all of which I could list if I had the time. These organizations appeared last spring when we debated the reform of the family benefits and when the Government invited them to get involved in consultation. Many of them gave expert opinions at that time, opinions which were disregarded. Despite feelings that this consultation had been a farce, these organizations returned to the legislative committee which dealt with Bill C-70 to give their opinions.

I am referring to groups from every walk of life. Women representatives of poor people's groups told us from firsthand experience what it means to be trying to budget for a family with lower welfare rates and how important the family allowance, and a fully indexed family allowance, is to them because when they go to the grocery stores, they have to pay the full price of the food and other items they need for their families.

We heard from community groups from all provinces. We heard from many women's groups. I would say that there has been a massive stimulation of the women's movement across Canada as a result of this Bill. We heard from women's groups from practically every province of Canada and particularly from the Province of Quebec where over 50 or 60 organizations formed a new coalition to protest this Bill and present their views on it to committee. Of course, these are views that very dramatically and militantly oppose Bill C-70.

We heard from many churches. We heard from the United Church, from the Canadian Council of Bishops and from the Anglican Church, all of which oppose Bill C-70. We heard from many different labour groups. We heard from child care groups across Canada. We in our Party heard from native groups. We did not hear from them in committee because the committee did not agree to hear from native women's associations. However, we received letters and have spoken with them directly and we know that many native women's groups object to this Bill.

We heard from parent-teachers' associations right across Canada, associations which represent a huge network of parents with school-age children. They oppose this Bill very strongly. We heard from social work experts and from social policy groups including the CCSD, the National Council on Welfare, NAPO and many other associations including the Canadian Council on Children and Youth, a very strong opponent of the Bill.

The Government has paid no attention to these representations. It spoke of consultation, yet these groups were unanimous in their opposition to this Bill. The organizations presented fact after fact to support the very negative, retrogressive, cumulative effects of this Bill as well as the effect it will have by symbolizing what the Government is doing to Canadian families.

For months now, petitions have been flowing in from ordinary Canadians right across Canada. It has been very difficult for mothers with young children to involve themselves physically in this protest by going to meetings and organizing in the way the old age pensioners did last spring. However, there is no question that this has been the largest mass petition campaign that we have ever seen in the House of Commons. As an example of that, my office just sent over the petitions that came this weekend. I suppose there are another 500 separate petitions here which came in only two or three days. The petitions are flooding in from all parts of Canada. Yet the Government has been ignoring them.

I know the Prime Minister (Mr. Mulroney) received all kinds of petitions directly but he has not mentioned this to the House. There have been telegrams and letters sent to the Government. The people have tried everything they can think of to try to get the Minister of National Health and Welfare (Mr. Epp) and the Prime Minister to change their position on this matter.

This is the Government that talked about consultation and about listening to people. I know from talking to people that the people are very disillusioned at this point. Over 100,000 people have signed petitions opposing Bill C-70. That is the largest petition campaign ever launched, and the petitions are continuing to flow in. I would say that the Government ignores these petitions at its peril.

There is no question that there has been a wave of disillusionment and lack of confidence in this Government. There is the feeling that most of the promises the Government made have now been ignored.



Perhaps, Mr. Speaker, if you will agree, I will call it one o'clock and resume later.

**Mr. Deputy Speaker:** It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

### UNEMPLOYMENT INSURANCE ACT

EFFECT OF CHANGES ON CANADIAN ARMED FORCES PERSONNEL

**Mr. George Henderson (Egmont):** Mr. Speaker, Canadian Armed Forces personnel and other groups of Public Service employees are furious at the Government because of changes to the Unemployment Insurance Act. As of January 5 those people are no longer eligible to collect UIC benefits because of pension incomes and severance pay. That is unfair, Mr. Speaker, and I will tell you why.

Many Armed Forces employees are forced to retire as young as 40 years of age. That is a condition of their employment. Naturally, they want to embark upon a second career. While they look for that second job, they should be eligible for UIC benefits. The changes say that they cannot collect UIC benefits while they look for work. If other Canadians can collect while on a job hunt, why can't these people? Their pension incomes will not pay the bills, which is why they go back to work.

These people are not milking the systems; they are in between jobs after they retire. They deserve those benefits. After all, they paid into the UIC fund for years. However, when they need it, the Government takes it away.

My office has been flooded with calls from people who are worried about the effect of these changes. They are worried about grocery and utility bills. The Government must take off its blinkers, open its eyes, and look at how its policies are hurting Canadians. I call upon the Government to reverse this decision immediately.

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### ENVIRONMENTAL AFFAIRS

RESUMPTION OF LOGGING ON SOUTH MORESBY IN QUEEN CHARLOTTE ISLANDS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, logging begins again today on South Moresby in the

Queen Charlotte Islands. The logging industry has, of course, accepted licences in good faith from the provincial Government to log parts of the island. My concern, shared by my Party, is that indiscriminate logging will destroy this priceless heritage forever.

Despite the efforts of the Prime Minister (Mr. Mulroney) and two federal Ministers, and the protests of thousands of concerned individuals across Canada—indeed, from around the world—the British Columbia Government has abdicated its responsibility to find a solution. At stake is an environmental treasure, unique plant, fish, and wildlife, and the most magnificent primeval rain forest on the face of the globe with trees over 1,000 years old. Also threatened is the traditional homeland of the Haida people. For 10,000 years they have built a culture and tradition unique in the world.

Environmentalists, not just in Canada, but everywhere around the world, are watching how our country responds to this growing crisis. It is totally unacceptable that we have not been able to work out a solution. I cannot believe that this country will throw it away.

Given the resignation last week of the B.C. Forestry Minister, given the conflict of interest involved in his case and in the case of another Minister, given the B.C. Government's refusal to discuss native claims, and given that the federal Government agrees with me that all or part of South Moresby ought to be converted into a national park or a park reserve, I once again urge the Prime Minister and the federal Government to take action, to talk to the people of British Columbia and their Government in order to prevent the irreversible loss of a priceless national treasure.

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## NUCLEAR ARMAMENTS

### CRUISE MISSILE TESTS

**Mr. Derek Blackburn (Brant):** Mr. Speaker, the Government continues to show contempt for Parliament and the people of Canada by withholding information. For example, we learned this morning that the Cruise missile will once again be tested over Canada tomorrow. The Government obviously knows the schedule of these tests, but it refuses to tell Canadians in order to prevent demonstrations against an unwise and unpopular policy.

Similarly, we have just learned that the Government has kept secret a number of agreements with the United States on nuclear, chemical, and biological weapons. It knows that such agreements would be controversial so it denies them, even to a committee composed largely of its own members which this House has asked to examine Canada's defence co-operation with the United States. That information leaks out through journalists or American citizens, but not before the Government has undermined its credibility and shown that it really has no respect for this House or the people it represents.

I am sure the Government will face a storm of criticism over these matters. I am just as sure that it will blame its problems on a conspiracy of the Opposition and the media. However, the Government's problem is not that its message cannot get out; the problem is that the Government is sending out one message loud and clear—it cannot be trusted to tell the truth to the people of Canada or to the Members of this House.

* * *

● (1405)

## SOCIAL AFFAIRS

### PLIGHT OF ELDERLY POOR WOMEN

**Mr. Neil Young (Beaches):** Mr. Speaker, over the weekend the Minister responsible for the Status of Women (Mr. McLean) made a presentation to members of the Conservative Caucus. He outlined some of the shortcomings in his Government's pledge to achieve social justice and economic equality for women. He then left copies of his presentation in the New Democrats' caucus room.

It is deplorable that this Minister has so little clout among his cabinet colleagues he has to go to his Party's backbenchers to ask them to pressure Ministers to live up to the campaign promises made to Canadian women. The Minister shows the lack of progress in improving the situation of the elderly poor. His own figures point out that 71 per cent of Canada's elderly poor are women, and 80 per cent of the unattached elderly poor are women.

The Conservative Government congratulates itself on the extension of the Spouse's Allowance last year. But that change discriminates against 80,000 single and divorced people between the ages of 60 and 65 who are living in poverty. The majority of these people are women. When will the Government address that injustice?

The Minister says "Canadian women are still being shortchanged", and calls for further Government action. When will the Government listen? When will the Government introduce measures implementing the promises it made to Canadian women during the election campaign?

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[*Translation*]

## HOUSE OF COMMONS

### VOCABULARY USED BY CERTAIN MEMBERS

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I would like to convey to the House of Commons of Canada my deep concern about the quality of the vocabulary used by some Members of the House, highly questionable in terms of semantics and not at all in keeping with the dignity of this institution.

Canadians expect a much better performance from those they elect to represent the various parts of the country here in Ottawa.

This undignified and vulgar vocabulary is used mostly by a few Quebec Liberal Members in their attacks against Quebec's Conservative Ministers and, in certain cases, even against the Right Hon. the Prime Minister of Canada (Mr. Mulroney). The expressions heard are so vulgar that our interpreters are sometimes at a loss for words, and their full meaning in both languages is difficult to grasp, Mr. Speaker.

The Members of this House, and more particularly the few marginal Liberal Members from Quebec, should have the decency to use words which at least can be found in the dictionary.

If they have no respect for their colleagues in the House, they should at least mind their languages for the sake of Quebecers and other Canadians.

Finally, unless he enjoys such vulgarities and if he still has any authority left, their leader should call those few marginal Members to order.

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[*English*]

## YOUNG OFFENDERS ACT

PROPOSED CHANGES WELCOMED

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, I join with millions of Canadians in applauding the proposed changes to the Young Offenders Act announced by the Solicitor General (Mr. Beatty) last week. Many aspects of the current Young Offenders Act have left Canadians disenchanted with the application of law and justice in our society. How, they ask, can a young boy in Scarborough murder three people and receive only three years in punishment? How can a group of young people in Toronto savagely beat a young man and also receive minimal sentencing?

The proposed changes come as welcome relief because they address such critical issues as arrest and detention, the publication of information to assist police in apprehending those who escape custody, improved record keeping and counselling, and provisions to allow for longer sentences.

While the spirit and principles contained in the initial Act are commendable, the application of it has left many people wondering where the justice in their legal system has gone. We need to put proper enforcement into this law so that people can feel safe in their neighbourhoods and communities.

I thank the Solicitor General for the proposed changes and urge the Government to continue to improve the Young Offenders Act in order to rebuild the confidence Canadians—

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

*S.O. 22*

## FISHERIES

SUCCESS OF SALMONID ENHANCEMENT PROGRAM

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, the Salmonid Enhancement Program in British Columbia has been an incredible success story. SEP, as it is known, was initiated in 1977. It was designed to increase the population of the Sockeye, Coho, Chinook, Chum and Pink salmon, and the Steelhead.

Results to date indicate SEP production has become an important part of the West Coast fishing industry. In 1984 alone, 20 per cent of the value of the salmon catch in commercial, sport and food fisheries was a direct result of enhancement facilities. For those who are into cost-benefit ratio factors, the SEP ratio was about 1.6 to one. As well, the Salmonid Enhancement Program contributes substantially to job creation in remote communities such as those on the west coast of Vancouver Island.

We are now in a transition phase. SEP I is over and SEP II will soon begin. It is important that our commitment to salmon enhancement be maintained and expanded. Acknowledging that it is no longer 1977, and that our public debt has grown substantially since then, we must ensure that we utilize whatever means are available to fund fully this worth-while program.

• (1410)

Those who benefit from salmon enhancement must join the Canadian Government in a partnership which ensures a growing commitment to grow fish. When the production of salmon is brought back to historical levels of abundance this nation will benefit for generations. In other words, salmon enhancement enhances the future of Canada.

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[*Translation*]

## EMPLOYMENT

INCREASE IN NUMBER OF JOBS FOR YOUNG PEOPLE

**Mr. Fernand Ladouceur (Labelle):** Last December 19, Mr. Speaker, our Government announced that it would earmark $210 million to create youth employment next summer under the Challenge 86 program.

We on the Government side can only be pleased about this announcement, if only because of the tremendous success of Challenge 85 which enabled us to create 101,000 summer jobs for students. Mr. Speaker, that sums up our approach and our determination to restore confidence in our economy and seek long-range solutions aimed at achieving full employment.

Speaking for myself, Mr. Speaker, I can only say that the residents of the beautiful riding of Labelle are quite enthusiastic about our Government's constructive and long-term strategy with respect to employment planning and job creation. Instead of being based on a near-sighted approach to the real

needs of the people, our strategy takes into consideration the full development and use of a huge pool of human resources readily available for future investment.

Youth employment has improved since the September 1984 election. The unemployment rate among young Canadians aged 15 to 24 has dropped from 18.3 to 16.2 per cent in November 1985, a decline of 2.1 per cent. Mr. Speaker, such has been our performance on behalf of the people—

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

* * *

[*English*]

## HUMAN RIGHTS

CELEBRATION OF FIRST MARTIN LUTHER KING DAY IN UNITED STATES

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, today inaugurates a new national holiday in the United States which honours the life of Martin Luther King. It is a commemoration which many Canadians will want to share as Martin Luther King embodied a spirit which was universal in its meaning and impact. There is a tendency nowadays to look back at the 1960s as a time of disruption and disorder. In reality it was a time when men and women of all races and backgrounds sought to find a way to be free. They sought to break the tradition of years of discrimination and inequality. For some of us who lived, worked, and studied in the U.S. during the time of the civil rights movement, it was a profound experience to observe this human struggle which was so pure and divine in its attempt to achieve change for mankind.

All Canadians can honestly say that we share with the Americans their memory of the meaning of this man and the cause he represented so well. We commit ourselves to the ongoing struggle for equality which he represents. As Robert Kennedy said when he learned of the assassination of Martin Luther King, "Let us dedicate ourselves to what the Greeks wrote so many years ago: To tame the savageness of man and make gentle the life of this world".

**Some Hon. Members:** Hear, hear!

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## TRADE

CANADA-UNITED STATES NEGOTIATIONS

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, the Liberals have finally reached a decision about their stand on enhanced trade but they appear to be as confused as ever. I would like to clarify a few important points for them. First, when will they get it through their heads that the term "free trade" is their own fiction? Our Government is seeking to secure trade with the U.S. in light of the quantity of protectionist Bills before the U.S. Congress. We are seeking an enhanced market for Canadian firms which wish to export their products south of the border. We are not seeking to open the borders between the two countries as the Opposition would have Canadians believe. It makes sense to secure and enhance access to the rapidly growing U.S. market which in 1984 alone purchased 75 per cent of our exports and generated 2 million Canadian jobs.

To set straight a second Liberal misconception, our Government is actively seeking to expand world trading markets. The Japanese Prime Minister said during his visit that he is impressed by our growing interest in Pacific Rim Trade. Our Minister for International Trade (Mr. Kelleher) has just returned from meetings in the U.S., Australia, and New Zealand, and is about to embark on a two-week trade tour of Asian countries. We have also offered to host the next GATT meeting in Montreal. The national trade strategy document tabled at the First Ministers' Conference in Halifax stresses our Government's commitment to international trade. I hope I have set the Liberals straight on this very vital issue so that they will stop misleading Canadians.

* * *

• (1415)

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF NOVA SCOTIA MINISTER OF LANDS AND FORESTS

**Mr. Speaker:** May I indicate the presence in our gallery today of the Minister of Lands and Forests of the Province of Nova Scotia, the Hon. Ken Streatch.

**Some Hon. Members:** Hear, hear!

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# ORAL QUESTION PERIOD

[*English*]

## ENVIRONMENTAL AFFAIRS

RESUMPTION OF LOGGING ON LYELL ISLAND, B.C.

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the absence of the Minister of the Environment I would like to ask a question of the Deputy Prime Minister. He will know that logging has resumed today on Lyell Island and South Moresby in the Queen Charlotte Islands. The federal Government, particularly through the intervention of the Prime Minister, seems not to have convinced the Premier of British Columbia. Therefore, will he report to the House on the conversations between the Prime Minister of Canada and the Premier of British Columbia on the status of logging on South Moresby in the Queen Charlotte Islands?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, perhaps I can assist.

The matter, of course, continues in the Province of British Columbia. The communication between the Prime Minister and the Premier involved a number of questions which the Prime Minister, the Department of Justice, and others are still considering. As the responsible Minister I kept in constant touch with the parties involved over the Christmas break and as recently as last night. I would like to assure the right hon. gentleman and the House that matters are delicate and difficult but, I think, sensible. We are trying to achieve a process through which we can satisfy all parties. Those discussions are on-going.

PRIME MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, we appreciated the visit of the Minister of Indian Affairs and Northern Development to British Columbia on this very serious environmental and native claims matter. Would he advise the House whether the Prime Minister has protested, to the Premier of British Columbia, about the resumption of logging on the Queen Charlotte Islands prior to the filing of the report of the B.C. Wilderness Committee?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, some weeks ago the Prime Minister asked me to undertake, on behalf of the Government, our positions, and also to make sure that we invoke, evoke, or provoke, but certainly establish a process to allow the contending interests to be accommodated. He has made that clear to everyone, including the Premier of the Province of British Columbia. The letter from the Premier of the Province of British Columbia to the Prime Minister reflects that fact.

HAIDA LAND CLAIM

**Right Hon. John N. Turner (Leader of the Opposition):** Would the Minister prevail upon his Prime Minister to protest, in strenuous terms, the resumption of logging? Since we seem to have no resolution of the logging or environmental matters, could the Minister give us a brief status report on the Haida land claim?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Yes, indeed. As a matter of fact, Mr. Speaker, the matters are quite related. Some of the questions raised by the Premier of the Province of British Columbia and by other people in that province I think will be dealt with, at least in part, by the recommendations contained in the review of land claims which I commissioned last July. I have now received that report. It is being translated, edited, and printed. By the beginning of February I am hoping that there will be some recommendations before the Cabinet and for public discussion which will assist us in that regard.



## CANADIAN NATIONAL RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is for the Minister of Transport. Last September 10 in this House I asked the Minister about plans to shut down the Newfoundland Railway. At that time the Minister accused me of spreading rumours. In the interim the Minister himself, the Premier of Newfoundland, and CN have all confirmed that plans are under way to axe the Newfoundland Railway and the 800 jobs involved.

Will the Minister come clean with Newfoundlanders and assure us in the House today that he will put an end to back room secret negotiations, consult the railway employees involved who, to this point, have not been consulted, and consult the Newfoundland business community before any decision is taken to axe that railway?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I presume the Hon. Member is referring to an article that appeared in *The Globe and Mail* this morning which is, unfortunately, grossly inaccurate, indeed potentially damaging and, to a great extent, alarmist.

• (1420)

To deal precisely with the point which the Hon. Member has raised with respect to the Newfoundland Railway, CN's five-year plan does not propose the abandonment of the Newfoundland Railway. If it is to be maintained as an imposed public duty, CN should be compensated for any losses that are derived therefrom.

I can assure the Hon. Member that if there is any decision to be made with respect to the future of the Newfoundland Railway, particularly regarding his allegation that it might be discontinued, full discussions and consultations will be carried out with the Government of Newfoundland and all affected parties.

REQUEST THAT MINISTER MEET EMPLOYEES AND UNIONS

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, the operative word in the Minister's answer is "if" it is to be maintained. That is precisely the point. Negotiations and discussions are now ongoing. They have been ongoing for months. The employees affected have been told nothing.

**Mr. Speaker:** Order, please. No preambles please, just a question.

**Mr. Tobin:** I ask the Minister again if he will do the proper thing—I know he agrees with me—go to Newfoundland, convene a meeting with the employees affected, the unions and their representatives, lay the cards on the table and come clean with the people of Newfoundland about the future of that railway, instead of dealing in the backroom with Brian Peckford?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, it is too bad that the Hon. Member does not stick around his riding once in a while, or at least in his own province. He would find out that there have been discussions, ongoing discussions, with the unions. I know that he would like to see the Newfoundland Railway scrapped so he could have a political issue. We are not going to fall for that trap, I can assure him.

**Some Hon. Members:** Hear, hear!

* * *

## CROWN CORPORATIONS

CANADAIR—REQUEST FOR PARLIAMENTARY EXAMINATION OF POSSIBLE FUTURE SALE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. Given the obvious desire of the Government to sell off Crown corporations at no matter what price, and given the recent unfortunate, to put it euphemistically, experience we have had in the case of the de Havilland sale, will the Minister now give the House his unequivocal assurance before any decision is reached in the selling of Canadair that all the details of such a decision will be brought before Parliament before it is finalized?

**Mr. Hnatyshyn:** What is unfortunate is your conduct.

**Some Hon. Members:** Oh, oh!

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member for Oshawa who has repeated once again a question that has been raised several times in this House—

**Mr. Broadbent:** And not answered.

**Mr. Stevens:** —I have indicated what we must first obtain in relation to Canadair is a willing buyer. To date we do not have a willing buyer for Canadair. How can I answer such a hypothetical question?

**Some Hon. Members:** Hear, hear!

[*Translation*]

INQUIRY IF GOVERNMENT WILL PRESENT ALL DETAILS CONCERNING POSSIBLE SALE OF CANADAIR

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, it is not hypothetical in the least. On December 10, the Government said in the House that it intended to sell Canadair. That is a decision. My question concerns the procedure. Can the Minister give the House the assurance that the Government will submit all details regarding the sale of Canadair prior to this report?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Again, if I may reply to the Hon. Member, Mr. Speaker, he must know that in the case of de Havilland we solicited interest in the sense of would-be buyers from 135 different individuals or corporations, both within Canada and without. That is the process we are going through in relation to Canadair. We are attempting to identify who might be interested in making an offer to purchase Canadair. To date we do not have such a buyer who has indicated that he would come with a proposal cash in hand.

REQUEST FOR GOVERNMENT COMMITMENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I will try again. The Minister has said it is not a hypothesis but a reality that the Government will sell Canadair. He said that on December 10. Given the fact that the President of Canadair said publicly it will be sold—

**Some Hon. Members:** Order.

**Mr. Broadbent:** —will the Minister commit himself now, in terms of the process of selling off the Crown corporation, that details will be presented to Parliament so Canadians can make a judgment before the decision is reached?

**Mr. Hnatyshyn:** You have tried three questions. That has been answered.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, how many times do I have to answer the same question?

• (1425)

**Mr. Broadbent:** You have not answered it once.

**Some Hon. Members:** Just answer it once.

**Mr. Stevens:** We do not have the makings of a deal with respect to Canadair at the present time. How can I answer in hypothetical terms?

* * *

## DISARMAMENT

SOVIET UNION'S PROPOSAL TO END NUCLEAR ARMS RACE

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last week the Soviet Union made what is potentially the most significant proposal since the beginning of the Cold War to end the disastrous nuclear arms race. This proposal deserves the most comprehensive and detailed review, not only by the U.S. but also by all members of the Western Alliance. Will the Minister request an urgent and special meeting of all NATO Foreign Ministers to review the new Soviet peace proposal, which is very vital not only to the United States but to the western world and to the world in general? Will the

Minister call a special meeting of the NATO Foreign Ministers?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I, and I am sure all Hon. Members of the House, share the view of the hon. spokesman for the Liberal Party the importance of Mr. Gorbachev's most recent proposal and, indeed, the importance of the process. I intend to be making a statement in the House later this week with regard to arms control matters generally. I will naturally ensure that the Hon. Member and the Hon. Member for New Westminster-Coquitlam receive copies of that statement in time to permit them to reply on behalf of their Parties.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER COMMUNICATED WITH UNITED STATES PRESIDENT

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, since the Minister has indicated that he intends to make a statement in the House on this very important subject, I would like to ask him whether he has been in touch with the President of the United States to inform him of Canada's interest in having this new proposal examined as soon as possible and perhaps also to ask him whether it would be convenient to have a meeting of the External Affairs Ministers concerned as soon as possible.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, there is an ongoing dialogue between the Canadian Government and the Government of the United States, and also between the Canadian Government and the Soviet Union, more specifically regarding the proposals made by Mr. Gorbachev.

I think that for the time being, it will not be necessary to have an emergency meeting of External Affairs Ministers of NATO or other countries, but should anything happen to make such a meeting necessary, the Canadian Government will always be ready to propose such a meeting.

* * *

[*English*]

## ADMINISTRATION OF JUSTICE

LOGGING PRACTICES ON LYELL ISLAND, B.C.

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is directed to the Minister of Justice. I think all Hon. Members of the House know how complicated is the issue of logging on South Moresby. The Minister is aware that the Department of Fisheries and Oceans suggested that charges be laid against Western Forest Products and Frank Beban Logging some time ago for their logging practices on Lyell Island. It has been before the Department of Justice for some time. Could the Minister advise the House today, in light of the resumption of logging on Lyell Island, whether or not a decision has now been made by the Government of Canada on whether to prosecute those two forest companies for their logging practices in the South Moresby area?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, that is not a question for the Government of Canada to decide. It is a question for the Attorney General of Canada to decide in his capacity as Attorney General.

**Mr. Deans:** Did you ask him?

**Mr. Crosbie:** It is not the custom to discuss in public whether or not charges may or may not be laid in any particular situation. If charges are laid, I will be glad to confirm them at the time.

PROSECUTION RECOMMENDATION

**Mr. Jim Fulton (Skeena):** Mr. Speaker, in light of the controversy which has surrounded the particular logging practices on Lyell Island and the fact that these particular charges relate to logging which occurred over four years ago, and the fact that a logging stream—

**Mr. Speaker:** Order, please. It is becoming a preamble. May I just have a question, please?

**Mr. Fulton:** What advice has the Minister been given by the Department of Fisheries and Oceans! It is my understanding that it has recommended prosecution. I wonder whether the Department of Justice has agreed with that view.

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, that is a repetition of the first question. It is not the practice—and certainly it would not be a good practice—for there to be discussion in the House about whether charges should or should not be laid against anybody in any particular situation. If charges are laid, then the effect will become known.

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## NATIONAL DEFENCE

CANADA-UNITED STATES AGREEMENTS

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Minister of National Defence. Last December the Minister gave us a commitment in the House that he would keep the members of the Standing Committee on External Affairs and National Defence fully informed about the Canada-United States defence agreements. Over the weekend we have learned that other agreements have come up about which he has not told us. I have a list of the titles in my hand. Did the Minister know about the existence of these agreements prior to this weekend? If he did, why were they withheld from parliamentarians after his commitment in December to keep the standing parliamentary committee fully informed?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I recall very clearly the exchange last December 4 and December 5 in respect of the Hon. Member's question. He knows that the committee chairman requested a list of all unclassified agreements and that the committee has received this. He also knows that the committee has made no request for classified information. He also knows that I offered, last December, *in camera* briefings if I were to receive a request from the committee. I have not received such a request.

MINISTER'S POSITION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the same Minister. He will know that he made a commitment to keep the committee members informed about all titles of defence agreements between the United States and Canada. The question is simple. Why did the Minister not inform the committee of the existence of these documents, instead of trying to weasel out of it now?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the committee requested and received the information it sought. It has not requested classified information, a request which I told the Hon. Member last December I would consider if it were made. Indeed, I reminded him that I was appearing before the committee the very next week, after he put his question, so that he could question me fully on these matters, and he failed to ask a single question in respect thereto when I did appear.

TORPEDO TEST RANGE AGREEMENT

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question is directed to the same Minister and it is on the same matter. At least one of the agreements we learned about over the weekend which had been denied to us before is unclassified. The Minister may not be aware of that. It is the exchange of notes to provide for the continued operation and maintenance of the torpedo test range in the Strait of Georgia. In view of the fact that that is unclassified and was left out of every list the committee was provided, is it not the case that the Minister and the Government wanted to deny the committee and the people of Canada knowledge of any agreements having to do with nuclear co-operation, nuclear deployment on Canadian soil?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, that is a very mischievous question.

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** The Hon. Member—

**Mr. Blackburn (Brant):** You have a mighty short memory.

**Mr. Speaker:** Order, please.

**Mr. Nielsen:** The Hon. Member knows that that arrangement has been in the public domain for many, many, many years.

**Ms. Jewett:** Why wasn't it on the list?

**Mr. Nielsen:** How she has been so lax in bringing herself up to date in respect of that knowledge I cannot explain, but it certainly has been in the public domain long enough for even her to have learned about it.

**Ms. Jewett:** If I may say so, that was a really feeble answer. This was not given to the committee, and the Minister knows it.

NUCLEAR WEAPONS INQUIRY

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, in relation to this dozen or more than a dozen documents of which we are now aware, could the Minister tell us whether No. 1811A, the one concerning the placement of U.S. airborne nuclear ASW weapons at bases in Canada, probably Comox and Greenwood, is the agreement concerning which his predecessor denied exactly a year ago that there was any intention in Canada to allow the United States to place nuclear depth charges at those two bases?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, again it would appear—perhaps I am not being fair with the Hon. Member—that she is trying to re-arouse fears that I thought had been put to rest by the very lucid answers of the Secretary of State for External Affairs on many occasions in the House, that there are no nuclear weapons on Canadian soil. We do not intend to have any nuclear weapons on Canadian soil. Why can she not believe it?

**Ms. Jewett:** What about this agreement?

**Mr. Nielsen:** With regard to what she calls an agreement, if the Hon. Member wishes to have any information before that committee, she should ask for it. I have received no request whatsoever in respect of classified information. The unclassified information has all been made available.

* * *

## ABORIGINAL RIGHTS

LYELL ISLAND LOGGING—REQUEST FOR REIMPOSITION OF MORATORIUM

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Last December the Minister counselled patience regarding the confrontation between the British Columbia Government and the Haida people over the logging on Lyell Island. I would like to ask the Minister whether he is prepared today to use his good offices on behalf of the Government and all fair minded Canadians, to ask the Gov-

ernment of British Columbia to reimpose the moratorium on logging on Lyell Island, and to keep that moratorium in effect until there has been a just and satisfactory settlement of the Haida claim.

• (1430)

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, one of the ways I think which we have been able to allow a beginning of a process by which the confrontation goes, and sensitive and sensible negotiation discussion begins, has been to make sure that I, on behalf of the Government, would not go around telling other people what I thought they ought to do. What I have tried to do at each and every turn of the road, and I intend to continue it, is to explain to people that all Canadians want a resolution that respects the interests of all parties, and they want it in a peaceable and sensible manner. That is the approach of the Government, that is the approach I intend to take.

EXISTENCE OF ABORIGINAL TITLE

**Mr. Keith Penner (Cochrane-Superior):** The Minister should not be shy about telling the British Columbia Government what to do because he is the trustee of the Indian people in this country. The B.C. Government has asked for a clarification of the Government's native claims policy. On the basis of the report now received by the Minister, is he prepared to tell B.C. that aboriginal title does exist in that province, and that he is prepared to get negotiations under way and settle the Haida claim and the other outstanding claims as well?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** I am seldom shy in these matters, and I would like to take the opportunity to tell him with respect to the Haida claim, and indeed all of the claims of British Columbia, in my judgment people should approach them in an understanding that this is probably one of the most crucial events that is going to affect that province in a long, long time. Therefore, it ought not to be used in a political or partisan way. That is why I have attempted in my discussions with the Haida people, and indeed all Indian people in British Columbia, to make sure that they have the fullest possible opportunity to make their views known.

I commissioned a report as a consequence of a review of land claims, and that includes British Columbia. That will be before all Canadians for public discussion in the early part of February.

Finally, let me say, with respect to the very important questions affecting relations between the Indian people in Canada and British Columbia, and of the relations between Canada and British Columbia, those are contained in the correspondence which Minister Smith in British Columbia put out. Those are questions which I have, and also the Justice Department has, because they are matters that go to the root of an extremely important issue. I am hoping, Mr. Speaker, that all Members of this House will give it sufficient time so that we will have a solution that is going to be to the benefit of all and not just of some.

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## CANADIAN NATIONAL RAILWAYS

PROVISION OF SERVICE IN NEWFOUNDLAND

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I would like to direct some questions to the Minister of Transport. He and I agreed a number of years ago that Newfoundland has never been fully in Confederation when it comes to transportation. We have had nothing but deterioration of rail, trucking, and ferry services ever since 1949. Will the Minister guarantee to the House that he will require Canadian National to provide, as an imposed public duty, equitable and efficient transportation services to the Province of Newfoundland, including the upgrading of the railway line by changing it to standard gauge track, and the improvement of the ferry services?

• (1440)

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I can give the Hon. Member the assurance that this Government is committed to providing Newfoundland with the best transportation service possible, including the utilization of all modes, and that is the sort of discussion that is going on at the present time with the provincial Government, the unions, and all interested parties.

REQUEST FOR COMMITTEE INVESTIGATION

**Mr. Les Benjamin (Regina West):** Mr. Speaker, just so we do not have another de Havilland operation, will the Minister assure the House that he will make it possible for the Standing Committee on Transport and for Parliament to investigate fully the transportation services in the Atlantic provinces and particularly in Newfoundland before any decision is made to sell the CN trucking services or to close down the CN Terra Transport rail operations?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, as the Hon. Member knows, I rely upon the advice of the Transport Committee on various issues and will certainly invite its interest and comments with regard to any transportation initiatives that are taken anywhere in the country.

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[*Translation*]

## TEXTILES AND CLOTHING

COMMISSION'S RECOMMENDATIONS—GOVERNMENT POSITION

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Further to the tabling of the report by the Textile

and Clothing Board submitted at the end of last December, which says that unless special protective measures are taken, between 40,000 and 60,000 jobs will disappear in the near future, does the Minister intend to implement many of the Board's recommendations, especially to restrict imports of these products, to adopt a program of duty free imports and also to adopt a new national textile policy?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member whom I commend for the interest that he has taken in the textile and clothing industry in Canada, we of course have noted many of the recommendations in the report and specifically now have discussions ongoing among the various Departments to try to work out a satisfactory arrangement that will ensure that there will be a viable textile and clothing industry in Canada.

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## INSURANCE

### LIABILITY COVERAGE—DIFFICULTIES FACED BY SMALL BUSINESSES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is directed to the Minister of State for Finance. Now that the Minister has met the Ontario Minister responsible for insurance and understands that insurance falls within the jurisdiction of the federal Government, can the Minister tell the House of Canadians what she is going to do to help the thousands of small businesses that are at the risk of losing everything they have worked for because they have no liability insurance?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I have always understood what my responsibilities are and I do not need any lectures from Liberal Members on that. I met in a very positive way with—

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** You win more with smiles.

**Mr. Speaker:** Order, please.

**Mrs. McDougall:** I met with the industry this morning. We have agreed on a number of things that we can do. I had already been working, as I have told the House, on a longer term policy that will prevent this kind of boom and bust cycle in the future, or at least help dampen it. In the short term, as problems are brought to us, we are resolving them with the industry in a very hard-headed way.

**Mr. Gagliano:** Mr. Speaker, that translates into nothing.

[*Translation*]

### SOLVENCY GUIDELINES FOR INSURANCE COMPANIES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** The Superintendent of Insurance Canada establishes solvency guidelines for insurance companies. I wonder if the Minister could confirm whether guidelines are being observed and whether he could table these guidelines for the information of the House.

[*English*]

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I have told the Hon. Member many times that I will be bringing forward policies dealing with solvency and with the capital base which is part of this boom and bust cycle. We are dealing with this problem in a very realistic way and are helping people so that this situation does not reach this stage in the future again.

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[*Translation*]

## CONSUMER AFFAIRS

### GULF-ULTRAMAR TRANSACTION—REQUEST FOR INQUIRY

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last Thursday and Friday in the House, the Prime Minister said that he would look into the matter of investigating a possible violation by Ultramar of Section 32 of the Combines Investigations Act, because Ultramar set a pre-condition prohibiting the sale of the refinery to a possible competitor on the Quebec market.

Mr. Speaker, my question is as follows. Could the Minister inform the House today whether he has asked the Director responsible for combines investigations to start an investigation immediately of this important matter?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, the question is entirely hypothetical. We will deal with the matter as soon as a transaction takes place and we are aware of the terms.

### MINISTER'S POSITION

**Mr. Lorne Nystrom (Yorkton-Melville):** I have a supplementary, Mr. Speaker. In that case, how can the Minister say he defends the interests of consumers when he refuses to order immediately an investigation of a question that the Prime Minister referred to in the House last week as an important matter?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I think we were answering these questions over and over all last week. I would like to remind my hon. colleague that we have made sure, I and my colleague, the Minister of Energy, Mines and

Resources, that security of supply of petroleum products in Quebec is not in jeopardy and that there is no reason for Quebec consumers to be concerned.

* * *

[*English*]

## CANADIAN NATIONAL RAILWAYS

### COMPANY'S FINANCIAL STABILITY

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, my question is for the Minister of Transport. I am concerned about today's media reports with respect to the alleged financial difficulties of CN. In fact the word "insolvency" has been thrown around. Can the Minister reassure the House about the financial stability of CN?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I can indeed provide the House with that assurance. As I said earlier, the article that appeared in today's *Globe and Mail* was not only grossly inaccurate and irresponsible but was alarmist and potentially damaging.

I can assure the Hon. Member that CN is certainly facing challenges in coping with the traffic decline and the shift in traffic patterns, but those challenges are not unique to CN. I can assure the Hon. Member as well that CN is not insolvent. As a matter of fact its five-year plan would indicate a reduction in the corporate debt. Having regard to the fact that CN has enjoyed a very high credit rating in the international bond market, it has every reason—

**Mr. Broadbent:** Socialist!

**Mr. Mazankowski:** —it has every reason to foresee that continuing in the future.

### TERRA TRANSPORT—MORATORIUM ON RATE INCREASES

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, my question is also directed to the Minister of Transport and deals with Terra Transport. The Minister knows that the CTC imposed massive rate increases on Terra Transport. He also knows that the Cabinet imposed a moratorium on those increases because, if they were allowed to go ahead, it would spell the virtual death of the Newfoundland Railway. I want to know that the Minister is not going to allow to happen through the back door that which might otherwise happen through the front door, and that is the increase in those rates. Will the Minister give us an assurance that the moratorium is in place and will he tell us whether or not it will continue?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am still waiting for the final report, but I think the Hon Member knows that one has an obligation to fulfil the legislative requirement that transportation rates must be compensatory. It is in that context that the whole issue has been examined. I am awaiting the final recommendation of the CTC in this regard.

### MINISTER'S DISCUSSIONS WITH UNIONS

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, the supplementary question I wish to raise with the Minister has been raised already. He has said that there have been consultations and that he has talked to unions.

**Mr. Speaker:** Order, please. Question.

**Mr. Rompkey:** Will he say specifically which unions, either nationally or provincially, he has discussed the Terra Transport situation with? We want an assurance that the Minister is fighting for the 800 jobs that are at stake here.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I have not only talked with the unions but I have talked with the Hon. Minister of Justice who is highly regarded by the union movement in St. John's and throughout Newfoundland.

**Some Hon. Members:** Who?

**Mr. Mazankowski:** I can assure the Hon. Member that—

**Some Hon. Members:** Hear, hear!

• (1450)

**Mr. Mazankowski:** I can assure the Hon. Member that the unions appreciate the work that the Minister of Justice and I are doing. They feel quite secure that they will receive a fair deal.

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## ENERGY

### INCREASES IN GASOLINE PRICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On March 28, 1985, on the date we debated the Western Accord, as reported at page 3473 of *Hansard* the Minister said in the House:

> If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is right that by creating a market environment prices will continue to decline, obviously that provides the environment for gasoline prices to decline. They certainly are not going to increase in a declining market.

Aside from tax increases, why are gasoline prices increasing in a declining market? What does the Minister intend to do about it in order to protect the Canadian consumer?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I believe the Hon. Member is addressing an issue of great concern to consumers. I wish to point out that the increases in gasoline prices about which consum-

ers are concerned, of course, are the federal, municipal, and provincial tax loads which have been imposed on gasoline prices. May I remind the Hon. Member that those taxes go to pay for the social services which Canadians desire.

CONSUMER PROTESTS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, in fact it is the wholesale prices which have gone up the most. My colleagues have received over 500 of these protest coupons today—

**Some Hon. Members:** Order.

**Mr. Waddell:** Why is the Minister ignoring these protests and just saying to hell with them?

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** Why is she ignoring them? Why does she not stand up for the Canadian consumer instead of the oil companies?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, given the presentation of the question, it was not possible to hear it.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** It took the whole weekend caucus to figure that one out.

**Mr. Deans:** Watch the news.

**Mr. Speaker:** Order, please.

* * *

## EXTERNAL AFFAIRS

MIDDLE EAST—SEARCH FOR STABLE PEACE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is for the Secretary of State for External Affairs. The strongest defence against terrorism in the West is stable peace in the Middle East based on recognition of Israel and the justice needed for Palestinians. What initiatives can Canada take to seek that type of peace, in view of Yassir Arafat's recent proposal for an international conference on the rights of Palestinians?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I think the House would agree that the recent cycle of terrorism in the Middle East has added even more instability to a situation that is already difficult. It makes it imperative, in the view of this Government, that an answer be found, a response, to the terrorism which is growing in the world. Canada intends to be part of that response to terrorism.

With regard to the more basic and continuing problems in the Middle East, Canada intends to continue the constructive approach which has been followed by Canadian Governments of both Parties.

* * *

## CANADIAN NATIONAL RAILWAYS

FUTURE OF MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, my question is for the Minister of Transport. In light of a very alarming newspaper report which states that everything east of Montreal is a disaster, and the recommendation to close Terra Transport, would this not spell an end to the Moncton shops? Will the Minister stand in his place today and reject and dismiss this recommendation so as to save the shops in Moncton?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, as I said earlier, the statement to which the Hon. Member refers I have described as grossly inaccurate and irresponsible. As well, I think I can say that the President and Chief Executive Officer of CN will be issuing a statement rejecting out of hand the contents of this morning's article. I hope that will clarify the issue once and for all.

REQUEST FOR PROTECTION OF JOBS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, the Minister has often expressed his concern for the 1,200 jobs in Moncton. However, rumours still persist. Will the Minister commit himself right now to protecting these 1,200 jobs in Moncton? They mean a lot to the City of Moncton. Will he commit himself in this respect?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the Hon. Member has no monopoly on concern.

**Mr. Caccia:** It's in his riding.

**Mr. Mazankowski:** Of course I am concerned, as is the management of CN, which is assessing the maintenance requirements right across the country, recognizing that there has been a drastic decline in traffic and recognizing the fact that there has been a shift in the traffic pattern. All of these factors are taken into consideration. I am sure the Hon. Member would not want me to superimpose my authority on the Board of Directors and the legitimate managers of CN.

**Mr. Gray (Windsor West):** Yes, we do.

**Mr. Speaker:** Order, please.

## INSURANCE

LIABILITY COVERAGE—INCREASES IN PREMIUMS

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my question is for the Minister of State for Finance. I was interested in her earlier answer today in the House with respect to her responsibility. Does her responsibility go so far as to guarantee Canadians, whether they be operators of day care centres, municipalities, or small businesses, that they will be able to afford insurance at rates and levels which they need in order to continue to operate? Will she provide such a guarantee?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, unfortunately, life does not include any guarantees.

**Mr. Gray (Windsor West):** Only for uninsured depositors.

**Mrs. McDougall:** We have told people who are having problems with insurance that we are prepared to help them work out their problems on availability. We will also take a look at problems having to do with affordability. Speaking of jurisdiction, let me remind the Hon. Member that premium structure falls under provincial jurisdiction.

MINISTERIAL REVIEW

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, will the Minister confirm the statement made by the insurance industry's spokesperson this morning to the effect that the Minister and her predecessors have been reviewing the situation in the insurance industry for the past four years? If that statement is correct, then why has it taken a crisis in the country before the Government is prepared to act?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I suggest that question is better directed to the Leader of the Opposition.

* * *

## PETRO-CANADA

INCREASED PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister promised consumers would benefit from deregulated rates. Even though gasoline prices are going down everywhere else in the world, they are going up in Canada. These price increases are being led by Petro-Canada. Why does the Minister allow this? After having raised its prices after a tax increase put forward by the Government, why has Petro-Canada twice increased its price in the last few months, further gouging the Canadian energy consumer?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am not aware of any particular price increases imposed by Petro-Canada.



**An Hon. Member:** You should be.

**Miss Carney:** But I would like to hope that Petro-Canada will be able to generate—

**Mr. Broadbent:** Where do you buy your gas?

**An Hon. Member:** Drive your own car for a change.

**Mr. Hnatyshyn:** If you don't watch out we will nationalize Petro-Canada.

**Mr. Blaikie:** It would be a good idea.

**Mr. Speaker:** Order, please.

**Mr. Riis:** Go buy some gas, Pat.

**Mr. Speaker:** Order, please.

**Miss Carney:** As I was saying before I was interrupted, I think the Hon. Member would agree with me that we want Petro-Canada to have sufficient revenues to develop Venture in his constituency.

SHARE ISSUE INQUIRY

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, will the Minister admit that the reason Petro-Canada is increasing its prices is to create a better profit picture so that it can better present its dossier to the private sector and so that it can issue shares to the public, forcing Canadians to pay yet again for their own Crown corporation?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, no.

**Mr. Speaker:** The Hon. Member for Skeena, one question.

* * *

## EXTERNAL AFFAIRS

APPOINTMENT OF BOUNDARY NEGOTIATOR BY UNITED STATES

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is for the Secretary of State for External Affairs. I am sure he is aware that George Shultz has appointed Mr. Derwinski as the U.S. negotiator on boundaries between British Columbia and the United States.

**Mr. Crosbie:** He's been up before.

• (1500)

**Mr. Fulton:** Since the Minister's own Department has already—

**Mr. Crosbie:** Who do you think you are, Martin Luther?

*Point of Order—Mr. Prud'homme*

**Mr. Speaker:** Order. I apologize to the House. I had forgotten the Hon. Member had already been up today. Excuse me.

**Some Hon. Members:** Oh, oh!

**Mr. Crosbie:** Come back tomorrow.

**Mr. Speaker:** Order, please. I am apologizing to the House and to the Hon. Member. I had forgotten he had already been up today. With one minute left, I should have—

**Mr. Broadbent:** You recognized him.

**Mr. Speaker:** Order, please. Because other Hon. Members were rising at the same time—

**Mr. Broadbent:** He had the floor.

**Mr. Speaker:** Order, please. Perhaps the Hon. Member for Oshawa could wait to hear what I have to say before he comments. There were other Hon. Members rising and I should have gone to someone else at the time. I would have simply corrected that fact at that moment if there was time left. The time having expired, rather than go to someone else, I think it simply makes sense to end Question Period at that moment, although I should have recognized someone other than the Hon. Member for Skeena at the time.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Friday, January 17, 1986, meet the requirements of the Standing Orders as to form.

I am also in a position to give a response to a question of order raised by the Hon. Member for Saint-Denis (Mr. Prud'homme).

* * *

[*Translation*]

## POINT OF ORDER

### REQUEST FOR PHOTOCOPY OF PETITION PRESENTED IN HOUSE—RULING OF MR. SPEAKER

**Mr. Speaker:** Last December 20, the Hon. Member for Saint-Denis (Mr. Prud'homme) drew my attention to the fact that he wanted to obtain complete photocopies of certain petitions and that he had been advised that, according to our practice, he could not have a photocopy of the signatures but could indeed have a look at those petitions.

I checked the precedents and I must confirm to him that the practice of the House of Commons has been that petitions presented by Hon. Members may be consulted upon request, but there has been hesitation in the past about providing copies of the signatures on the petitions. There are many reasons for this, but the fact remains that petitions presented in the House are public documents and that, in my opinion, any petitioner signing such a document knows full well that a third party may consult the document and obtain the name of petitioners. The petitioner may or may not give his or her address, for that does not change anything to the petition and is not contrary to our Standing Orders.

I must say to the House that I would be reluctant to order that petitions be photocopied at the request of the public at large, but the question to be determined is whether a Member has the right if not the privilege to obtain a copy of one or more petitions presented in the House. It seems quite logical to me that, if a Member may present a petition in the House, the same Member or another Member may also obtain a copy, including the signatures. If a petition comes to the House through an Hon. Member, it seems to me that a copy may be taken out by a Member and, as in many other cases, Hon. Members are responsible for what they do with it.

Therefore I have asked the Clerk of Petitions to send a complete copy of a petition to a Member who will ask for one.

**Mr. Prud'homme:** Thank you, Mr. Speaker.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

### FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** I have a number of petitions with hundreds of names from Kamloops, Invermere, Terrace, Cranbrook, Prince George, Courtenay, West Vancouver, Surrey, Delta, Coquitlam and Vancouver. I could go on and on but they have been signed by the citizens in virtually every town in British Columbia. The petitioners suggest that the massive cut-backs to child tax benefits are really an unfair attack on women and families with children and are especially unfair to single parent mothers. They ask that the Government reinstate full indexation of universal family allowance and rescind a number of the regressive tax increases in the last Budget.

### FEDERAL GASOLINE TAX

**Mr. Nelson A. Riis (Kamloops-Shuswap):** I also have a petition which was actually incorrectly submitted. I will not submit all of the loose papers, but there is an appropriate petition which makes the same point. The petitioners are concerned about the increasing federal taxes on gasoline. It is priced at a rate per litre which some people are finding extremely excessive.

**Mr. Speaker:** I appreciate the Hon. Member may have a point to make but I think he knows he is presenting petitions and not making speeches.

Is the Hon. Member finished with his presentation of that petition? All right.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present a number of petitions signed by residents of Winnipeg, mostly from my own constituency, who believe that the family allowance deindexation will not be offset by changes to the child tax credit and that the poorest families will be worse off by 1990 as they fall further and further behind. The petitioners humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and rescind the unfair tax increases.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have three petitions, two of them on the same subject. One petition is from the city of Regina and one from The Battlefords-Meadow Lake area of Saskatchewan. These more than 200 petitioners humbly pray and call upon Parliament to maintain the full indexing of the family allowance program and to rescind all the unfair tax increases in the Budget.

CALL FOR RETENTION OF SUB-POST OFFICE IN REGINA

**Mr. Les Benjamin (Regina West):** I have a further petition which is something of a phenomenon in that its over 4,000 signatures were gathered in the period of one month. The over 4,000 petitioners in Regina humbly pray that this Parliament sees to it that the Canada Post maintain sub-Post Office No. 26 in the Golden Mile Plaza in Regina.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I have several petitions I would like to table, since today is the last day of debate on Bill C-70. These petitions ask the Government to change its position, to drop its opposition to full indexation and reinstate full indexation of family allowances and the child tax credit.

My first petition is from the riding of Ottawa-Vanier. Another petition is from Saint-Henri-Westmount in the province of Quebec. Another petition on the same matter is from Berthier-Maskinongé-Lanaudière, Quebec. Another petition is from the federal riding of Saint-Jean and another from the riding of Berthier-Maskinongé-Lanaudière, Quebec. Another petition is from the federal riding of Saint-Maurice. Another from the federal riding of Champlain in Quebec. From the city of Toronto, we have a number of constituents in that city asking the Government to allow full indexation of family allowances. Another petition from Toronto. Another from Vancouver-East, British Columbia. And another from Kamloops-Shuswap, British Columbia. And lastly, a petition from Red Deer, Alberta.

Mr. Speaker, that is a total of 45 to 50 petitions in only a few days, which is quite a lot.

[*English*]

**Mr. Derek Blackburn (Brant):** Mr. Speaker, I too, have several petitions. The first petition is from residents of Kayuga, Burford and Brantford, Ontario. The operative clause reads that the petitioners humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

In addition, I have another petition from several citizens of the City of Cambridge, Ontario, who also petition the House of the same purpose.

I also have a petition for several centres in British Columbia wherein the petitioners humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

I have another petition from various suburbs of the City of Toronto which has the same operative clause.

I have another petition from Nova Scotia with many names of residents of many different communities in that province who petition the House for the same purpose.

• (1510)

Another petition is from Cambridge, St. Catharines, Kingston, Pickering and many other centres in Ontario for the same purpose.

I have another petition from Milton, Listowel, Niagara Falls, Kitchener and Toronto, Ontario, for the same purpose.

Finally I have a petition from Hamilton, Port Dover, London, Toronto, Sarnia and other places in Ontario with the same operative clause.

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, it is my privilege to present a petition signed by a number of constituents of the federal ridings of Moncton, Westmorland-Kent and Fundy Royal. The petitioners express their concern regarding the assessment being conducted by CN of its maintenance capacity in Canada. They ask the Parliament of Canada to take into consideration their concerns and make sure that in no way will the efforts undertaken by CN downgrade their facilities in Moncton.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the duty and responsibility to present several petitions from Newfoundland, New Brunswick and Nova Scotia. They petition Parliament on the grounds that deindexation of universal

family allowances and massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers. Moreover, they call upon Parliament to reinstate full indexation of universal family allowances and rescind unfair tax increases.

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I have several petitions to bring to the attention of the House today. The first is from the Delta, Burnaby, Richmond and Vancouver areas of British Columbia. The petitioners are very concerned that deindexation of universal family allowances and cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers. They call upon this House to do whatever it can to reinstate full indexation.

The second group of petitions is from all over Ontario and they bear a large number of signatures. The petitioners are concerned about budget hand-outs such as the $500,000 in tax-free capital gains, RRSP deductions and billions of dollars going to the banks while at the same time the universal family allowance is being cut back. I am pleased to provide these to you today, Mr. Speaker.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I also have quite a number of petitions from British Columbia and the Maritime provinces. The petitioners ask for reinstatement of full indexation to family allowances. The petitions from British Columbia include the communities of Surrey, New Westminster, Coquitlam, Vancouver, North Vancouver, South Canbrook, Kimberley, Invermere, Haney, Richmond, White Rock, Burnaby, Port Alberni, Dawson Creek, Saltspring Island, Surrey and many from the City of Vancouver. There are also petitions from Delta, Nelson, Castlegar, Ganges on Saltspring Island, Port Moody, Fruitvale, Port Hardy, Lac-la-Hache, Richmond, Sechelt, Salmon Arm, Kitimat—

**Mr. Frith:** Sounds like a bus schedule.

**Ms. Mitchell:** It does sound like a bus schedule but they say that people all over British Columbia are concerned.

The second group of petitions are from Lunenburg and Bridgewater, Nova Scotia. There are petitions from Dover, Riverview and St. John's, Newfoundland. There are also quite a number from a number of different communities in Nova Scotia. They all protest Bill C-70.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I, too, have a number of petitions which ask the Government to reverse itself on the plan to deindex family allowances. The petitioners reside in Labrador and Quebec. There are petitions from the ridings of Sudbury, Gander-Twillingate, Nickel Belt, and Victoria, as well as from the Okanagan and Esquimalt areas of British Columbia.

CONTROL OF PORNOGRAPHY

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, I have the honour to present to the House petitions from Fraser Valley East churches, including the Chilliwack Alliance Church, the St. Paul Lutheran church, the Chilliwack Seventh Day Adventist Church, and the Gillanders Road Neighbourhood Group. These petitioners urge the federal Government to establish clear obscenity legislation and enforce stricter control over pornography. They are truly concerned about maintaining community standards of decency.

[*Translation*]

CALL FOR WITHDRAWAL OF BILL C-70

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I have a petition I would like to table, and it is a large one. It contains the signatures of 700 people from the Montreal area, and these signatures were collected by the *Organisation d'aide aux assistés sociaux de la rue Delisle*, in Montreal.

Petitioners believe that society as a whole should share responsibility for children, and that the principle of universality should be maintained.

They humbly ask the Prime Minister of Canada (Mr. Mulroney) to immediately withdraw Bill C-70 which proposes to de-index family allowances.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have the honour to present a number of petitions from a number of communities in Nova Scotia, including Halifax, Dartmouth, Sackville, Pugwash, Wentworth, Truto and Springhill. The petitioners ask this House to reinstate full indexation of universal family allowances and rescind unfair tax increases from the last Budget.

I also have the honour to present a petition from my own riding, specifically Norway House, where a number of native people have again expressed their concern over the Government's intention to destroy universal family allowances absolutely by partial deindexation of that very necessary source of income to the people of that community.

**Mr. Neil Young (Beaches):** Mr. Speaker, I, too, have the duty and privilege to present a number of petitions. Many of them are signed by residents of my own constituency. Others are signed by residents of the Cities of Kitchener, Waterloo and Guelph, Ontario. The petitioners state that deindexation of universal family allowances is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. George Henderson (Egmont):** Mr. Speaker, it is my duty to present on behalf of about 450 residents of Moncton

and surrounding areas a petition protesting the downsizing or closure of the CN shops in Moncton. Twelve hundred jobs are being threatened and already 225 lay-off notices have been sent to the workers. They ask the Government to try and stop that very depressing situation.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I have a number of petitions from various communities in British Columbia. Unlike some Conservative Members, including one Minister, from British Columbia, I am going to read them out instead of tabling them secretly with the Clerk.

**Mr. Speaker:** Order, please. Will the Hon. Member just do that as opposed to giving us a preamble?

**Mr. Waddell:** No more preambles, Mr. Speaker. I have petitions from Gibson's Landing, Maple Ridge in the Fraser Valley, and Vancouver, including my riding of Vancouver-Kingsway. Numerous people have protested this Bill and they call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my duty and honour to present a series of petitions from Halifax and Dartmouth, Nova Scotia. I have another series of petitions from Vancouver and Burnaby, British Columbia. The petitioners call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

• (1520)

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a number of petitions with regard to the family allowance from Halifax and some from the Province of Saskatchewan, in partiuclar, from the City of Regina. I also have petitions with regard to family allowance from my own riding of Winnipeg North Centre. These petitioners point out that the deindexation of the family allowance is an unfair attack on women and families, and particularly on single parent mothers, and that these cut-backs in family allowance are inequitable in light of the hand-outs to banks and oil companies.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am pleased to report that the people of the riding of Spadina are still sending in petitions against the Government's proposal of partially deindex the family allowance. They call it an unfair attack on women and families with children. They petition this House to reinstate full indexation universal family allowance and to rescind the unfair tax increases.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I welcome this opportunity to table in the House a petition signed by about 400 people from Moncton, Salisbury, Sussex and Petitcodiac, in which petitioners describe the situation at the CN shops in Moncton and ask the Government to take steps to protect these jobs.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, it is my privilege and duty to present petitions, not only from my own riding, but from all across Canada. I have petitions from the communities of Campbellton, Tide Head, and Dundee in New Brunswick. I have petitions from Toronto, Thunder Bay, and Manitoba. All of these petitions call upon the Government of Canada to continue to index the family allowance at a full rate so that the children of the country can get the food and clothing that they need.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I have a petition signed by a number of labour leaders from Thunder Bay and northwestern Ontario who are calling on the Government to change its approach on the use of pension income as it relates to unemployment insurance. The petitioners call upon the Government to reverse its decision which came into effect as of January 1 of this year.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, it is an honour and privilege to present petitions from various areas of Canada dealing with family allowance. These petitioners protest the decision to deindex the family allowance, point out the consequences for even the poorest families, and call upon the House of Commons to reinstate full indexation. Some of the petitioners are from the Vancouver area and various areas of the lower mainland including Surrey, Delta, and Burnaby. There is a petition from the City of Kamloops in British Columbia as well. I also have petitions from persons living in Ottawa and various parts of the City of Toronto. I have petitions, as well, from persons living in various communities in Nova Scotia, including Sackville, Dartmouth, and various parts of Cape Breton. All of these, of course, call upon the House of Commons to reinstate full indexation.

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I have the honour and privilege to present petitions today from all corners of the Province of Ontario calling upon the Government to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases. I have a similar petition signed by residents of Campbellton and Dalhousie in New Brunswick also calling upon the House of Commons to reinstate full indexation of universal family allowances.

[*Translation*]

Mr. Speaker, I also have the privilege of tabling a petition signed by residents of Notre-Dame-de-Grâce, Rosemont, Outremont, Laurier and Vaudreuil-Soulanges in the province of

Quebec, who are asking the Government to withdraw Bill C-70 which proposes to deindex family allowances.

* * *

[*English*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I wish to advise the House that the following questions will be answered today: Nos. 401, 402, 404 and 405.

[*Text*]

PENSION PLAN EARNINGS AND CONTRIBUTIONS

Question No. 401—**Mr. Cassidy:**

Since 1952 by year, what percentage of the combined total of pension plan interest earnings, and employer-employee pension plan contributions and other payments made to finance pension plan benefits and their indexing for (*a*) public servants (*b*) members of the Canadian Armed Forces (*c*) members of the Royal Canadian Mounted Police were provided by (i) pension plan interest earnings (ii) employer pension contributions and other employer payments (iii) employee pension contributions?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):**

(a) Public Service Pension Plan

Percentage of Combined Interest Earnings Employer-Employee Pension Plan Contributions and other Payments to finance Pension Plan Benefits and Indexing

| Year | Employee Contributions (Percentage of Total) | Employer Contributions and other payments to finance pension benefits and indexing (Percentage of Total) | Plan Interest Earnings (Percentage of Total) |
|---|---|---|---|
| 1952-53 | 22 | 51 | 27 |
| 1953-54 | 33 | 48 | 19 |
| 1954-55 | 33 | 39 | 28 |
| 1955-56 | 34 | 34 | 32 |
| 1956-57 | 25 | 51 | 24 |
| 1957-58 | 25 | 50 | 25 |
| 1958-59 | 33 | 32 | 35 |
| 1959-60 | 32 | 32 | 36 |
| 1960-61 | 34 | 30 | 36 |
| 1961-62 | 33 | 30 | 37 |
| 1962-63 | 33 | 30 | 37 |
| 1963-64 | 32 | 30 | 38 |
| *1964-65 | 10 | 77 | 13 |
| 1965-66 | 27 | 36 | 37 |
| 1966-67 | 21 | 43 | 36 |
| 1967-68 | 23 | 41 | 36 |
| 1968-69 | 22 | 44 | 34 |
| 1969-70 | 22 | 41 | 37 |
| **1970-71 | 21 | 38 | 41 |
| 1971-72 | 22 | 36 | 42 |
| 1972-73 | 22 | 35 | 43 |
| 1973-74 | 22 | 33 | 45 |
| 1974-75 | 20 | 38 | 42 |
| 1975-76 | 21 | 37 | 42 |
| 1976-77 | 22 | 35 | 43 |
| 1977-78 | 23 | 34 | 43 |
| 1978-79 | 21 | 34 | 45 |
| 1979-80 | 21 | 31 | 48 |
| 1980-81 | 19 | 31 | 50 |
| 1981-82 | 17 | 35 | 48 |
| 1982-83 | 18 | 29 | 53 |
| 1983-84 | 17 | 28 | 55 |
| 1984-85 | 16 | 27 | 57 |

*In this year all outstanding deferred charges for actuarial deficiency credits were charged to budgetary expenditures. Commencing in 1964-65, actuarial deficiency credits were paid off over five years in equal instalments.

**Indexing Benefits established effective April 1, 1970.

(b) Canadian Forces Pension Plan

Percentage of Combined Interest Earnings, Employer-Employee Pension Plan Contributions and other Payments to finance Pension Plan Benefits and Indexing

| Year | Employee Contributions (Percentage of Total) | Employer Contributions and other payments to finance pension benefits and indexing (Percentage of Total) | Plan Interest Earnings (Percentage of Total) |
|---|---|---|---|
| 1952-53 | 33 | 58 | 9 |
| 1953-54 | 31 | 58 | 11 |
| 1954-55 | 33 | 54 | 13 |
| 1955-56 | 31 | 53 | 16 |
| 1956-57 | 30 | 53 | 17 |
| 1957-58 | 30 | 51 | 19 |
| 1958-59 | 27 | 44 | 29 |
| 1959-60 | 25 | 43 | 32 |
| 1960-61 | 28 | 35 | 37 |
| 1961-62 | 24 | 41 | 35 |
| 1962-63 | 24 | 40 | 36 |
| *1963-64 | 5 | 86 | 9 |
| 1964-65 | 19 | 40 | 41 |
| 1965-66 | 18 | 39 | 43 |
| 1966-67 | 11 | 50 | 39 |
| 1967-68 | 12 | 49 | 39 |
| 1968-69 | 11 | 53 | 36 |
| 1969-70 | 11 | 45 | 44 |
| **1970-71 | 11 | 42 | 47 |
| 1971-72 | 11 | 37 | 52 |
| 1972-73 | 10 | 38 | 52 |
| 1973-74 | 9 | 42 | 49 |
| 1974-75 | 8 | 42 | 50 |
| 1975-76 | 8 | 42 | 50 |
| 1976-77 | 8 | 39 | 53 |
| 1977-78 | 8 | 36 | 56 |
| 1978-79 | 9 | 28 | 63 |
| 1979-80 | 9 | 23 | 68 |
| 1980-81 | 8 | 23 | 69 |
| 1981-82 | 9 | 30 | 61 |
| 1982-83 | 8 | 23 | 69 |
| 1983-84 | 8 | 23 | 69 |
| 1984-85 | 7 | 23 | 70 |

*In this year all outstanding deferred charges for actuarial deficiency credits were charged to budgetary expenditures. Commencing in 1964-65, actuarial deficiency credits were paid off over five years in equal instalments.

**Indexing Benefits established effective April 1, 1970.

(c) Royal Canadian Mounted Police Pension Plan

Percentage of Combined Interest Earnings, Employer-Employee Pension Plan Contributions and other Payments to finance Pension Plan Benefits and Indexing

| Year | Employee Contributions (Percentage of Total) | Employer Contributions and other payments to finance pension benefits and indexing (Percentage of Total) | Plan Interest Earnings (Percentage of Total) |
|---|---|---|---|
| 1952-53 | 38 | 47 | 15 |
| 1953-54 | 33 | 54 | 13 |
| 1954-55 | 36 | 48 | 16 |
| 1955-56 | 32 | 50 | 18 |
| 1956-57 | 25 | 61 | 14 |
| 1957-58 | 28 | 55 | 17 |
| 1958-59 | 29 | 52 | 19 |
| 1959-60 | 31 | 47 | 22 |
| 1960-61 | 26 | 58 | 16 |
| 1961-62 | 34 | 45 | 21 |
| 1962-63 | 30 | 46 | 24 |
| *1963-64 | 14 | 74 | 12 |
| 1964-65 | 26 | 51 | 23 |
| 1965-66 | 24 | 51 | 25 |
| 1966-67 | 17 | 61 | 22 |
| 1967-68 | 17 | 60 | 23 |
| 1968-69 | 15 | 65 | 20 |
| 1969-70 | 15 | 61 | 24 |
| **1970-71 | 16 | 58 | 26 |

| Year | Employee Contributions (Percentage of Total) | Employer Contributions and other payments to finance pension benefits and indexing (Percentage of Total) | Plan Interest Earnings (Percentage of Total) |
|---|---|---|---|
| 1971-72 | 18 | 51 | 31 |
| 1972-73 | 18 | 50 | 32 |
| 1973-74 | 19 | 46 | 35 |
| 1974-75 | 19 | 45 | 36 |
| 1975-76 | 18 | 45 | 37 |
| 1976-77 | 17 | 45 | 38 |
| 1977-78 | 17 | 43 | 40 |
| 1978-79 | 15 | 47 | 38 |
| 1979-80 | 15 | 40 | 45 |
| 1980-81 | 16 | 35 | 49 |
| 1981-82 | 16 | 31 | 53 |
| 1982-83 | 15 | 29 | 56 |
| 1983-84 | 14 | 28 | 58 |
| 1984-85 | 13 | 26 | 61 |

*In this year all outstanding deferred charges for actuarial deficiency credits were charged to bubgetary expenditures. Commencing in 1964-65, actuarial deficiency credits were paid off over five years in equal instalments.

**Indexing Benefits established effective April 1, 1970.

CANADIAN FORCES SUPERANNUATION ACCOUNT

Question No. 402—**Mr. Cassidy:**

1. With reference to the answer to question No. 4,485 of the 1st Session of the 32nd Parliament, how much of the $2,438 million decrease in liabilities that was experienced by the Canadian Forces Superannuation Account (CFSA) for past service by the decision that was taken to carry out an actuarial valuation of the RCMPSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on CFSA assets in respect of pensioners and other beneficiaries were committed to reducing past service employer pension costs in respect of current employees?

2. How much of the decrease in employer pension costs from 19.0 per cent to 10.8 per cent of contributory payroll for future service that was experienced by the CFSA resulting from the decision that was taken to carry out an actuarial valuation of the CFSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on CFSA assets in respect of pensioners and other beneficiaries were committed to reducing future service employer pension costs in respect of current employees?

3. Were representatives of CFS pensioners consulted on the action taken to commit inflationary interest earnings on CFSA assets in respect of pensioners and other beneficiaries towards reducing past and future service employer pension costs in respect of current employees and, if not, for what reason?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** 1 and 2. Before 1975, the actuarial valuations of the CFSA were based on a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

In the 1975 valuation, the rate of interest was assumed to be 6.5 per cent per annum. Salary increases were assumed to be 5.5 per cent annually. These rates included an implicit assumption of 3 per cent inflation.

If no implicit assumptions for inflation had been used, the other economic assumptions could be regarded as being 3.5 per cent for real interest rates and 2.5 per cent for real salary increases. The effect of using an implicit inflation assumption of 3 per cent and therefore interest and salary increase assumptions of 6.5 per cent and 5.5 per cent, respectively, instead of 3.5 per cent and 2.5 per cent was to:

(*a*) decrease the CFSA actuarial liabilities by $2,438 million. Of this amount approximately $2,090 million could be attributed to using a discount rate of 6.5 per cent during the plan members' retirement years, instead of 3.5 per cent; and

(*b*) reduce the full employer annual current service cost that would have been required from 19 per cent to 10.8 per cent of contributory payroll. Of the 8.2 per cent of pay decrease, about 6.2 per cent of pay is attributable to using a discount rate of 6.5 per cent interest rather than 3.5 per cent during the retirement period of plan members.

3. Representatives of Canadian Forces pensioners were not consulted about the change in economic assumptions used to value the CFS Account. The benefits of pensioners were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans.

Also, pensions are not negotiable with plan members.

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 404—**Mr. Cassidy:**

1. With reference to the answer to question No. 3,487 of the 1st Session of the 32nd Parliament, how much of the $3,648 million decrease in liabilities that was experienced by the Public Service Superannuation Account (PSSA) for past service by the decision that was taken to carry out an actuarial valuation of the PSSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on PSSA assets in respect of pensioners and other beneficiaries were committed to reducing past service employer pension costs in respect of current employees?

2. How much of the decrease in employer pension costs from 11.6 per cent to 6.5 per cent of contributory payroll for future service that was experienced by the PSSA resulting from the decision that was taken to carry out an actuarial valuation of the PSSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on PSSA assets in respect of pensioners and other beneficiaries were committed to reducing future service employer pension costs in respect of current employees?

3. Were representatives of PSSA pensioners consulted on the action taken to commit inflationary interest earnings on PSSA assets in respect of pensioners and other beneficiaries towards reducing past and future service employer pension costs in respect of current employees and, if not, for what reason?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** 1 and 2. Before 1977, the actuarial valuations of the PSSA were based on a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

In the 1977 valuation, the rate of interest was assumed to be 6.5 per cent per annum. Salary increases were assumed to be 5.5 per cent annually. These rates included an implicit assumption of 3 per cent inflation.

If not implicit assumptions for inflation had been used, the other economic assumptions could be regarded as being 3.5 per cent for real interest rates and 2.5 per cent for real salary increases. The effect of using an implicit inflation assumption of 3 per cent, and therefore interest and salary increase assumptions of 6.5 per cent and 5.5 per cent, respectively, instead of 3.5 per cent and 2.5 per cent was to:

(*a*) decrease PSSA liabilities by $3648 million, which included a decrease in pensioner liabilities of about $2850; and

(*b*) reduce the full employer annual current service cost that would have been required from 11.6 per cent to 6.5 percent of contributory payroll. Of the 5.1 per cent of pay decrease, about 3.6 per cent of pay is attributable to using a discount

rate of 6.5 per cent interest rather than 3.5 per cent during the retirement period of plan members.

3. Representatives of PSSA pensioners were not consulted about the change in economic assumptions used to value the PSS Account. The benefits of pensioners were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans.

Also, pensions are not negotiable with plan members.

ESTIMATED LOSSES IN SUPERANNUATION ACCOUNTS

Question No. 405—**Mr. Cassidy:**

As of December 31, 1984, what was the estimated loss in accumulated interest and principal that the Public Service Superannuation Account, the Canadian Forces Superannuation Account and the Royal Canadian Mounted Police Superannuation Account have experienced from the time these accounts were first established as a result of employer contributions being credited to these accounts one fiscal year in arrears instead of being credited currently on a monthly basis to coincide with the current contributions made by employees from their pay cheques?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** In accordance with legislation, employer contributions are credited to the Public Service Superannuation Account one fiscal year in arrears, and to the Canadian Forces and RCMP Superannuation Accounts one quarter in arrears. If these employer contributions had been credited to these accounts at the same time as employee contributions, the estimated difference in interest earnings would be as follows:

| | |
|---|---|
| Public Service Superannuation Account | $ 385 million |
| Canadian Forces Superannuation Account | $ 90 million |
| RCMP Superannuation Account | $ 15 million |

[*Translation*]

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

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

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973 be read the the third time and passed.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I understand that I have 13 minutes left, not enough time to tell how strongly we oppose Bill C-70. We are joined by over 100 organizations that have appeared on Parliament Hill and by many more than 100,000 petitioners who oppose the deindexation of the family allowance so very strongly.

Why is the NDP and all these groups and citizens protesting so very strongly? It is for the same reason that we opposed the Liberal's six and five deindexing and the earlier cuts made by the Liberals to the family allowance. First of all, Bill C-70, as we have said many times, is an attack on families. The family allowance cheque is the only family benefit that goes to all families that are rearing children. It recognizes the costs and responsibilities that parents take on when they raise children. It is the way in which taxpayers, who do not have children, contribute to the rearing of the next generation. It recognizes the value of children and of parenting. It shows that we are a caring society. It is also a very important means of subsidizing the heavy costs of larger families, a point that the Federation of Labour from P.E.I. pointed out was not stressed enough in committee.

By refusing to index the family allowance to the full cost of living the Government is not only taking money from children in real terms but is denying all the principles of this very important universal social program that I just mentioned. It is really denying the fact that this program is a social right to Canadian parents. It is a social contract between their Government, their children, and themselves. It is this contract that is being eroded.

This gives very bad signals to parents. It tells them that kids will have to pay for the deficit, that parenting is not important to the Government, that the Government is willing to allow family allowance to be eroded over the years—and that is where the significant decrease comes—and that children and families are not a priority of the Government. Those are the signals that people are getting, and the Government should realize that. The Ministers and Members sitting in the House should realize that this is a very serious and very negative matter from a political point of view.

Bill C-70 is an attack on women. We heard from the National Action Committee on the Status of Women, from the Canadian Advisory Council, and from many, many women's groups across Canada. This has aroused the anger of women so much that in Quebec a very strong and very determined new coalition of 60 or more organizations was formed which will continue to protest to the Government. They have lost all confidence in the Government and its actions.

As my Leader said this morning, women are concerned because they need that cheque for their kids, they deserve it, it is their right, and it should be fully indexed. They are also concerned because, in most cases, the cheque comes to women in their own name. I do not think that many men, who have always been in the workforce, realize what it means to a woman who has been raising kids in the home, who has been working very hard and gets no financial recognition, benefits, or adequate pension as do people in the workforce. The one

thing she does get is a family allowance cheque which is hers. I am sure that in most cases she uses it for the children, but it is she who gives it to her children.

In the case of low income women, as they told us, this is money that the mother uses to buy food, especially toward the end of the month when the welfare cheque has been used up. To Canadian women the Government's decision to deindex means a reduction in the value of the family allowance cheque, and they feel that this is insulting, degrading and humiliating. It makes women very angry. They will not forget that anger, I can assure Hon. Members in this House.

• (1530)

The family allowance is little enough as it is. If the Liberals had retained full indexation and done what they should have done as a social commitment and a human right, we would have had family allowance cheques over $50 a month today, and that is the least they should be.

It is incredible that the Government would try to fool women and play around with this important program. The Minister put out a press release before Christmas saying that cheques would not be reduced but increased in January. He even put the cheques out ahead of this debate with an increase of one cent per day per child. The amount should have been four times that to cover the real costs of living.

We have heard from many people that Bill C-70 will be hardest on small families. It will be hard on large families who have a fair income because the cost of raising several children is very great. This Bill will be particularly hard on single parent families, 90 per cent of whom are headed by women who are poor.

The Minister can mouth his platitudes saying that he wants to help those in greatest need. Members who spoke this morning repeated that message but the facts show that that is not true. The family benefit programs and the steps taken in the Budget will hurt poor families badly. I will give some facts to substantiate that statement.

We heard from many mothers on low income and many social policy groups that deindexation is hardest on the poor. I know women in my riding who after using up their welfare cheques use their family allowance cheques. By the end of the month they are out on the streets. I can tell Hon. Members that because of Bill C-49 these women are out on the streets getting picked up and are subject to criminal charges. How do you think women and mothers feel, Mr. Speaker, when they know their Government cares so little for them that it is cutting the cost of living increases?

Bill C-70 is regressive social policy. We heard this repeatedly from social policy groups. One woman parliamentarian—I was really disappointed to hear her—said it is progressive. That is ridiculous. Combined with other Budget measures, it favours the rich and hurts the poor.

The National Council on Welfare and the Canadian Council on Social Development have this documented. The National Council on Welfare said that over the next five years a single mother with two children earning $15,000 annually will lose nearly $2,000 under the Government's Budget. On the other hand, a one-earner couple at the $80,000 a year level will gain nearly $6,000. It is incredible, isn't it, Mr. Speaker? The child tax credit is also being deindexed after three years. We sometimes forget about the child tax exemption, which will be reduced by deindexing. Higher income people will get a reduction for capital gains exemptions and a much higher ceiling on non-taxable RRSPs. Although the poorest families will have an increase in the child tax credit—I hope Members are listening because they keep giving out myths—the increase in the child tax credit does not come until 1987. In the meantime, in 1986 sales taxes imposed on the poorest families will be much higher than the increase in the child tax credit.

How can the Conservatives argue that the Budget helps the poorest families? They are either uninformed or unintelligent—I do not think that is true—but they must be deluded and certainly very cynical if they continue to repeat that argument.

The savings from the reduction on the indexation on family allowances also takes money from the lower income families according to the Canadian Council on Social Development. Their research shows that as a result of 3 per cent deindexation the Government will retrieve $49 million in 1986 alone. Of these savings, $33 million will come from families whose incomes are under $50,000. Average and poor families are being hit by Bill C-70, the families raising children.

The cumulative effect of deindexing the family allowance is another thing we must remember. It is only a little bit of money, a quart of milk a month, starting this new year. On the other hand if we look at what happens over the years with deindexation, the Canadian Council analysis shows that if inflation continues at 3 per cent, in 20 years time the family allowance will be only with $18 a month instead of $32, a loss of $168 a year. The child tax credit—get this—will be reduced to $326 from $384 today even though during part of that period there is an increase in the child tax credit.

The other thing we do not realize is that the turning point for income eligibility for the child tax credit is also affected. The CLC says that in 20 years time only those earning $14,000 a year, extremely poor families, will be eligible for the child tax credit. People up to the $26,500 income range are eligible today. This plan is insidious. As the years go by the family allowance wil be eroded, proving that the Government is attacking a universal program.

Bill C-70 also contains a section giving the Minister power to declare missing children as presumed dead. Child finder groups and parents with missing children are very concerned about this section. We think it should have been withdrawn. Native women have a special plea but were refused being heard. The Bill has a tremendous impact on their families and communities.

Bill C-70 represents a final betrayal by the Government which will come back to haunt it. The Government promised consultation. That promise has been a complete farce. Very qualified groups who were heard at committee twice unani-

mously opposed deindexing. Their consultation has been ignored. They will not ignore the Government, I know. The Government promised to protect universal social programs. Remember universality was sacred. I have already shown how universality has been attacked by Bill C-70.

Remember the Leaders debate, Mr. Speaker. The Prime Minister said he was going to be very sensitive to women's concerns, that women would have equal participation in society and that he was going to focus on women. He is focusing on women, all right. He is attacking women and their children. Women have told us over and over again that they have lost confidence in him. Even the Government advisory group has said how strongly it opposes this Bill.

The Conservatives said and the Minister who is sitting in the House says repeatedly that they want to help those in greatest need. The facts show that Bill C-70 and the other Budget measures are hurting families in greatest need. That is more rhetoric and another promise down the drain. The Government said it would recommend cuts to social programs when the economy improved. The Government now says the economy has improved, that there are more jobs, yet the Government is not willing to reconsider its stand.

We urge the Government to put a sunset clause in Bill C-70. We tried for amendments in committee and here at report stage so we could look at the Bill in a year if the Government would not do away with the Bill. We were ignored which shows that the Government either lied to the people about its intentions or it is lying now when it says the economy has improved.

**An Hon. Member:** Order.

**Ms. Mitchell:** I want to say that by refusing to reconsider Bill C-70 which will hurt women, children and families and, in fact, this country, despite the unanimous recommendations of all expert witnesses who appeared and despite a massive country-wide protest as seen in petitions, by reneging again and again on promises, the Government, while trying to distort the facts has permanently alienated Canadians. Canadians have lost confidence in the credibility and in the humanity of the Government.

• (1540)

**Mr. Kilgour:** Mr. Speaker, I should like to direct my question to the Hon. Member for Vancouver East (Ms. Mitchell). The Hon. Member repeatedly mentioned throughout her speech terms like "progressive". Also she mentioned helping poor people with lower incomes. Does she accept, as I believe her Leader did this morning, that Bill C-70 will help lower-income mothers and their children for the next five years and will take away funds from high-income mothers and their children? As I understand the word "progressive"—

**Ms. Mitchell:** You do not understand it.

**Mr. Kilgour:** —one hits harder people with higher incomes and one helps people with lower incomes. Could the Hon. Member tell the House what is her understanding in respect of low-income families and this particular Bill?

**Ms. Mitchell:** Mr. Speaker, it must be a very strange definition of progressive legislation.

**Mr. Frith:** It is the definition of Progressive Conservative.

**Ms. Mitchell:** Yes, there is a different definition of "progressive" when we talk about Progressive Conservatives. I mean, what can one answer?

**Mr. Kilgour:** Answer my question.

**Ms. Mitchell:** I have documented throughout my speech that they are reducing the indexation on family allowances for poor people and of course it will hurt them. Meanwhile, the costs of their food, clothing and so on are rising. Of course it is hurting them. As the Minister himself said, we cannot really take this Bill in isolation from some of the other budget measures as well. I gave the facts in the documentation from CCSD and from the National Council of Welfare which proved beyond a doubt that they are hurting most the lost income families. They are hurting families at the expense of other taxpayers as well.

**Mr. Kilgour:** Mr. Speaker, with respect, we have to be honest with each other in the House. The Hon. Member just said that we must not take this Bill in isolation, that we must look at other Bills. We have only one Bill before us. Does the Hon. Member know about the tax credit and the fact that low-income families, mothers and children, will have more in their family purse under this Bill for the next five years than they have right now? If she wants to rise, would she please speak to the Bill before the House, not to 17 other Bills or 17 other issues? My question relates to Bill C-70 only, and I submit that that is the lurking fallacy in everything the Hon. Member has been saying.

**Ms. Mitchell:** Mr. Speaker, how can a mother have more money in her purse as a result of this Bill, when the cost of living is rising by 4 per cent and the Minister is only giving 1 per cent in the way of any kind of adjustment for the cost of living? How can she have more money in her purse if she has to pay out that extra money?

**Mr. Kilgour:** It is called a tax credit.

**Ms. Mitchell:** Let us talk about the real world. Let us talk about the real value of money and what that mother has to pay when she goes to the grocery store. It is ridiculous to try to give the impression to families across the country that the Minister is being generous by giving a cent per child per month when he should be giving four times that much for indexation to the real cost of living. It is inconceivable that he can pursue this point.

**Mr. Hawkes:** Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) has accused Government Members of lying about their intentions and of being deluded.

**Mr. Frith:** Polluted.

**Mr. Hawkes:** Deluded, Mr. Speaker. I have heard the New Democratic Party respond to some six to eight Budgets in my time here. It has a standard line; before that Party even sees the Budget, it says: "It favours the rich and hurts the poor".

**Mr. Keeper:** That is the fact in this Budget. Do you want the truth?

**Mr. Hawkes:** "That is the fact in this Budget", hollers some dishonourable Member from across the floor.

**Mr. Keeper:** The Budget hurts the poor and favours the rich. That is the truth.

**Mr. Hawkes:** In December, 1979, in this Chamber, on a motion from that Party a Budget was turfed out, the Budget of the Hon. Member for St. John's West (Mr. Crosbie). The National Council of Welfare, which the Hon. Member for Vancouver East is so fond of quoting, stated unequivocally at that time that it was the fairest Budget to the poor people of the nation in the decade of the seventies, and they threw it out.

**Some Hon. Members:** Hear, hear!

**Mr. Hovdebo:** Why didn't you keep it?

**Mr. Hawkes:** They sit in the Chamber and do not talk about the reality that a poor mother in Canada today, as of January 20, 1986, will have more money in her pocket for her children because of the family benefits policy of the Government than they were to have before my Party came into office.

**Some Hon. Members:** Hear, hear!

**Mr. Hawkes:** Let us talk about the mothers today who need to buy food and skates for their children to participate in hockey.

**Mr. Keeper:** What about the excise tax?

**Mr. Hawkes:** They are to get more money as a consequence of the family benefits policy than they were to get before.

**Mr. Keeper:** What about the excise tax?

**Mr. Epp (Provencher):** What about the highest income tax in Canada?

**Mr. Keeper:** You raised that.

**Mr. Deputy Speaker:** Order, please. Could we listen to the Hon. Member for Calgary West (Mr. Hawkes) put his question or comment, please?

**Mr. Hawkes:** Mr. Speaker, my question is a very simple one. It strikes at the heart of the delusions of the New Democratic Party and the Hon. Member who just spoke. I believe that that Party has deluded itself into believing that a penny a day slower growth in family allowance benefits is the most important part of the policy of the Government. I would like to be clear on its belief. Does that Party believe that that is more important than 500,000 more Canadians working, 1,000 more each and every day since the Budget was brought in? Does that Party think that a penny a day is more important than the over-all policy thrust which is to take from the rich and give to the poor where they need it and to stimulate the economy so that the really poor without jobs can have jobs? We were elected on jobs, jobs, jobs; reconciliation and justice. Taking from the rich and giving to the poor is justice; reconciliation is working with the economy—

**Mr. Keeper:** But you give to the rich.

**Mr. Hawkes:** —and jobs come out the other end of that process. One thousand more people per day are working in the country since the Budget was brought down. Is that not more important than a penny a day?

**Ms. Mitchell:** Mr. Speaker, I know the Hon. Member is enjoying his rhetoric. I appeal to him as a rational person and as a person who has been involved in social work as I have myself. I am sure he really knows the social situation of people. Over a hundred groups, most of which were very well qualified social policy groups with lots of data, unanimously disagreed with the Bill and said that it was harmful. How can he, as a person who taught in a school of social work in Alberta, not believe what they are saying?

**Mr. Frith:** He is stubborn.

**Ms. Mitchell:** It is very difficult to understand. As I answered this morning on the question of jobs, of course we are all for jobs. I wish there were many more full-time jobs at decent rates of pay for the very mothers about whom we are talking. They are lucky if they get part-time jobs. Many of them are being phased out of work into part-time jobs. He knows as well as I do that it is the children about whom we are talking. When a worker with no children gets x dollars and a parent, a mother or father, gets the same x dollars and has to support several children, surely it makes sense that the Government recognize those children. Surely it makes sense that they are recognized adequately. It is an insult and it goes against an appreciatiaon of family values and children to say that that amount will be deindexed. They cannot tell me that the Government could not find $50,000 or a little less than that to cover full indexation for this year. I do not want to use rhetoric again, but the Hon. Member knows perfectly well that they did not hesitate to find over $1 billion for the banks, to get new uniforms for the Armed Forces or to give all kinds of bonuses to the oil companies. Surely the children, the next generation, are just as important. Why be so miserly, so inhumane as to reduce the indexation on family allowances? I am very disappointed in the Member.

● (1550)

**Mr. Speaker:** Question and comment period is over. We will resume debate. The Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand).

[*Translation*]

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I would like to say a few words at the third reading stage of Bill C-70.

The Bill was debated at length during second reading. It was studied in great detail in committee, and whatever could be said against or in favour of the Bill has already been said. In fact, today is the twenty-ninth day of debate on this piece of legislation.

During the next three years, this Bill and the amendments to the Income Tax Act concerning child benefits will gradually replace the present system with a fairer and a more sensible substitute, while maintaining the basic principle that families with children are entitled to certain benefits that are not available to families without children.

The proposed set of reforms guarantees that the highest after-tax benefits will go to families with the lowest incomes and that payments will be reduced progressively as a family's income increases. That is not the case at the present time, when a family with an income of over $30,000 receives higher after-tax benefits than a family with an income of $10,000.

I get the impression that the Opposition, especially the Liberal Opposition, tends to forget that between 1974 and 1984, it supported measures that made a fifty per cent cut in social programs. In 1976, the same Opposition reduced family allowances from $25 to $20 per month, reduced and finally eliminated the fifty-dollar child tax deduction in effect at the time, reduced the exemption for children from 16 to 17 years old, and finally, in 1982, the same Opposition capped indexation of family allowances at six and five per cent.

In fact, considering only what happened in 1976, if family allowances had been fully indexed to the consumer price index without interruption from 1974 onward, monthly family allowance payments would have been $51.83 per child this year, instead of $31.00 as is now the case.

Now, to the Members of the other Opposition Party who are such staunch defenders of the underprivileged. Did you tell those people about whom you are so concerned—and I am sorry to see the Hon. Member for Vancouver East (Ms. Mitchell) leaving the House now—did you tell those people the truth, the whole truth, and nothing but the truth? Did you explain to them that the purpose of this Bill is indeed to give more money to the poorest among them? Would the Hon. Member for Vancouver East tell me whether she is prepared to go back to her riding this weekend and explain to the head of a single-parent family who earns $10,000 that, thanks to our new legislation, within five years this parent will have $250 more to raise his or her family?

Will the Hon. Member for Vancouver East be able to tell the parent that, because he or she will have $250 more, she will vote against the Bill this evening?

How does one explain this situation?

We have realigned our social policies under other amendments, particularly with respect to the child tax credit. Will Members of the Opposition tell families earning $10,000 a year that their child tax credit will be $734 in 1985, $768 in 1986, $908 in 1987, $1,048 in 1989? Did you tell that to your constituents?

If we examine the measures announced by our Government to help families we find that, generally speaking, the child benefit system will be changed somewhat over the next few years, but always to the benefit of poorer Canadians.

I said earlier that our family policy is an employment policy as well. If the father, the mother or the children in that family find work within the coming weeks or months, it will certainly compensate for the missing 94 cents on their monthly allowance cheque. In my opinion, that is more important to a family. Quebec's economy has been steadily recovering. Ever since the election, we have created, in Quebec alone, 136,000 jobs, that is an average of 9,067 jobs per month, compared with a total of 37,000 jobs created by the Liberal administration in 55 months.

It is clear that requests will continue to be made for still more money to help the poor in our society, to improve their living conditions, something we can understand. We fully support this concern for social justice.

The situation of families with children changes constantly. The federal programs designed to help these families cannot always automatically adapt to changing conditions. Therefore, it is sometimes necessary to reorient these programs, and that is the purpose of Bill C-70. We believe that we have adopted a realistic and equitable approach and we intend to continue to work in this direction.

Last December 5, the Minister of National Health and Welfare (Mr. Epp) announced the creation of a parliamentary task force on child care in Canada, to deal with the future orientation of policies in view of the changing needs of Canadian families. In our development policy, we are offering women, as an example, a labour market promotion and integration program to help them acquire the professional qualifications they need to meet the requirements, for some jobs as well as a practical knowledge of the labour market. In the health caucus, we have been studying for the past few weeks all aspects of poverty. We are concerned about these families and children who are living in poverty in Canada. We have heard experts deal with the subject: Mr. Ken Battle, Executive Director of the National Council on Welfare, Mrs. Sylvia Gold, of the Council on the Status of Women, Senator Brenda Robertson, who is familiar with this issue since she is a former Minister of Health from New Brunswick, the former Minister of Development, and in the coming days, we shall be hearing Mr. Michael Walker of the Fraser Institute in Vancouver. This is what we have been doing to help those who need it the most. In addition, we shall develop other social policies as our economy improves in the future.

Bill C-70 is a controversial piece of legislation. The Opposition parties and a number of groups and individuals have denounced it. Their arguments have not convinced me, but I respect the sincerity and the beliefs of most of them.

Like I was saying earlier, as our economy improves, the Government and the Department of National Health and Welfare hope to do even more for those really need it.

**Mr. Deputy Speaker:** Questions or comments; the Hon. Member for Bourassa (Mr. Rossi).

**Mr. Rossi:** Mr. Speaker, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) referred to the amounts the mothers would be receiving in 1986, 1987, 1988 and 1989. I therefore ask her, what would they have received had the family allowances not been deindexed?

Give me the amounts—you cannot answer by yourself.

• (1600)

**Mrs. Bertrand:** I always abide by my Minister's wise advice.

You are asking me what would have been the amounts. I told you earlier what they would have been, if you and your Government, had not put a stop to that de-indexing. Instead of the $31 now received by families, it would have been $51. And I gave you tables, I have other tables but let me say it might be exhaustive at times to give figures. I gave you figures, I gave you tables, how much more families would be getting for the income tax credit, and this is what counts, because this is not taxable.

**Mr. Rossi:** A supplementary, Mr. Speaker.

Mr. Speaker, I am asking the question once again. She answered what it would have been. I am asking what it would be if you were not deindexing and that is the question.

**Mrs. Bertrand:** Then it is $11.28 less a year for family allowances, but $70 more in the first year as far as the tax credit is concerned, $35 more in the second year, and still $35 more in the third year for the tax credit.

[*English*]

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I had hoped to address the last stage of this Bill in a very general way by outlining the concerns of the Liberal Party and myself as the Health and Welfare critic regarding Bill C-70 which will deindex family allowances. However, after hearing some of the very technical arguments placed before us today, I feel almost compelled, and I will do so, to refute some fo the technical arguments made about this Bill so that we may draw our own conclusions at the end of the debate.

It seems to me that there are two basic arguments that Conservative Members have been using this afternoon. The first is that the total package of child benefits including the family allowance, the child tax credit and the child tax exemption will compensate for the reduction in family allowance. That was inherent in the questions that were put to the Hon. Member for Vancouver East (Ms. Mitchell) by the Hon. Member from Edmonton and the Hon. Member from Calgary. I think a few moments will be required to carefully consider the technicalities involved here.

That argument does not take into account the timing of the increases and deductions that are part of this program. Let me therefore begin with that premise and hope that Hon. Members opposite will understand exactly what it is they will be doing to low-income families. Indeed, Conservative Members have created the perception that the proposed changes to the total package of child benefits will compensate for the reduction of income to families following the deindexation of the family allowances. The other perception that is being created is that the end result will be a fairer distribution of benefits; that is to say, a greater proportion of benefits will go to families with lowest incomes. Unfortunately, neither of these highly desirable outcomes will occur. The reason for that is that the practical, negative effects of the proposed changes are not being recognized.

The single major problem with examining the three programs from a fiscal perspective is that the timing of the increases in the deductions are not being placed in the context in which they are going to occur. As an example, the reduction in the family allowances is to begin in January 1986, as soon as this Bill has passed. As a matter of fact, as I indicated in the House in December in debate and during Question Period, the Government did not even wait until the Bill was passed by Parliament before it presumed to change the figures that were to be placed on the family allowance cheques.

The deindexation will begin in January 1986. I hear from Members opposite that the child tax credit is being increased by $70. What the Government does not make clear is the fact that the $70 increase in the child tax credit will not be received by families until April 1987, some 14 months from now, because the child tax credit will not fully impact on families until another year goes by as it is only given out at income tax time. Quite simply, a family will lose the benefit of indexation for 14 months while awaiting the reported compensating adjustment. The Hon. Member from Edmonton and the Hon. Member from Calgary indicated that this was supposed to compensate, but they are going to have to be forced to admit that it will take 14 months before anyone, regardless of family income, will receive one benefit from the child tax credit.

In addition, there will be a second reduction for some families because this Bill lowers the turning point or the point at which one receives partial reduction of the child tax credit from $26,330 per year to $23,500. We lost the argument regarding that point in committee. As a matter of fact, the committee recommended that the turning point be much higher than that which is indicated in this Bill. We recommended that the turning point should be Statistics Canada's definition of family middle income which is $34,000 to $35,000 per year. Through this Bill, the Conservative Government has indicated that it feels that a family that earns $23,000 per year is sufficiently well off and does not require

the full benefit of a child tax credit. Hence, families are going to begin to lose benefits under the child tax credit at that income level.

I will now deal with the import of these changes and I hope Hon. Members will listen carefully. The result of these changes is that between January 1986 and April 1987, all families in the country, regardless of income, will have their family allowances reduced by approximately $30. This short-term loss will be significant in and of itself but it will not begin to compare with the combined over-all effects of the proposed changes.

The Government will choose to proceed with its changes despite opposition from individual families. We have heard of the petition campaign that was launched by the Liberal Party and the New Democratic Party. As well, I must admit that there have been some back-bench Conservative MPs who have had the courage to present petitions from their own constituents outlining opposition to the family allowance deindexation. Despite all of that, despite individual families showing displeasure at the Government's intentions and despite the professional service groups that are opposed to this Bill, a net gain will only occur to those families with incomes of less than $10,000 per year. The cumulative total gain after four years for those families will be $76. More important, all families with incomes of more than $10,000 will experience a net loss of income. That is because Conservative back-bench MPs are not taking into account when the family allowance will be deindexed and when the child tax credit will impact on families. I will not even deal with the child tax exemptions which, I believe, properly belong in Bill C-84.

Another argument has been running through the minds of Conservative Members in this debate. They claim that the result of the changes will be a fairer distribution of benefits or that a greater proportion of benefits will go to families with the lowest incomes. If that had been the intent of the Bill and if that had been the intent of the Government when this debate was launched some 15 to 16 months ago, the Government could have brought forward a Bill that would have had the agreement of all three political Parties. Instead, we ended up with the worst of both worlds.

I believe there has been a betrayal by the Government of the trust placed in it by the electorate on September 4, 1984. The people evidently trusted the Conservative Party during the election campaign of 1984 and the few months following the election. They believed the Government when it said that universality was a sacred trust not to be tampered with. They believed the Minister of National Health and Welfare (Mr. Epp) when he indicated in the social policy review that any savings which would be found in these programs would be redirected to those families who need it the most as opposed to committing it to deficit reduction. In the Bill before us we see the full truth of the Conservative social policy. In effect, what we have is a social policy which is Robin Hood in reverse, and I have used that phrase before in this debate.

• (1610)

In a very technical way let me speak to Conservative Members of Parliament who have used that second point in their speeches, that is to say that there will be a fair distribution of benefits. Statistics Canada states that some 78 per cent of Canadians live in urban centres. In its annual review of poverty published in May of 1985—just 10 months ago—the National Council on Welfare indicated that a family of four living in a moderate to large urban centre with a family income of less than $19,000 a year would be living in poverty. I ask Hon. Members to bear that in mind because the argument here is that this Bill will aid those families who need it the most. The net effect of the proposed changes on families with incomes of less than $20,000 is that they will experience a loss of child benefits and, subsequently, a loss in their capacity to provide an adequate level of food, clothing and shelter for their children. Futher, it is generally accepted that the major beneficiary of the child benefit programs are well-to-do families. The effect of deindexation will have the most negative effect on lower income families. As a result of this Bill's passage, and I have no doubt that it will be passed, in excess of $16 million will be withheld from families living below the poverty line. I think that is a shocking indictment of a Conservative Government's social policy. What is more shocking is the temerity of the back-bench MPs who stand in their place in the House and foster they myth that the social legislation which is before Parliament and the Canadian public is actually going to help those families who need help the most.

The average family income in 1984 was $35,853. The proposed deindexation will have the effect of saving an estimated $49.5 million in 1986. In other words, that is contrary to what the Minister of Finance (Mr. Wilson) promised at the beginning of the debate on universality some 15 months ago. It is also contrary to what the Prime Minister (Mr. Mulroney) indicated at that time. More damning is the fact that when the Minister of National Health and Welfare assumed the mantle of his office he did so to represent not only his own constituents but those in our society who need help the most. The Hon. Member opposite from Edmonton laughs. If politicians are to be believed in this world, then they should at least live up the campaign promises that they make. That is why the Canadian public no longer trusts the Government. The Government continually breaks its promises.

**Mr. Kilgour:** Get on with your speech.

**Mr. Frith:** The Hon. Member does not want to hear the truth. He raised a technical question with the Hon. Member for Vancouver East and now that he has had the benefit of a technical response he wants to lapse back into some general philosophical discussion.

The point is that the Minister of Health promised the Canadian public 15 months ago that any moneys found—any savings as a result of the review of the child benefits program—would never be used to reduce the size of the federal deficit. Yet, that is exactly what occurred six months later, when, on May 23, the Minister of Finance introduced a

Budget which will widen the gap between the rich and the poor in our society. The Minister of Health now has the gall to defend the measures in Bill C-70 while being conspicuously silent on the even more damaging effects Bill C-84 will have on family incomes in the country.

Having said that, I would like to end my remarks on some of the general formalities. At the very beginning of this debate I indicated to Members of the House that the intent of the Government was laudatory. When the child benefits package was referred to committe, members of the committee were asked to consult as widely as possible with various groups across the country and make recommendations to the federal Government suggesting ways and means by which the family allowance, the child tax credit and the child tax exemption could be altered to ensure that more money could be put into the hands of those families who need it the most. That was the original laudatory intent at the beginning of the debate on the child benefits package.

I have indicated to Hon. Members before that when we received that mandate from the federal Government the committee spent, if I am not mistaken, some nine or ten weeks listening to various groups from across the country. The groups and individuals who appeared before the committee did so in the belief that if they gave proper advice, and if we were able to wade through the various testimony, that the three political parties could come up with a better package to recommend to the Minister of Health in order to change the child benefits package. We did so.

With respect to the child tax credit, we recommended that the Government significantly improve the package because we happen to believe it is a socially progressive way by which we can put more money into the hands of poor families. We also recommended that the Government look seriously at eliminating the child tax exemption so that any savings which would result to either the federal Government or the provincial Governments would be funneled into lower income groups. Those were the recommendations of the committee to the Minister of National Health and Welfare.

Frankly, it seems that we wasted our time in that committee because not one of the general directional recommendations which we made was accepted by the Minister, or the committee on planning and priorities when it considered proposals not only to deindex personal exemptions but, worse still, to deindex the family allowances and old age pensions. Largely because of the senior citizens in the country who were so outraged by the thought of having their pensions deindexed, we were able to mount such a successful campaign that the Government had no choice but to back off with its plans. I take it what the Government decided to do was to hang tough, so to speak, with respect to the equally negative effects that this Bill will have on family benefits.

As I mentioned at the beginning of my speech this afternoon, despite the fact that the petition campaign which was launched was the most successful in Canada's history, in which we received between approximately 100,000 and 150,000 signatures, the Government's plan to deindex family allowances stands. This Government remains committed to the direction it established fiscally on the night of May 23.

What I think is most disturbing about the debate is the following. The blank cheque which Canadians gave to the Conservative Party on September 4, 1984, to institute fundamental change in order that Canadians who are not as well versed in the problems facing social programs in the country said, in essence, to the Conservative Party: "We are giving you authorization for change to these systems".

I had hoped when we began the debate on the review of family and seniors' benefits that all three political parties could have recommended a much better system. I believe we could have recommended a system such as the one referred to by the Hon. Member for Vancouver East. She indicated to the House, and I reiterate, that time and time again professional groups in Canada have come before the Government, not only this one but others, to put forward proposals which would achieve the goals and objectives which were originally established when the debate on child benefits began. That was, namely, to put more into the hands of those who need it the most. It seems to me that if the objective of the exercise is to fundamentally alter the social policy of this country, then the time is right for that kind of debate.

• (1620)

The Budget which was tabled on the night of May 23, 1985, gives us the following lesson. If we are going to create the fundamental will to change the social benefit structures, then fundamental to the success of that objective must be the political support of middle-income Canadians. In order to achieve that political support, the perception and reality must be widely held by middle-income Canadians that the burden of deficit reduction will be shared equally by the corporate sector and by personal income. That, in essence, is where the Conservative Government failed. It failed because it misunderstood the feelings of middle-income Canadians who recognized that in order to deal with the problem of deficit reduction there would have to be some altering of the social programs. What they are asking is if the Government intends middle-income Canadians to expect to have changes in those programs, then the Government must be equally committed to a reform of the Income Tax system so that the corporate sector takes on its fair share of the burden. Until the day occurs on which a Minister of Finance rises in the House of Commons and indicates that the corporate sector of this country will have to assume its fair share of the burden of tax, I feel the Government is going to have a difficult time creating the political will to undertake the necessary reforms to our social benefits structure.

I say that in a particular sense. What I have gathered from my travels across the country is that what so incensed middle-income Canadians is that a Budget which was introduced at a time when we were just beginning an economic renewal and growth, would have deindexed the senior citizens, family allowances and personal tax exemptions while at the same time allowing $500,000 worth of capital gains exemption for

individuals. The Government did not once question the loss of tax revenues as a result of tax decisions made by Revenue Canada. It did not question the amount the corporate sector paid toward tax revenues and so it created a system in which the rich will get richer and the poor will get poorer. I can tell you, Mr. Speaker, that is no way to generate the political will to undertake the national debate we so badly need. It is not the fault of the Opposition Party. It is the fault of the governing Party for having failed to properly put into perspective the necessary tools so that that debate could have occurred. I can think of no other shame than the failure of the Conservative Government to bring into the House of Commons a social security package which would benefit those lower income groups and achieve the necessary political will in this country. The Government has now lost the opportunity.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker**: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg North (Mr. Orlikow)—Medical care (a) Funding of cancer treatment centres. (b) Medical research; the Hon. Member for York East (Mr. Redway)—Insurance—Municipalities' difficulties in obtaining liability coverage; the Hon. Member for Prince Albert (Mr. Hovdebo)—Agriculture (a) United States and European Community wheat trading practices. (b) United States farm commodity subsidies.

## GOVERNMENT ORDERS

[*English*]

### FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-70, an Act to amend the Family Allowances Act, 1973 be read the third time and passed.

**Mr. Deputy Speaker:** Are there questions or comments on the speech of the Hon. Member?

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I find it very, very painful to sit here and listen to this Liberal hypocrisy. We heard this morning from the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who tried to justify the six and five program as not having any impact on the Family Allowance. He said it was introduced to lower inflation. Well, it lowered inflation from 11 per cent to 7 per cent.

**Mr. Gauthier:** Oh, no. To 4 per cent. Be honest. Don't be a hypocrite. Get your facts straight.

**Mr. Turner (Ottawa-Carleton):** But unemployment went from 7 per cent to 11 per cent, which reminds me of the 711 stores which went bankrupt in just the way the former Government was taking us down the fiscal path to bankruptcy.

**Mr. Gauthier:** That is nonsense.

**Mr. Turner (Ottawa-Carleton):** We have talked of fairness during this debate and I want to ask the Hon. Member for Sudbury (Mr. Frith) if he thinks it is fair that the Liberals destroyed the family allowance base by seriously eroding it in 1976 and 1979?

**Mr. Gauthier:** You cannot be serious.

**Mr. Frith:** Mr. Speaker, the assumption that the Government's introduction of the six and five program led to a decrease in over-all benefits has to be taken into context. When we introduced the six and five legislation, inflation in this country was running in the double digits. Within 11 months of the introduction of the six and five program, inflation had fallen to below 4 per cent. The net effect in terms of purchasing power from the six and five program was zero or minimum.

I would like to suggest one other thing, Mr. Speaker. This is where one finds out the difference between a Liberal and a Conservative. At least, under the six and five program we had the intelligence and compassion to double index the poor in our society in order to make sure that none of the poor suffered as a result of that program. That is more than I can say for this Conservative Government. When it introduced the Budget on the night of May 23, it was going to deindex every senior citizen without any care for those senior citizens who already lived below the poverty line. Perhaps the Hon. Member for Ottawa-Carleton (Mr. Turner) would care to respond to that.

**Mr. Keeper:** Mr. Speaker, I have a comment and I guess it could be construed as a question. I am really quite shocked that the Conservatives somehow feel it is sufficient when they receive criticism from us, and from the Liberals, about what they are doing to Family Allowances, to simply say there is nothing wrong with what they are doing because the Liberals did it when they were in office. What a defence.

**Mr. Frith:** And we paid the price.

**Mr. Keeper:** And as my colleague said: "We paid the price", and the Liberals did pay the price for doing what the Tories are doing now. The Tories are now beginning to pay the price as is evident by the Gallup polls.

**Mr. Frith:** Mr. Speaker, I could not fail to reply to that leading question. I just fed the line to the Hon. Member for

Winnipeg North Centre (Mr. Keeper) and it is correct. We did pay the price for some of those things, and I am going to suggest to the Conservative Members opposite that at the rate they are going, they will pay the same price. I am astounded every day in Question Period that the favourite trick of the Government in response to questions put by the Opposition is to blame the media because the message is not getting through. Have you ever considered, Mr. Speaker, that perhaps the message did get through and the public does not like it? That is also a possibility.

**Mr. Gauthier:** Kill the messenger.

**Mr. Frith:** The point is that 17 months ago the Conservatives assumed office, the Canadian public gave them the mandate to undertake some fundamental change and they flubbed it. That is the honest to goodness truth and I am awaiting the question to be put by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour). I would be delighted to answer it.

**Mr. Kilgour:** Mr. Speaker, I would tell the Hon. Member for Sudbury (Mr. Frith) that he need not worry, we will get back when the next election is called, I can guarantee him of that.

**Mr. Rossi:** That's what you think.

**Mr. Kilgour:** I will quote the Hon. Member for Mount Royal (Mrs. Finestone) at page 9859 of *Hansard*:

> From 1987 to 1990, as the child tax credit increases, the family receives more benefits. There will be a gain in 1987 of $64, in 1988 of $75, in 1989 of $96 and in 1990 of $44. That does not sound bad at all but the forecast changes.

I would put to the Hon. Member—and I ask him to honestly answer this question—where does he disagree with the figures of his own colleague who presumably got them from the same research department from which the Hon. Member is getting his figures?

**Mr. Frith:** I have a very simple answer, Mr. Speaker, but it is quite technical. Let me put it to the Hon. Member so he will understand it. It is because at that time our research bureau did not take into consideration the timing of the increase and the deductions and place them in the context in which they were going to occur. In other words, no one in this debate has addressed themselves to the issue that the deindexation is going to occur beginning January 1, 1986, yet not one cent of the changes to the child tax credit can be in the hands of the consumer until the income tax year of April, 1987. As a result, for the next 14 months, every family in this country, regardless of income levels, will lose under Bill C-70.

**Mr. Halliday:** I have a question, Mr. Speaker. I enjoyed listening to the Hon. Member for Sudbury (Mr. Frith) and I must say I enjoyed working with him on the Standing Committee on Health, Welfare and Social Affairs. He is a co-operative member. I particularly liked his reference today to the need for reform of the tax system. I agree with him and I have spoken about that in the House a number of times. Indeed, we have to look at a system which taxes profits as not being a sensible system. But, unfortunately, the Liberal Party, back in 1971, chose to bring in a system which did not essentially change the philosophy behind our tax system. I am not going to go into this in detail. I agree with the Hon. Member that we need a system which will tax corporations effectively so that you and I as individual citizens have more disposable income available for investment.

• (1630)

Having said that, the Hon. Member mentioned in reply to the Hon. Member for Nepean-Carleton (Mr. Tupper), I guess it is—

**Mr. Gauthier:** Ottawa-Carleton.

**Mr. Halliday:** The Hon. Member for Ottawa-Carleton (Mr. Turner). He said that the net effect of six and five on purchasing power was about zero. If that were true, surely the net effect of our partial deindexation of 3 per cent would also be zero.

The Hon. Member also made reference to the fact that our present policy will increase the gap between the rich and poor. How does he explain that all during the years of Liberal reign, when presumably they were doing such wonderful things in the way of social policy, the gap widened? I am surprised he is so upset about a slight change now when it obviously got worse during his Government's term in office.

**Mr. Frith:** Mr. Speaker, those are two very important questions. Research will show that from 1971 until 1981 we narrowed the gap between the haves have have-nots in our society. That was confirmed recently by the National Council on Welfare. It was during the recession of 1981-83 that the gap widened. The report I referred to, as an example, indicated significant improvement in narrowing that gap among our seniors as a result of targeting our resources to those who needed help the most. What is critical here is that the fundamental social policy direction of his Government is to purposely widen the gap through taxation. That is at the root of the problem we on this side have. The gap between rich and poor is going to widen as a result of a deliberate tax policy.

As to the difference between the way we approach six and five and the way his Government is doing it is this. Under six and five we did not touch the base, we attacked the capping. As a result there was no loss of purchasing power. For example, when inflation was 11 per cent and we brought in the six and five program, had we not been successful in getting the inflation rate down quickly the people affected would have lost purchasing power. However, inflation came down so quickly that they in fact gained under that program. The Hon. Member's Government is not going to index the first 3 per cent of inflation and that will widen the gap. That is what we have been saying in debate.

In conclusion I will say this. One of the advantages of being in Opposition is that you do not carry the responsibility of Government in the sense that every time we approach policy

review it is assumed to be Government policy. The mistake the Conservatives made is that during the 13 years they spent in Opposition, with the exception of the time of the Clark Government, they did not take the time to fundamentally come to grips with what they wanted to do with social policy and, the other side of that coin, fiscal or tax policy. As a result we get the kind of budget we saw on the night of May 23. I can promise you this: During the run-up to the next general election the Liberal Party will have in place alternatives for the Canadian public on social policy and tax reform which will clearly differentiate from that of the neanderthal Conservative Party.

**Mr. Deputy Speaker:** The period for questions and comments is over. Resuming debate.

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, it is a pleasure for me to deliver these remarks on behalf of the Minister who, for procedural reasons, is not able to speak at this time.

**Mr. Gauthier:** He refused to make a speech and you know it.

**Mr. Rossi:** Tell the truth.

**Mr. MacKay:** My colleagues are a little agitated. As I understand it, had they a little more generosity or were a little more forthcoming the Minister could have delivered the speech himself.

**Mr. Gauthier:** Mr. Speaker, just to make sure the record is clear, the Minister made a speech this morning when he moved the motion on third reading. He did not say a darn thing and that is usual for him. That was his fault, not ours.

**Mr. MacKay:** That certainly does not sound like the Minister I know, who is the soul of generosity and co-operation.

**Mr. Gauthier:** We call him tricky Epp.

**Mr. MacKay:** In any event, it is a pleasure for me to deliver these remarks on his behalf. As the House knows, this will be the last day of debate on Bill C-70. The Bill has been before the House and its committees since September 13, 1985. It was debated for seven days at second reading, considered for 13 sitting days in a legislative committee, before the House for eight sitting days at report stage, and we are considering it today at third reading. It seems to me that this was a pretty fair opportunity for my colleagues to have discussed it. We heard many times in these debates charges by Members of the Opposition that the Bill was being railroaded through the House without proper or adequate time for debate and representations. Allow me, on behalf of the Minister, to put these charges in some perspective.

In 1982 and 1983, when the Family Allowances Act was last amended to limit indexation of family allowances in 1983 and 1984 under the six and five program, there were three days of debate at second reading, three sitting days in committee and four days of debate at report stage and third reading. To sum up, compared to that legislation, this Bill has been considered over twice as long at second reading, four times as long in committee, and over twice as long at report stage and third reading. This Bill has been before the House and in committee for 29 sitting days, while the so-called six and five Bill on family allowances was before the House and in committee for a total of 10 sitting days. That is almost a three-to-one ratio. I believe any responsible person in this House would have to conclude that, compared to similar Bills in the past, there has been ample opportunity to debate the provisions of this Bill and to hear representations on it.

Perhaps because of the length of this debate and because it has been a controversial Bill,there is in some Members' opinion little new to say about it. However, I think it would be useful at this stage to briefly review how this legislation forms part of an over-all reform of the child benefit system, and correct some of the inaccurate statements which have been made concerning the Bill by Members of the Opposition. Between now and 1989 this Bill and the amendments to the Income Tax Act now before the House dealing with the child tax credit and the child tax exemption will gradually replace the current child benefit system with one which is both more rational and more equitable. While maintaining the principle that all families with children should receive after-tax benefits from the federal Government not available to families without dependent children at the same income level, the new system will ensure that the largest benefits go to those families with children who have the lowest income and that benefits are reduced gradually as family incomes rise. That does not happen under the current system which pays larger after-tax benefits to a family with children and an income over $30,000 than it does to a family with children and an income under $10,000. Moreover, as at least one Member of the Opposition has had the frankness and honesty to recognize, families with two children and incomes at the $10,000 level will get more child tax benefits next year and the following three years under this system than they would have if the current system had remained in place. To quote from the speech of the Hon. Member for Mount Royal (Mrs. Finestone) last Thursday, for a family with $10,000 income there will be a gain in 1987 of $64, in 1988 of $75, in 1989 of $96, and in 1990 of $44. That does not sound bad at all. Actually, the figures she cited for 1988, 1989 and 1990 are a few dollars below the gains which the Government has projected. However, let us accept for the sake of argument that the Hon. Member was using correct figures. What concerns that Hon. Member and a number of witnesses from groups who were sincerely interested in the situation of low-income families with children is, therefore, not what will happen under this package of reforms between now and 1990 or 1991, but what will happen in 1992 and after if no further changes are made to the proposed legislation governing the child tax credit.

• (1640)

This is a legitimate concern and the Minister has asked me to say, on his behalf, as he said in committee, before that time arises, and as the fiscal and economic situation of Canada

improves, he will be asking Cabinet to approve measures to enrich the support provided to lower income families with children, and to better protect that enriched level of support from inflation.

Another concern that has been raised about this package of reforms, Mr. Speaker, is that while more money is total will go to the lowest income families with children than under the current system, there will be a reduction in the purchasing power of the monthly family allowance cheque, and that this will be a difficult adjustment, particularly for low-income parents who find themselves too often with too much month left at the end of the money. Again that is a valid concern so far as it goes, but it needs to be placed in perspective.

The fact is that while in theory the family allowance has been fully indexed to inflation since 1974, in fact the degree of inflation protection has been significantly less than that. In 1976, 1979, 1983, and 1984 under the previous Government, inflation protection was either reduced or eliminated in times of high inflation. In 1979 the family allowance was even reduced $5.68 per child per month from its 1978 level as part of a more general reform of the child benefits system. The result, Mr. Speaker, is that if what is proposed in this Bill had been in place uninterrupted since 1974, that is, indexing above 3 per cent increases in the CPI, family allowances would have been $6.88 per child per month higher in 1985 than they were in fact under theoretical full indexing.

Nevertheless, Mr. Speaker, I say to my colleagues that the Minister recognizes the importance of the monthly family allowance cheque in the day-to-day budgeting of low-income parents. He is prepared to examine a more periodic payment of the child tax credit to such families to deal with that concern, although Members should be aware that many low-income parents prefer to receive the child tax credit, as they do at present, in a lump sum so that they can use it for large purchases such as clothing or appliances.

Let me repeat to those who have raised concerns in the House and elsewhere that the gains for low-income families with children under this package of reforms are less substantial than they ought to be, and less insulated from inflation than they ought to be after 1991. The Minister shares their concern and the Government hopes to bring forward an effective response well before 1991.

Those who have called attention to the importance of the purchasing power of the monthly family allowance cheque for low-income parents have raised the legitimate point that something less than full indexing for all parents may be a more effective solution for those people. Unfortunately, Mr. Speaker, some Members of the Opposition have been content with expresing legitimate, or even arguable concerns about this Bill. Whether out of ignorance or malice, or some combination of the two, they have seized upon a relatively minor clause in this Bill designed to deal with a very limited number of tragic situations, a clause which has been for some time in other income security legislation, and used it to sow unnecessary apprehension and even distress among the parents of missing children in the country.

I refer, of course, to Clause 5 of this Bill which allows the Minister of National Health and Welfare (Mr. Epp), upon being satisfied beyond a reasonable doubt that the death of a child on whose behalf family allowance is being received has occurred, to determine a date, for the purposes of this Act, of the dealth of the child without waiting for or being bound by death certificates issued by other authorities.

When the Bill came before the House for second reading the first Member to raise objection to this clause was the Member for Hamilton East (Ms. Copps). Her line was taken up in that debate and later in committee by many other Opposition Members, notably the Member for Vancouver East (Ms. Mitchell) and the Member for Montreal-Sainte-Marie (Mr. Malépart). The latter took his opposition to the point of exploiting the case of a particular parent of a missing child by misrepresenting to the mother the motive and effect of this proposed clause, and by continuing in these misrepresentations in statements to the press after he had ample opportunity in committee and in conversations with officials of the Department to educate himself as to the real purpose and effect of this clause.

Those of us who have been in the House for some years, Mr. Speaker, know that when Members see something in a Bill which they do not understand, or which appears ambiguous, there is a proper code conduct to follow. You phone or approach the Minister of the Minister's staff. You ask for an explanation or clarification. If it is satisfactory, the matter ends there. If not, you raise it publicly.

I understand that the time allocated has now expired.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mr. Deputy Speaker:** Order. It being 4.45 p.m., it is my duty, pursuant to Order made on Tuesday, January 14, 1986, to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill now before the House.

[*English*]

The question is the following one. Mr. Epp (Provencher), seconded by Mr. Hnatyshyn, moves that Bill C-70, an Act to amend the Family Allowances Act, 1973, be read the third time and do pass. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the yeas have it.

*Family Allowances Act, 1973*

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Call in the Members.

The House divided on the motion (Mr. Epp (Provencher)), which was agreed to on the following division:

(*Division No. 180*)

YEAS

Members

Andre
Beatty
Belsher
Bernier
Bertrand
Blais
Blenkarn
Bourgault
Brightwell
Brisco
Browes
Cardiff
Clark (Yellowhead)
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Crombie
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Duguay
Edwards
Ellis
Epp (Provencher)
Fennell
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gormley
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hees
Hnatyshyn
Holtmann
Horner
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
Ladouceur
Landry
La Salle
Layton
Lesick
Lewis
MacDougall (Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McDermid
McInnes
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Pennock
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Weiner
Wenman
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—131.

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Copps
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Kaplan
Keeper
MacLellan
McDonald (Broadview-Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Tobin
Waddell
Young—49.

● (1710)

**Mr. Speaker:** I declare the motion carried.

Bill read the third time and passed.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### CRIMINAL CODE

AMENDMENT RESPECTING ABORTION PROCEDURES

The House resumed from Thursday, September 12, 1985, consideration of the motion of Mr. Gormley that Bill C-226, an Act to amend the Criminal Code (abortion), be read the second time and referred to the Standing Committee on Jusstice and Legal Affairs.

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, I welcome the opportunity to speak to this Bill introduced by my colleague, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley). The Bill that is before us today proposes to remove from the Criminal Code the endangerment of health of the mother as a ground for abortion.

The Hon. Member deserves a great deal of credit for his commitment to the protection of the unborn. I respect his views and I share those views in many ways. Like him, I realize the vital importance of this issue for all Canadians. I must say, however, that I do not think that Private Members' hour is the only place to be considering an amendment to the Criminal Code on such a significant clause and issue. We can have our discussion and we can acquaint Members with issues involved. It is essential, however, that we ensure that any decision to amend the Criminal Code as proposed will be taken only after a full examination of all the issues and with the full understanding by all Members.

Recently the Minister of State announced new immigration objectives of the Government of Canada. There are those in my constituency who have written to me in protest and they are saying flatly, no more immigration or more sharply reduced below the numbers that we have announced. They say that without knowing that Canada, in 1965, was the youngest nation in the world in terms of our population and age. Now, in 1986, we are the oldest in terms of the average age for a population. We are sustaining a net loss in our population. For whatever reasons young Canadian couples are either not having any children or are having one or two children. Diminishing population is not in its own right a valid reason to change current law in the Criminal Code pertaining to abortion, but I am still moved to ask why so many foetuses are destroyed, and where it would be difficult to medically demonstrate a valid and serious health risk to the mother in each case.

Too frequently we find the risk itself is minimal and that those who use this particular route use it as a form of birth control. The sadness is that there are in Canada today many childless couples who yearn for that great gift, that great fulfilment of life, a child of their own or a child by adoption. This points out the fact that as a society we have not reached that desirable level of social development to fully respond to those needs. That is one of my greatest concerns. If society were well equipped to handle this very situation, if there could be a greater measure of care and understanding of the end results of existing laws, if we could respond to that great need out there among so many people to have that blessing and that opportunity for fulfilment in their lives, it is my view that this would be a better country as a result.

I think it is important as well to briefly review the law of abortion. Until 1969 the law in Canada relating to abortion had changed little since 1892. It generally provided that it was an indictable offence for which one could be sentenced to imprisonment for life to procure the miscarriage of any woman. I can remember as a young man scarcely understanding all these facts of life, as they are frequently referred to, the stories of the back-room butcher shop, the back-room operations, and the horrors that resulted from those operations, scarcely realizing at that time the enormous consequences to the mother and inevitably the destruction of the foetus.

In 1969 the Criminal Code was amended to provide an exception to the offence of procuring an abortion. It was not an offence if the abortion had been approved by a therapeutic abortion committee of an approved or accredited hospital. The grounds for approving an abortion was that the continuation of the pregnancy would likely endanger the life and health of the mother. That provision in 1969 we hoped would help to resolve some of the problems associated with this entire issue, an issue that affects so many people and in so many ways, but which unto itself divides the country in terms of perception and view. One of the agonies of those who support this Bill, or the concept behind this Bill is that there are so many differing standards from province to province, from city to city.

I would like to reflect on the attitude of a given community as opposed to the attitude of another community in the same province or in some different province where standards may vary, where economic circumstance may vary, where a variety of conditions may vary. On the one hand you find that the statistics for abortion are very low, and on the other hand, in another community, very high. It is perhaps difficult to put your finger on what causes that variation of perception of fact and of viewpoint.

● (1720)

The abortion amendments have not had the effect of placating any of the individuals or groups who have an abiding interest in the matter of abortion and whose views range from one extreme in which all abortions are considered to be murder to the opposite extreme in which abortion on demand is advocated. In that context, the remarks of Mr. Justice Blackmun of the United States Supreme Court in *Roe v. Wade* are equally applicable to the Canadian situation. He said:

> We forthwith acknowledge our awareness of the sensitive and emotional nature of the abortion controversy, of the vigorous opposing views, even among physicians, and of the deep and seemingly absolute convictions that the subject inspires. One's philosophy, one's experience, one's exposure to the raw edges of human existence, one's religious training, one's attitudes towards life and family and the moral standards one establishes and seeks to observe, are all likely to influence and to color one's thinking and conclusions about abortion.

It is obvious that the 1969 amendment has left many people dissatisfied. The issue of what our abortion law should be and what sort of protection should be given to the unborn is one of the most emotional debates in the country. A great many Canadians are concerned about the issue and the ramifications of the continuance of the debate on what the law should be.

Some have resorted to the courts to clarify the law, particularly since the advent of the Charter. In at least two cases, Borowski and Morgentaler, the courts in Saskatchewan and Ontario have upheld the abortion provisions of the Criminal Code. In the Borowski case, the plaintiff alleged that a foetus was a person and therefore the term "everyone" in Section 7 of the Charter of Rights and Freedoms provided protection for the unborn. In short, the court was asked to determine whether or not the foetus was, from the time of conception, or shortly thereafter, a legal person for all purposes. Of course, this was one of the issues as well before the United States Supreme Court in the case of *Roe v. Wade*.

I must say that Mr. Justice Blackmun has a great sense of perception and feel for the case. I personally find that I have never had the opportunity to meet him in person but I have great difficulty relating to Morgentaler when I see him on television. I have great difficulty relating to that man. As well, possibly because of my very nature which is somewhat reserved—although at times in the House that could be questioned—I have difficulty relating to Mr. Borowski, not because of the issue, not because of his dedication but perhaps because of his stridency and the sometimes extreme measures to which he seems to go. Nevertheless, my position on this issue has always been clear.

Again, I believe Mr. Justice Blackmun has probably identified the problem from his heart, mind and soul to a greater extent than anyone else whose opinions I have read. In *Roe v. Wade,* Mr. Justice Blackmun noted:

> We need not resolve the difficult question of when life begins. When those trained in the respective disciplines of medicine, philosophy and theology are unable to arrive at any concensus, the judiciary at this point in the development of man's knowledge, is not in a position to speculate as to the answer.

I can imagine to what depths this learned judge must have gone in his own conscience to provide that very brief decision, a decision which says so very much.

I believe that the question of protection for the unborn should be decided by Parliament. What other direction exists? The issues involved are extremely complicated and involve questions which are essentially religious and moral in nature. The court is not the proper place, in my view, to resolve this controversy.

One need only look to the United States to see the problems which a court-imposed solution created. In the 12 years since the U.S. Supreme Court gave a virtual green light to abortion on demand in its landmark decision *Roe v. Wade*, an estimated 15 million legal abortions have been performed in the United States. More than one-quarter of all pregnancies now end in abortion at a rate of roughly 4,000 per day. In some areas such as New York State, the number of abortions every year nearly equals the number of live births. At the same time, the vocal minority that never accepted the original court ruling has grown in size, sophistication and frustration and has taken its fight to the streets. The debate has now turned violent in the United States with doctors and nurses who perform abortions being harassed and with clinics being bombed. That debate is on the wrong track. Surely there is in that land as in this land a Congress that can provide more appropriate direction than the court room.

An important question to ask is what are the ramifications of preventing access to a therapeutic abortion when a woman's health is at risk. I must ask what that constitutes. As I said earlier, the perception of when a woman's health is at risk and the degree to which it is at risk varies from physician to physician, province to province and hospital to hospital.

Another question to be asked is would today's amendment be an unacceptable intrusion into the field of medicine. The present law recognizes the fact that medical practitioners may find circumstances under which pregnancy is likely to endanger a woman's health. It is in keeping with medical practice generally that danger to health be treated when such indications are present as, in the opinion of medical practitioners, would endanger the health of the patient.

The present abortion law makes no attempt to interfere with the practice of medicine, a matter within provincial jurisdiction. It does not attempt to tell physicians which factors may or may not be included in their medical determination of what constitutes a danger to life or health even when not all physicians agree on the weight to be given the various factors in particular circumstances.

One of my concerns is that very weight that is applied in paticular circumstances. One must consider so many different things. One must consider not only the convictions of the physician himself, not only the health risk to the mother but in medical and scientific terms, what other avenues are available to the physician regarding the risk to the life of the patient. Do we have available to us all the expertise that exists at the Ottawa General Hospital regarding complications developing as a result of pregnancies or abortions or do we have available to us information from a small, under-funded, under-staffed and under-equipped country hospital which must face the same kinds of consequences? I would like to add that the report of the committee on the operation of the abortion law submitted in 1977 found that there was no consensus for major changes to the abortion law. These findings have been confirmed in a number of studies and surveys conducted in recent years.

• (1730)

The committee also found that most Canadians were neither in favour of removing abortion from the Criminal Code nor of refusing therapeutic abortions under all circumstances. There is no indication that there has been a major shift in public opinion. I say that the only way in which we can make that major shift is by providing the medium, the social and economic opportunity, for the mother to make a decision to save the life of the foetus. In that context, it is my hope that as a private Member I can address myself with dedication to the provision and improvement of our own social structure so that so many of these unborn will have the chance to reach a life of fulfilment and be able to enrich the lives of their natural or adoptive parents.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I appreciate the opportunity to speak to Bill C-226. I would like to begin my remarks by indicating that I am speaking as an individual Member of Parliament. I am not speaking on behalf of the Liberal Party of Canada with respect to its position on abortion. I think that my Party's position with respect to the subject is clear. The official position is that it supports the existing legislation. I would like to say that I do not support my Party's position. I have indicated that on a number of occasions, including one occasion last November here in the House of Commons. At that time I commented on the acquittal in Ontario of Dr. Henry Morgentaler. I indicated that in my view the abortion law must be changed and that greater protection must be afforded the innocent unborn. I said that I would do what I could to ensure that the legislation was changed.

I would like to congratulate the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) for taking the initiative and for having the courage to present to the House a Bill to amend the Criminal Code of Canada. He has taken a tremendous step in the right direction. I think he proposes a good amendment. It is specific, straightforward, and deals squarely with the issue.

The issue today is not whether or not we should change the abortion law. The issue today is whether or not a particular Member of Parliament, in this case the Hon. Member for The Battlefords-Meadow Lake, will have the opportunity to have his Bill discussed at the committee stage. We all have views with respect to abortion. However, we all know the process which we are going through here today. This is Private Members' Hour. A Bill has been introduced by a Private Member, a Conservative Member. One hour has been allotted to discuss this Bill. The Bill was before the House once before in September. On that occasion a number of Members of Parliament spoke to it. It was decided by the Government at that time that the Bill would be talked out. According to the process which is in place, if the Government does not support a particular motion or Bill, or for that matter if members of the Opposition Parties do not support a Private Member's motion or Bill, all they need do is talk it out.

I guarantee Hon. Members that the Bill which is before us today will be talked out. We will see Conservative Members of Parliament talk until the hour has elapsed. Therefore, the Private Member will be denied the opportunity of having his proposed legislation discussed at the committee stage. I call upon members of the Conservative Party, those Members who will make the decision with respect to whether or not this Bill will go forward, to allow it to go to committee. In this way we can have a good debate on the subject matter.

**Mr. Gormley:** Hear, hear!

**Mr. Nunziata:** In this way, all Members of Parliament will be able to appear before the committee and express their views. Canadians who are interested in the subject will also be able to come before the committee and express their points of view on this important issue.

We all recognize that the issue is a divisive one. There are those who are for abortion and there are those who are against it. We recognize that it is nearly impossible to reconcile these two polarized positions with respect to abortion. However, I submit we must have the opportunity to debate the subject. We have a duty to those who are interested and concerned about the issue to hold a national debate, not just during Private Members' Hour, but at the committee state. In this way Canadians can come forward and express their points of view with respect to the issue of abortion. However, the Government will not allow that. I suggest that by not allowing a national debate the Government pays a disservice not only to the issue but to the Hon. Member for The Battlefords-Meadow Lake who brought forward this piece of legislation. It also pays a disservice to the democratic system of Government.

The Government has spoken about enhancing the role of the back-bencher. We know that a committee known as the McGrath Committee recommended ways of enhancing the role of the back-bencher, since it was recognized that back-benchers play a very small role in the policy-making function. We do not legislate when we sit in the back rows. Those who make a difference are those who sit in the front benches on the government side—the Ministers. They are the ones who formulate policy and decide when legislation should go forward.

Thus, it was recognized, and applauded by many, that there was a need to enhance the role of the back-bencher and, therefore, measures should be brought in. If the Government is serious about enhancing the role of the back-bencher and ensuring that back-benchers have a say in bringing forward legislation, then why not allow Bill C-226 to go to committee for debate? Not only is it necessary but it is incumbent upon the Prime Minister (Mr. Mulroney) to allow this. I say this because during the election campaign in the summer of 1984 the Prime Minister went on record, and I have a copy of a letter which he sent to a concerned individual, in this regard. He stated that if his Government were elected he would allow a free vote on the subject of abortion. That was the position of the Prime Minister at that time. Talking out this piece of legislation could lead one to seriously question the integrity and honesty of the Prime Minister of Canada.

During the election campaign he promised to have a vote in the House of Commons on the issue of abortion. We are now some 17 months into the Conservative mandate and we all know that the Government has frittered that mandate which it received on September 4. Nonetheless, the promises are still there. One of those promises was that there would be a debate, a discussion, on abortion in the House of Commons and that each and every Member of Parliament would be given the opportunity to vote according to his or her own conscience. That is what the Prime Minister said in his letter. I challenge the Government to allow that to come about by allowing this Bill to go forward.

• (1740)

I can speak on the merits of this Bill today. I can give the reasons why I am opposed to abortion and why I believe changes are necessary. However, I am not going to convince anyone at this point to change their mind because everyone who is sitting here in the Chamber, including yourself, Mr. Speaker, know that this Bill is going nowhere. It is an effort on behalf of a private Member but because of the Government of the day, the Bill is going nowhere.

It looks good as far as the Government is concerned to allow private Members to bring forward legislation but when it comes time to refer this Bill to committee, I will bet my mortgage—

**Mr. Speyer:** You don't have one.

**Mr. Nunziata:** The Hon. Member says I don't have a mortgage but what is it to bet one's mortgage? A mortgage is a liability. The Government is a liability to the people of Canada. It has mortgaged the people of Canada.

The Government will not allow this Bill to go forward and I say once again that that is a disservice not only to the Hon. Member but to the people of Canada. It would also lead one to ask about the integrity and honesty of the Government. It is just another example of promises made and broken.

If Hon. Members here in the House today truly believe in enhancing the role of the back-bencher, if they really want to have a say in the policy formulation of the nation's business, then they should allow this Hon. Member the opportunity to have this issue discussed at committee. We are not asking anyone to pass a law here today to change the Criminal Code of Canada. That would be unreasonable without a national debate. What is necessary is the opportunity to at least discuss this matter. All the Hon. Member is asking for is just the opportunity to have this matter discussed. If, at the end of it all the law is not changed because the majority of Hon. Members of this House decide that the existing legislation is the best possible compromise, then so be it, democracy has worked its course, Parliament has spoken. Members of this House of Commons have indicated where they stand on that particular issue and one cannot complain. That is the beauty of democracy. However, to deny debate, to deny the opportunity of discussion, is to do a very serious disservice to our democrat-

ic process and to the whole idea of enhancing the role of the private Member.

I simply urge, in closing, that Conservative Government Members who intend to speak out this Bill refer the subject matter to a special committee in order to hear all Hon. Members of Parliament and all interested Canadians so at least democracy will be better served.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I cannot really say that I welcome the opportunity to enter into this debate, but it is an important subject and serves to be addressed. Abortion is obviously a matter which is very controversial and raises the feelings of people to very high levels. Therefore, it is important to approach this debate in a calm and reasonable fashion. The Private Members' Bill before us in effect seeks to eliminate abortions except where the life of the mother is directly threatened. We know from studies that countries which have laws outlawing abortions do not eliminate abortions. So, even if this Private Members' Bill were to go to committee and were to be passed, in the final analysis it would not achieve its stated objective, which is to do away with abortions.

Very restrictive abortion laws would simply return us to the days before the present law on abortion in which desperate women would be forced to induce the abortion themselves or to approach a back-room abortionist. Those would be very unsafe abortions and we could have women die in these desperate circumstances. The one virtue of the present situation is that if a woman is to have an abortion we can at least guarantee that the abortion is a safe procedure.

I am a Catholic and a father, so I do not approach the subject of abortions lightly. It is a very serious matter and I am sure that any woman who finds herself in a situation in which she has to make a decision about whether or not to have an abortion does not approach this decision lightly, either. It is important in those situations to take whatever advice one can from one's family spiritual leader but in the final analysis, what it needed is the kind of law which is enunciated in the policy of my Party, that is, simply, that the issue of abortion does not belong in the Criminal Code, it is a medical procedure, and a woman should have the right to choose to use that medical procedure in consultation with her doctor. That is the way the choice should be made rather than having the woman go before a bureaucratic committee or be under some restrictive laws which purport to eliminate abortions and which in fact simply drive them underground where the procedure would then become unsafe.

The medical profession has examined this question very carefully. The Canadian Medical Association has come to the conclusion that whether or not a woman has an abortion should be a matter for the woman in consultation with her doctor. The people who have to undertake the procedure carefully studied the matter and have come to that conclusion. Not only have medical doctors looked at the question of abortion but the United Church as well. It has studied the issue very carefully and in depth. It has come to a similar conclusion. It believes that it is a matter of conscience and that the individual person should make the decision, guided by her own moral values. The question of abortion has no easy solution. That is why we, in the final analysis, have come to the conclusion that the decision must be left to the woman and to her doctor. This does not mean that we promote or favour abortions because we certainly do not. If we really want to achieve what this Bill purports to seek, that is, to eliminate abortions or to reduce the number of abortions, then we have to look for effective ways of doing that. This Bill would not achieve that end. If we really want to reduce the number of abortions, then we must make sure that the means for preventing contraception are available. Rather than the Government cutting funding for planned parenthood, it should be making sure that people in general have access to the means to prevent a pregnancy. In that way they will not have to face the difficult decision of whether or not to have an abortion.

We also need good education in human relations. We have to educate our children about what love is and about what male and female relationships are all about so that they do not enter this domain in ignorance to then be taken advantage of. We need good education in order that young people can make wise decisions. We also need to augment our assistance to single parents. There are many young single parents in this country and we have to make sure they have adequate financial assistance. We have to make sure that the doors of opportunity in the form of employment are open to them. That is no easy task. We need to have extensive affirmative action programs which will ensure that someone who has the responsibility for a child can at the same time continue their education and acquire the skills which will allow them to earn a decent living.

• (1750)

There are a lot of things which could be done in an effort to reduce the number of abortions which take place. This, of course, does not make the question any easier to deal with but we do know from studies in those countries which combine access to abortion along with adequate preventive measures that the number of abortions are less than in those countries which seek to eliminate abortions by way of very harsh laws. While the question is difficult, it is important to keep a balanced perspective. We must understand that so long as abortions go on, they should be done in a safe environment and the appropriate person should make the decision about whether an abortion should take place or not. That, in the final analysis, is the woman. At the same time that Governments ensure equitable access to abortions they should also ensure that preventive measures are in place to reduce abortions.

[*Translation*]

**Mr. Édouard Desrosiers (Hochelaga-Maisonneuve):** Mr. Speaker, thank you very much. I just want to share some of my thoughts on this subject. I come from a family of fifteen children. If my parents had known the system we have today, you would not have had the great privilege of seeing me in the House this afternoon.

I must tell you I am against abortion. I am against these criminal acts, and I entirely disagree with the Member for the New Democratic Party who claimed this should not be considered a crime. I disagree. Anyone who kills a child is a criminal.

I am for the right to life. I think every member of this House should realize that destroying a child in its mother's womb is a criminal act.

**Mr. Prud'homme:** Are you against capital punishment too?

**Mr. Desrosiers:** I beg your pardon?

**Mr. Prud'homme:** Are you against capital punishment?

**Mr. Desrosiers:** We will get back to that later. We are now talking about Bill C-226.

Mr. Speaker, I just wanted to say that I support this Bill and that if I were in a position to have it adopted today, I would be even happier. Unfortunately, we all know the intricacies of parliamentary procedure and the rules we must follow. I wanted to say openly that I am against abortion.

[*English*]

**Mr. Jim Hawkes (Calgary West):** Mr. Speaker, it is a shame that the Hon. Member for York South-Weston (Mr. Nunziata) left the Chamber. He also left some unfortunate views on the table which need some kind of explanation. I do not know whether he did that deliberately or whether he really lacks an understanding of how this House of Commons works although that does seem a little incredible given his 16 months in this Chamber.

However, what we have before us today in the form of Bill C-226 is, of course, a Bill. If we were to cease talking about that Bill at this very moment, Mr. Speaker would put the question, the bells would ring, Members would come in and vote on the principle of the Bill. If the majority were in agreement with that principle, then the Bill would go to committee. Therefore, it is not a question of passing the subject matter of this Bill to committee. If the Hon. Member was familiar with this Chamber and the notion of parliamentary reform, he would know that standing committees of the House of Commons can inquire into a subject matter of their own choosing provided it falls under the mandate of the particular committee. If the Hon. Member serves on a committee which does not have the mandate to discuss this subject matter, he can go to his Whip and ask to be put on the committee which does have that mandate. It is that simple. The subject matter could be discussed in committee provided the majority of Members want to discuss it. However, what the Hon. Member was asking this House to do was to move to the voting stage where you either accept or reject a principle affecting human life. It affects the woman more than the man, the unborn child more than the living child. He asked us to pronounce on that principle after less than two hours of public debate.

That request comes from a Member who supported days of filibustering over a penny a day in connection with family allowances, as well as a whole host of other issues. These were not life-and-death issues, but he is now asking Members of this Chamber to pronounce on a life-and-death issue after less than two hours of debate. That should run against the grain of responsibility which all Members of this Chamber should have. I find the notion simply unacceptable.

The Hon. Member was also asking the Government to respect the notion of parliamentary review and reform and the independence of Members by telling us what to do. If there is an illogical fallacy anywhere in this Chamber it is to say to Members of this Chamber that we should all be in favour of reform and independence, and then ask the Government to tell us what to do. Let me assert in the clearest possible terms that no member of the Government has ever told me what I had to say or the way I had to behave concerning Private Members' Hour. If any Member of the Government tries to tell me at any point in the future about the way I have to behave or what I have to say, then they are asking for trouble. This is Private Members' Hour where we reach private decisions about what we would like to do.

I believe I have some 20 minutes to speak to this Bill and I have considerably more than 10 minutes left to address myself to its substance. It being six o'clock I wonder if I might be guaranteed the floor as the first speaker when this debate resumes because it deserves careful thought, consideration and debate and I would like to continue that debate when this Bill next comes before the House.

• (1800)

**Mr. Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### MEDICAL CARE—FUNDING OF CANCER TREATMENT CENTRES. (B) MEDICAL RESEARCH

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, on January 13, I put questions to the Minister of National Health and Welfare (Mr. Epp) which were prompted by reports from Toronto, Winnipeg, and now from Ottawa, about the inadequacies of facilities for the treatment of people suffering from cancer in those and other cities in Canada. We have an aging population and, because cancer so often affects people as they get older, we have an ever-increasing number of people who suffer from cancer. They are, as reported in the stories of

some days ago, and as I tried to indicate in my questions on January 13, finding it increasingly difficult to get the treatment which they need and deserve, and which would be available if the facilities were what they ought to be.

I raise the question for two reasons. First, I am very concerned about the needs of cancer patients which are not being met. I also raise it because the needs and shortages which are apparent are symbolic of a deeper crisis, that of the shortage of funds for some of the most important programs which provide needed services to the people of Canada.

What are the problems, Mr. Speaker? We have had the decision of the Government to reduce funding for the Established Programs Financing which are funded in part by the federal Government and in part by the provincial Governments. The programs fund our medicare system, our hospital system, and our post-secondary education system. Similarly, the Government has decided that by 1990 it will reduce by $6 billion the funding which would have gone to the provinces to help finance these programs.

I make it clear that I am not talking about cuts in programs. I am talking about reductions in funding by the federal Government which would have been in place had the Government not unilaterally changed the agreements which it had with the provinces. By the year 1990 the federal Government will reduce funding to these programs by $2 billion a year; by 1990 the reduction in funding for these programs will amount to $6 billion.

The federal Government obviously has plans to reduce funding for the research councils, in social sciences and humanities, natural sciences and engineering, and the medical sciences. We are seeing progressive cuts, not only for Established Programs Financing but in funding for the Social Science Humanities Research Council such that a $20 million addition is needed to get the operation back to the 1971 level.

There was a budget cut of $29 million in 1985-86 in the Natural Sciences and Engineering Research Council funding so that equipment purchases and support of joint university and company research are not possible. We see a chronic under-funding of the Medical Research Council's budget despite a promise in the last election that this would be rectified. It would require a $30 million funding increase to meet the minimum requests by the Medical Research Council revised five-year plan. There has been an over-all reduction in research spending in all departments and agencies of $140 million set out in the budgetary statement a year ago last November. These have continued to accelerate throughout the past year.

● (1805)

I remind Members of the House that when they were in the Opposition, and during the election campaign, the present Prime Minister (Mr. Mulroney) pointed out very clearly how poorly the research efforts in Canada compared with the research efforts in virtually all of the other western industrialized countries. The Conservative Party promised to increase the percentage of gross national product devoted to scientific research and development from the present 1.5 per cent to 2.5 per cent, an amount which is spent or exceeded by virtually all of the other countries. The Tories have broken their promises about what they would do if the people of Canada elected them to govern. The Tory Government is ignoring one of the most fundamental needs of any country in the world in this decade and the next, that is, to provide the education and scientific research efforts which are required if Canada is to play its role and meet the needs of the 1980s and 1990s.

I call on the Government to rescind the actions it has taken and to provide the funding required for these programs.

[*Translation*]

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I want to take this opportunity to provide some clarification regarding what was incorrectly referred to by some members as cuts in transfer payments to the provinces for health care and post-secondary education.

My colleague, the Minister of Finance (Mr. Wilson), has stated on a number of occasions that federal transfer payments for health care and post-secondary education will continue to increase from year to year. In fact, the Minister said that federal transfer payments should increase at the same rate, at least, as expenditures for all other federal programs. It will guarantee that total outlays for transfer payments to other Government levels will not decrease.

One thing for sure is that our Government is firmly committed to health care. With respect to the general question of federal transfer payments for health care programs over the next five years, the total amount to be paid to the provinces under established programs financing will be $66 billion, or about $19 billion more than all such transfer payments to the provinces in the last five years. There is no way such an increase can be described as a cut-back.

Along with increases in other transfer payments, including equalization payments to have-not provinces, those higher health care transfer payments guarantee that all provinces will be in a position to maintain health care programs which compare favourably with those of other countries. That is what Canadians expect and appreciate. The health of Canadians will not be jeopardized by this Government.

Some Members of the Opposition would have us believe, among other things, that cash shortages in Ontario cancer treatment centres are the direct result of federal under-funding of health care programs under established programs financing. Let me set the record straight.

Pursuant to the provisions governing such financing, the provinces are free to allocate health program funds as they see fit. The Government believes it would be acting quite inappropriately and even unconstitutionally if it were to tell the provinces just how much they ought to set aside for health programs, thus unduly affecting their priorities.

I am pleased to see that the Premier of Ontario has acknowledged the serious problem which the Hon. Member for Winnipeg North (Mr. Orlikow) has raised in the House, but nevertheless I believe it is up to the provinces to come to grips with it.

Finally, even if the federal transfer payments growth rate were to be reduced, the payments themselves will continue to increase, at least at the same rate as inflation. I hope the provinces will still be able to control their health care costs and yet meet the needs of their citizens. The Minister has assured his provincial colleagues that the federal Government, ever respectful of provincial jurisdictions, will continue to work with them to meet the challenges we must face with respect to health care system.

• (1810)

[*English*]

## INSURANCE—MUNICIPALITIES' DIFFICULTIES IN OBTAINING LIABILITY COVERAGE

**Mr. Alan Redway (York East):** Mr. Speaker, we have a gigantic problem with liability insurance. It is so great in fact that a Montreal economist, whom you know very well, Mr. Speaker, Dian Cohen, referred to it as a national disaster.

I suppose the problem started a few months ago and showed up in the trucking industry when it was having difficulty obtaining liability insurance. Since that time there have been increasing problems in this whole area. In fact, around the Christmas season we found an increasing number of activities which were having a great deal of difficulty getting any form of liability insurance; either they could not get it at all or they had to pay an exorbitant premium to get some form of liability insurance.

The most pressing area at the moment is the municipalities across the country. In my own municipality we are having enormous problems with the whole area of obtaining liability insurance. In fact, in Metropolitan Toronto, five of the seven separate municipalities—that is, the six area municipalities and the Regional Municipality of Metropolitan Toronto—are without any form of liability insurance at the present time and have been without liability insurance since January 1. The Municipality of Metropolitan Toronto, the City of Toronto, the City of Etobicoke, the City of York and my own home municipality, the Borough of East York, are without any liability insurance and have been since January 1. Fortunately, the other two area municipalities in Metropolitan Toronto, North York and Scarborough, have liability insurance, but they have had to pay a very substantially increased premium over what they had been paying.

I hear reports that this is not just a local Metropolitan Toronto problem; in fact, it stretches right across the country. There were reports in local newspapers over the weekend that neither the City of Vancouver nor the City of Victoria have any liability insurance whatsoever. Apparently the City of Calgary has insurance, but the price of the premium is up substantially even though it has had to cut the amount of liability coverage. The City of Regina also has had some difficulty getting liability insurance. It has it but at a higher price. This is a problem right across Canada. I believe *Montréal Nord* has the same problem. This indicates that it is a national problem, not a local problem in any way, shape or form.

Also, it is quite clear that the difficulty faces not only municipalities. School boards as well have this problem. For instance, in Ontario they are required to have liability insurance or they are not supposed to open their doors. What is happening, because they cannot obtain any legitimate form of liability insurance, is that they are paying a premium to get $1 million worth of coverage but the coverage also provides a $1 million deductible. Many school boards in the Toronto area are paying something like $25,000 for an insurance policy with $1 million coverage but with a $1 million deductible. It means that they have absolutely no insurance. Day-care centres are also having this problem. In my own municipality the family day care service apparently as of February 28 is not going to have any liability insurance coverage at all, and the Cradleship Creche, another organization with substantial day care centres, also is not going to have any liability insurance at all and faces the prospect of closing down altogether. School bus companies have the same problem. So it is truly, in the words of Dian Cohen, a national disaster.

• (1815)

What is the problem? It has been variously described in a number of ways. First of all, it has been suggested that the problem lies with some of the very substantial court judgements that have been handed down recently. For instance, there is the case that has been pointed to time and time again in the City of Brampton outside Metropolitan Toronto of the rider of a trail bike who was injured and the courts awarded that person some $6.3 million, against the City of Brampton. That is the classic case held out as an example of why liability insurance companies are no longer prepared to provide this form of insurance. Is that the real answer?

I saw a report in the weekend paper of a United States court decision as well where a young boy attempting to break into a public building fell through a skylight in that building and was awarded damages by the court, even though he was in the act of breaking and entering. So that is the sort of thing that we are faced with in the courts.

The Minister of State for Finance (Mrs. McDougall) indicated that part of the problem lies in the undercapitalization of these companies. Another Member suggested that maybe we need a new reinsurance scheme and that the federal Government should be participating in that reinsurance scheme. A number of suggestions that have been made. It has been suggested that we should be putting a limit on liability. In a case like the one in the States with the break and enter and the boy being awarded damages in that situation, it seems to me to make some sense that we should be considering some sort of limitation on liability. Another suggestion of the Minister was to improve the capitalization of the insurance compa-

nies, and that surely has to come and come quickly. A third suggestion was to sit down and talk with the provinces and try to come up with some answer. A fourth suggestion was that the federal Government get involved in a reinsurance company to help the whole reinsurance aspect.

There have been other suggestions; that perhaps the insurance companies are conspiring together to stop any liability insurance. Generally, you and I know that if there is a need the private sector will get in there and fill it. It may be costly, but they will get in there and fill it. Something, however, has to be done because this is a crisis. There have been four, five, or six different suggestions of what we should do. Something does have to be done and quickly.

In my view the federal Government should be taking a leadership role. We should be talking to the provinces and the insurance companies. We should be considering some of these other alternative proposals and getting back to the Canadian people and reporting to them as to what has happened. I hope tonight we will hear some news from the Parliamentary Secretary of a positive nature, that the Government is going to be taking some action, and going to be reporting to the people of Canada what that action is.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** The Government is aware and of course concerned about the problems currently being faced by municipalities, school boards, companies and certain other organizations, including sports clubs, in obtaining adequate liability coverage at a price they consider reasonable.

The Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) have each met with a number of representatives of the organizations that have been experiencing these difficulties. The Government has also been seeking industry assistance in solving these problems.

While the Ministers have considerable sympathy for the organizations encountering difficulties, they also have some understanding for the reasons why the industry is cutting back on coverage and increasing premiums. The current situation is caused by poor operating results, fear on the part of the industry about the uncertainty of the magnitude of future liability awards, and by a significant tightening of reinsurance markets. Of course, all these factors are interrelated and the situation they cause is not confined to Canada. I am informed that the situation in the United States faced by organizations needing liability insurance coverage is even more severe.

The Hon. Member asks whether legislation will be introduced to limit or cap what appears to be the principal reason for the tightening of the liability insurance market and the large premium increases, namely, the claims the insurance companies have to pay. In answering the specific question asked by the Hon. Member, I must tell him that a reform of the law of tort falls within provincial jurisdiction and is thus outside the competence of the Parliament of Canada. Similarly, the relationships between policyholders and companies are subject to provincial jurisdiction and, therefore, the question of premium or rate control falls outside the jurisdiction of Parliament.

• (1820)

Because of the particularly serious situation in Ontario and because a number of the matters that have been suggested as possible solutions to the current difficulties fall under provincial jurisdiction, the Government of Ontario announced that it is establishing a task force. The mandate of the task force is to develop a report on solutions for cost and capacity problems in the property and casualty industry in Ontario. The terms of reference of this task force are far ranging; the task force is to report in three months. The Minister of State for Finance indicated that she is ready to assist the task force in any way she can, and said that she can be particularly helpful in the area of solvency standards, a subject over which the federal Government has some jurisdiction. A considerable amount of work has already been done in this area at the federal level.

The Government will also press ahead with legislation designed to strengthen solvency standards and regulatory requirements for insurance companies. The objective here is to promote financial stability which, in turn, should encourage new capital and better availability of reinsurance, something that would ease capacity problems.

## AGRICULTURE (A) UNITED STATES AND EUROPEAN COMMUNITY WHEAT TRADING PRACTICES. (B) UNITED STATES FARM COMMODITY SUBSIDIES

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, on Friday last I asked two questions in the House on the position of the United States in the export grain market. I asked those questions in order to register the alarm and concern of producers who know that the United States can affect our markets more quickly and to a greater extent than any other country in the world. Unfortunately, the Minister replied by making excuses for the United States and registered no particular concern for the Canadian producers.

Last May the United States Government introduced the bonus incentive commodity export program to reduce its stock level of grains which existed as a result of a program of basic loans. A great deal of grain was accumulated under the auspices of the Government. The effect of this program was to reduce the price of U.S. wheat on the world market. In fact it resulted in allowing a buyer to receive a free bushel of grain for every two or three bushels he purchased. The subsidy was anywhere from $22 to $66 per tonne and this was paid when the wheat was sold, as in the particular cases which I have documented, to Egypt and Algeria. The EEC has a similar program.

The Minister gave no indication of any action the Government intends to take to counter this unfair practice.

Again, during the last month, the United States passed its new agricultural Bill. That Bill is expected to pour $52 billion in subsidies into the U.S. agricultural market in the next three years. Again, the Minister indicated that he had no action

planned and used this time to again make excuses for the U.S. Government. He said: "I think we should at least applaud the U.S. direction rather than what the EEC is trying to do".

● (1825)

Those billions of dollars in subsidies will help to collapse the international commodity market. The prices of many agricultural commodities are already too low. Our greatest concern here is that the Government which is proposing to put this $52 billion into subsidies is the Government of the country we are now wooing for a free trade agreement.

The Minister would not comment upon the effect cheap grain would have on our market. I hope that he will investigate the effect a $1.30 bushel of grain available on the open market will have coming into Canada. I hope he will consider the effect a $1.92 bushel of corn will have coming into the feed markets of Canada. If we have an open border, and if those grains can come in at those prices, then we cannot compete with those grains.

I hope the Minister will look at this matter before he opens up a free access agreement with the United States. American officials admit that we will be competing with their Treasury and not with their agricultural producers. Those subsidies will keep those producers producing. What I am saying is that the Minister should quit excusing the United States and put in place a plan which will protect our producers from these unfair marketing practices.

**Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, I do not think the Hon. Member has pointed out everything which is happening with the U.S. market. While speaking about some Bills which are before the U.S. Government, he did not speak about the Bill which plans to reduce the U.S. deficit to zero by the year 1990. With respect to the matter he raises, I think it is important to have a good relationship with the United States.

The 1985 U.S. Farm Bill, recently signed into law by President Reagan, gives the Government great concern regarding the state of the international grain markets and future grain prices. The 1985 Farm Bill provisions present the potential for grain prices to decline in the short term. However, many other market factors will also have a major bearing on the level of future grain prices. Commodity prices in 1986 will be very sensitive to planted acreage changes and weather patterns in the United States. The U.S. farm program for wheat for 1986 requires particiating U.S. farmers to reduce wheat-base acreage by 25 per cent.

Also, the 1985 Farm Bill puts into place a conservation program which will remove a substantial amount of marginal farm land from production. Although there may be downward pressure on commodity prices, as a result of the U.S. program the potential this year is for U.S. grain supplies to come into a better balance with demand. As this adjustment occurs over time grain prices should strengthen.

[*Translation*]

In spite of the fact that the American Government is injecting $2 billion in its export sales program, we believe that it will continue to be careful and to limit as much as possible the application of this assistance program. We are going to monitor very closely this program and make our representations to the Government in due course.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Therefore, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

# HOUSE OF COMMONS

**Tuesday, January 21, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Friday, January 17, consideration of the motion of Mr. Hnatyshyn that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and passed.

**Mr. Speaker:** Order, please. Resuming debate with 17 minutes remaining, the Hon. Member for Davenport (Mr. Caccia).

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, I noticed with some degree of curiosity the fact that in this debate Tory Members of Parliament and the one who preceded me, the Hon. Member for Richelieu (Mr. Plamondon), carefully tiptoed around the bad news in Bill C-84. It is very curious to note that they hardly mentioned, in the course of the debate, the existence of a measure which was introduced whereby the personal deduction, the one that we are all allowed to deduct on our income tax form every year, will be seriously affected.

Some 10 years or 15 years ago, that amount was roughly $1,100 per person in Canada. It was the Liberal Government then which introduced the concept of indexation in order to protect the purchasing power of individual taxpayers in light of inflation, and therefore introduced the idea of indexing the personal deduction. Over the years that deduction has risen. Last year, when we filled in our income tax forms, it was $3,960. This year it is $4,140 per person. However, from now on, things will change; the personal deduction will not rise with inflation. Therefore, the capacity of Canadians to maintain or keep pace with inflation will be diminished. In this Bill—and this is what is so surprising about Tory MPs being so thoughtful in not mentioning it to their electors—only anything above 3 per cent will be permitted.

Let us suppose that 4.4 per cent is the inflation rate this year. In the calculation next year of personal income tax deductions, 3 per cent will be deducted and it will allow for an increase of 1.4 per cent in that deduction. Taxpayers will remain behind in their capacity to keep up with the erosion caused by inflation. If we take a period of five years and suppose that in the next five years we will have an accumulated 20 per cent inflation, because of the budget proposal allowing for only anything above 3 per cent, instead of keeping up to the tune of 20 per cent or so, taxpayers will only be allowed 5 per cent in their personal deductions. Every household will be affected by this measure. It means paying more income tax, and not in relation to one's ability to pay. It will be harder on those with lower and middle incomes.

The examples, as provided to me by the research bureau of our Party, speak for themselves. In the case of a single working mother with three children and an income of approximately $27,000 per year, that mother will have to pay 53 per cent more in income tax in 1990 than she paid in 1985. Let us look at it from another angle. A single pensioner with an income of $8,500 per year will lose $420 in purchasing power from 1986 to 1989. This loss will primarily be due to partial deindexation of personal income taxes. Are you surprised, Mr. Speaker, that the Tory MPs are not including this feature in their speeches?

Another aspect of the Bill about which the Tories have been strangely silent is the cancellation of the Registered Home Ownership Savings Plan. It is a unique measure for everyone who wants to save tax money and to put aside a little sum yearly until there is enough for the downpayment on a house. Many Canadians have made use of this measure, which was introduced in the seventies by the then Liberal Government. This savings plan is gone, compliments of the Tory Government. Here is another dismantled feature of which the Tories can be strangely proud in their blind determination to dig their own political grave. How pathetic it is, Mr. Speaker, to remove saving incentives from people planning to buy a house and who therefore stimulate, directly or indirectly, the housing industry and therefore help in the maintenance and creation of jobs. It takes a special Tory cunning to devise such backward tax legislation. No wonder the Tory Government is slipping so badly in the polls.

• (1110)

What is the cumulative effect of these and other budget measures? Well, I am told that by 1990 the direct tax on the individual taxpayers of Canada will have gone up by some $5 billion. Thus, Mr. Speaker, this Bill and the Budget takes money from the pockets of the Canadian consumer and imposes taxes on the same person when he or she is a buyer. More money will have to be paid by the average consumer on gasoline, certain health care products, soft drinks, candy, pet food, and woodburning stoves. Then, because the federal tax imposed on other goods has been increased, the Canadian consumer will have to pay more taxes on construction goods,

cable and pay TV services, alcoholic beverages and tobacco, to mention a few.

We, the Official Opposition, pay a lot of attention to the deindexation of old age pension and on taxes aimed at the elderly and the disadvantaged. We take pride in having been instrumental in forcing the Government to lift taxes on health care products and remove the deindexation of old age pensions.

Let me come back to Bill C-84 again. There is another measure that is quite revealing, that is, the $500,000 bonanza on capital gains, which is, in plain terms, a tax break for those who make a gain in their capital assets for up to $500,000. I ask you, Mr. Speaker, how can a Government so devoted, at least in words through its speeches and election statements, to reducing the deficit, come up with such a measure and justify it? All of a sudden the need to reduce the deficit is forgotten and this measure is introduced, which means reduced revenue to the Government and therefore a reduced capability of reducing the deficit that the Government is so worried about. How very strange, Mr. Speaker.

I find it rather amusing to read in today's news a statement by the Canadian Council on Business and the BCNI, urging the Government to lead the charge in the fight against reducing the deficit. Did you, Mr. Speaker, hear anything from the BCNI complaining about the $500 capital gains tax? I did not. That has gone unnoticed by the very people who are asking the Government now to reduce its expenses and be tough with the deficit. In the opinion of this very same institution it is all right to pursue these tax breaks. It is perfectly legitimate, therefore, to favour capital gains anywhere in the world, be it on your yacht in the Bahamas, a condominium in Florida—

**An Hon. Member:** Or a farm in Saskatchewan.

**Mr. Caccia:** —or on foreign securities or properties abroad. It is so diffused that we would like, as the Hon. Member is interjecting, to see it focused, and not only on capital gains made in Canada, because he is quite right in what he has just said, but also focused in a manner that would permit the measure to be linked to economic growth and possibly to the creation of jobs.

Then we, on this side of the House, would look at that measure with great interest and we would not be critical of it because it would make sense. It would then be a form of tax incentive that would have an economic growth purpose, and it would then bring us closer at least to a desired goal that we all share, namely, the maintenance of existing jobs and the creation of new ones.

Bill C-84, therefore, has negative features in it that have not been highlighted enough. I do not blame Members opposite for not having written home about its negative features, because obviously they do not want to upset the population. I am saying to you that not until the effects of this measure will be felt, and only some of them will be felt in the future but some have already been felt, will Canadians appreciate it. They will not like the idea of being denied the features to which they have become accustomed over the years, namely, to see their personal deduction on the income tax form increase every year as inflation increases. That is a feature that has become part of our economic and social structure. It has been supported by Canadians at large and in a way it makes sense. That removal is a serious setback, and it falls more heavily, I submit, on people in the low and middle-incomes brackets than on those who have higher incomes and, therefore, can afford this type of initiative and not suffer under it as badly.

The impact of the measures, of course, has to be seen, not just by looking at them one by one, as I have tried to do, but by looking at the other Bills. When you put together the totality of the picture and you begin to see what is happening to gasoline prices, certain health care products, what is happening to the removal of the tax shelter for the Registered Home Ownership Savings Plan, the deindexation of family allowances, you see a picture that is emerging here indicating that what is happening is a massive shift in the tax burden. It is most unfortunate that this Government chose to shift this burden on to the low and middle-income Canadians in an attempt, which is contradictory in itself, to reduce the deficit, on the one hand, and, on the other, to allow certain measures like the personal capital gains tax exemption. Those measures are in conflict with this highly proclaimed desire to reduce the deficit. The two simply do not jibe. They are in conflict with each other. While the Government introduces a tax break on the one hand for those who are already doing reasonably well in society, it is coming down heavily on those who may be on fixed incomes or struggling between the lower and middle-income ranges and who do not see the fairness and equity in this kind of taxation policy.

• (1120)

I realize the political necessity for Conservative back-benchers to tiptoe around these negative measures which are bad news back home. This morning I have been offered an opportunity to bring them to the attention of the House and I am glad to do so because I think that Canadians are not well served by taxation policies that put out contradicting signals and place an unfair burden evenly on everyone, regardless of capacity to pay.

**Mr. Gormley:** Mr. Speaker, I would like to comment on the remarks made by the Hon. Member for Davenport (Mr. Caccia) and his assertion that Bill C-84 is being dealt with in a sneaky fashion by the Government. I would also like to comment on his second assertion that Government Members are somehow avoiding or tiptoeing through the matter. As one who has never been accused of tiptoeing through anything in my life, I would like to comment on one particular point the Hon. Member raised.

Regarding the Registered Home Ownership Savings Plan, I found it paradoxical that this particular Hon. Member who served as a member of the previous Government would mention the removal of the RHOSP as a tax shelter and make some very misplaced comments regarding the benefit to the economy involved in freeing up RHOSP funding. It strikes me as being paradoxical that when Liberal Members have a good idea but do not have time to implement it and when a new

Government logically follows up on that and initiates that good idea, it somehow becomes very wrong.

I am conscious of the rule of relevancy, but just by way of illustration, I just returned from the de Havilland hearings before a committee of which I am a member. The Hon. Member for Vancouver Quadra (Mr. Turner), the Hon. Member for Saint-Maurice (Mr. Chrétien) and even the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), who is in the House today, spoke during the Liberal leadership campaign about not underwriting millions of dollars for de Havilland and about selling these things. The Hon. Member for Saint-Henri-Westmount said that if that is a neo-Conservative notion, anyone who says it is a neo-Conservative notion has lost his marbles. The Liberal Party had a clear idea then.

I would like to illustrate the distinction between the Liberal Party having a good idea for cutting de Havilland loose and the new Government carrying through with it and being vilified by this very Party. Let us deal with the RHOSP.

**The Acting Speaker (Mr. Paproski):** Order, please. I appreciate that the rule of relevancy exists. I know the Hon. Member will now get to the point.

**Mr. Gormley:** I will indeed, Mr. Speaker. The RHOSP, a savings vehicle which was tax sheltered until now, was not originally designed in the 1970s to be something that would go on in perpetuity. It was a tax-saving measure which encouraged young people to save for a first home. However, this Government, quite rightly, found itself in the position of having a very positive opportunity to unleash no fewer than $2 billion into the Canadian economy through a consumer-driven recovery as part of the Government's plan.

I return to the very strong indications that the last Liberal Government was inclined to do away with the RHOSP but, because quite rightly the Canadian people threw the Government out on its ear, it did not have an opportunity to do so. I am very surprised that with two former Cabinet Ministers in the House this morning, Cabinet Ministers who were no doubt privy to the discussions regarding doing something with the RHOSP, Liberal Members would vilify the proposal that will partly lead to the consumer-driven recovery and will be to the benefit of the Canadian economy.

Not wanting to tiptoe, something which I never do, I wanted to bring this to your attention, Mr. Speaker. I know Hon. Members of the House are most interested in hearing of the benefits of this proposal and the rather inconsistent approach taken by the Opposition.

**The Acting Speaker (Mr. Paproski):** Since there was no question, perhaps the Hon. Member could take another question and then answer it.

**Mr. Duguay:** Mr. Speaker, I would like to make one or two comments with regard to the RHOSP program and the allegation of the Hon. Member for Davenport that the former Liberal Government had brought this measure into effect in order to stimulate the housing industry. In May of last year, being very interested in this matter, I asked officials of Canada Mortgage and Housing who were appearing before committee their view of the RHOSP program and in particular I asked about the original objectives of the program, the reason for its implementation and the history of the program including its effect on housing starts as compared with its tax shelter implications. The answer given by officials of CMHC who were present at the time the former Government brought in the RHOSP was rather revealing.

As I understood it, the answer indicated that by 1974, there was a lot of pressure on the housing market. One of the purposes of the RHOSP was to try, in the short run, to cool off the demand for housing by encouraging people to save and purchase a house in the future. With regard to the effect of the program, CMHC officials indicated that over a 10-year period, RHOSP had not had a significant impact on the level of housing starts and that the desire for home ownership remained very, very strong. It was thought that that desire would swamp the impact of setting funds aside through the RHOSP. Over a 10-year period, RHOSP would not have had a large impact on housing starts.

Finally, with respect to reasons for the termination of the program, by and large it did appear that RHSOP was more of a tax shelter or a way of sheltering income than a stimulus to housing. A number of industry associations have commented that RHSOP in its current format was not an effective instrument.

When the Hon. Member for Davenport (Mr. Caccia) tells Hon. Members on this side of the House that we are not putting out all of the facts about some of the changes that will occur because of Bill C-84, he should recognize fully that his Government brought in this plan for purposes that he now ignores. He is making believe that we are changing it for other purposes that never existed. I think the Hon. Member owes his constituents and mine the integrity of at least referring to the real reasons his Government brought this measure into force.

**Mr. Caccia:** Mr. Speaker, it was very amusing to hear those two interventions. Evidently, the tongue has to be active when the teeth are hurting. Those two Hon. Members feel very much at ease when they engage in this strange exercise of shadow-boxing with the past. They were not here when the measure was introduced. They were simply quoting some officials who said that the RHSOP was perhaps not greatly stimulating the housing industry. That is debatable. The fact is that it was a measure that was picked up gladly by young families wanting to buy homes. It did have some effect on the housing industry. The question of whether the effect was great or small can be debated at the right time and in the right place.

In my experience, in Toronto where there are a great many people engaged in construction and the housing industry, the RHOSP was considered to be a good measure by the entrepreneurs, both small and large. As well, it was considered to be a good measure by the families who made use of it. I fail to see these two interventions as being relevant to the substance of the issue that is before us. The Hon. Members are simply

trying to engage in a nice game of smoke and mirrors. They are trying somehow to create the impression so as to make people believe that this is a good measure. The plain fact of the matter is that this is a bad measure. It will be one for which the Tory back-benchers will be asked to account when their turn comes in the next election.

• (1130)

**Mr. McDermid:** Could I ask one short question, Mr. Speaker?

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Scarborough West (Mr. Stackhouse) rose in his seat prior to the Hon. Member for Brampton-Georgetown (Mr. McDermid).

**Mr. Stackhouse:** I was going to make a comment.

**The Acting Speaker (Mr. Paproski):** There is time for a short question by the Parliamentary Secretary to the Minister of Energy, Mines and Resources.

**Mr. McDermid:** Mr. Speaker, I want to ask the Hon. Member for a clarification, if I might. From what he said I understand that the Liberal Party would support the $500,000 capital gains tax exemption if it were to pertain entirely to gains within the borders of Canada. Is that what the Hon. Member said this morning?

**Mr. Caccia:** Mr. Speaker, I would be glad to elucidate the point for the Hon. Member for Brampton-Georgetown (Mr. McDermid) who is famous for catching things halfway but not fully.

**Mr. McDermid:** You are famous for presenting them that way.

**Mr. Caccia:** What I said is that if the measure were of such a nature as to focus on creating economic growth and jobs in Canada, then we would look at the matter probably in a supportive manner. I cannot speak for my Party's critic, but having read his speeches I believe there are grounds to believe that the matter would be looked at in a positive light.

The fact is that this measure is diffused to any form of capital gains anywhere in the world, which does not generate economic benefits to the Canadian economy. Therefore, we are not moving in the right direction. I went on to say that this measure flies in the face of the Government's declared determination to reduce the deficit. One does not reduce the deficit by providing a $500,000 capital gains tax exemption in 1985, or any other year for that matter.

**The Acting Speaker (Mr. Paproski):** I regret to advise Hon. Member that the time allotted for questions and comments has now expired. The Chair recognizes the Hon. Member for Kenora-Rainy River (Mr. Parry) on debate.

**Mr. Caccia:** Hear, hear!

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I appreciate the applause of the Hon. Member for Davenport (Mr. Caccia), even though it might have been intended for one of his colleagues.

**Mr. Penner:** I will give you some applause, too. We expect a good speech now.

**Mr. Parry:** Mr. Speaker, in examining Bill C-84, which is before us today for its last day of debate at third reading stage, I would like to take a few moments to go back and recount a little of the process which has brought us to where we are today. I think that by any objective analysis or measure it is a process which is seriously flawed, a process that is deserving of much more attention by this House and by this Government than it has apparently been given.

Of course, traditionally, the Bill is a large one, and this year's Bill is no exception. After all, the Bill consists of amendments with respect to the Income Tax Act and related statutes, the Canada Pension Plan, the Unemployment Insurance Act, the Financial Administration Act, and the Petroleum and Gas Revenue Tax Act. The list of titles should give Hon. Members one initial clue, at least, as to the complexity of the task which is being undertaken. It should also give us some clue to enable us to ask questions as to why the process should be so complicated and so lengthy.

The Bill includes 235 pages of revisions to the Income Tax Act and related statutes. I believe that the time which should have been given to the examination of a Bill of this size in committee was completely out of proportion with the very niggardly amount of time which was eventually allowed to the committee. The belief that Members of Parliament can knowledgeably and with a full mastery and understanding of the topic and the facts review and, if necessary, revise a measure of length and complexity in one week of committee hearings flies in the face not only of common sense but of parliamentary tradition and everything for which that tradition stands.

There were witnesses who would have been happy to appear before the committee and who were not asked to appear even though they offered to do so. There were witnesses who, frankly, were just not allocated enough time to expound on their points of view. We had a process which saw minimal participation from members of the Government. With the 210 Members which is at its disposal many of the committee hearings proceeded with only one or two government Members, more than the combined members of the Opposition. The Canadian Bankers' Association asked to appear before these hearings but was not invited. On a complex Bill such as this we were given only one week of hearings. The committee meetings were hurried, with little advance notice of the meetings being given.

I would like to contrast that very compacted, intense and demanding schedule with the schedule the Government followed between the presentation of its Economic Statement in May and the tabling of this Bill in November. After all, that represents a period of approximately six months. At committee we were assured by the Assistant Deputy Minister that his

staff were fully engaged all of that time and that they were working lengthy hours. He told us that there was extended cross-checking, drafting and redrafting taking place. Given the objectives laid out in the Economic Statement, he assured us that his people could not possibly have produced the legislation, mountainous as it was, in a lesser period of time than the six months which they had. I do not think that I should be disputing these assertions of the Assistant Deputy Minister because I have some understanding of the complexity of the legislation which they were being asked to review and revise. Rather, I think we should look at the endemic afflictions in the Income Tax Act and in the process of Government, and, in particular, the way that this Government handles that legislation. We should ask why those things were allowed to exist, have been allowed to continue to exist, and why the six months was necessary to prepare legislation which Parliament was asked, in committee, to review in the period of a single week.

I identified two causes for this breakdown in the legislative process. The first cause is, of course, the complexity of the existing Income Tax Act. I would like to quote from a letter which was sent to the Minister of Finance (Mr. Wilson) by The Canadian Institute of Chartered Accountants on March 29, 1985. On the front page of the letter, in bold type, doubled-sized, it states: "The Problem: The Tax System is too Complex". That is a pretty forthright and plain statement which should be completely comprehensible to members of the Government. The letter is from an organization which certainly could not be accused of being hostile either to the Government's philosophical viewpoint or, inherently, to its legislative program.

The Canadian Institute of Chartered Accountants goes on to state in the letter:

—simplicity must be a key component of an effective self-assessing system . . . The dramatic growth of commercial tax preparation services bears testimony to the fact that more and more taxpayers are finding individual tax returns too complex to complete themselves.

As a prime cause of the delay we have the length of time taken in the drafting and the complexity of the income tax system. The Canadian Institute of Chartered Accountants goes on to list some 50 recommendations aimed at simplifying the income tax system in order to make it more comprehensible to the average Canadian and easier to administer, thus, I would assume, making it more efficient in the collection of taxes. The Institute puts its ideas under the following headings:

—Simplifying Compliance for the Ordinary Taxpayer
—Directions for Change in the Taxation of Ordinary Taxpayers
—Complementary Directions for Change in Corporate Taxation
—Changes in the Style in Which Tax Legislation is Drafted.

● (1140)

Heaven knows, it shows an artistic tolerance to refer to the drafting of the Income Tax Act as having style.

In a 20-minute speech, it is impossible to cover these individual proposals for simplification, as it is equally impossible to cover my own ideas or those advanced by professionals and experts in this field. Let us say, Mr. Speaker, that having gone into this process fully aware of complexity of the Income Tax Act, knowing the difficulty and the length of time taken to draft revisions in a consistent and arcane but understandable form, the Government took it upon itself to double its task and to compound the initial error by the second major factor in the length of time taken. I refer to the institution of the $500,000 capital gains exemption.

This is an exemption on which the Government has already been, and very deservedly so, rebuffed by professionals. When I spoke to this Bill at second reading I quoted the comments of Canadian tax professionals. The comments were almost unanimous and were widely supported in the industry. It was pointed out that the $500,000 exemption was alone responsible for well over half the drafting work required to bring this Bill to the House. Therefore, by a simple division we can calculate that if the Government had not persisted in this flawed initiative, if the Government had not pressed on, regardless, with its idea of giving a major break to the wealthy, and if the Government had not decided that its top priority in the revision of the Income Tax Act was the satisfaction of those interests whose support it saw as essential, it could essentially have given Parliament another three months and a far more workable, manageable and practical schedule for the revision of the Income Tax Act and a thorough review of those proposals at committee.

It is not my purpose today to go into a detailed examination or analysis of the capital gains tax regime as it previously existed and as it will exist now. I will, however, pose some fundamental questions. I will make some observations that I believe are highly pertinent to the whole question of capital gains taxation or, as we are going to have it, the tax free status of those capital gains. The oft canted phrase that capital gains taxation inhibits job creation is essentially an unproven hypothesis.

The level of capital gains taxation was in itself reduced compared with the level of taxation of other forms of income. The whole belief that in some way the presence of capital gains tax in Canada was leading peole not to invest in small business because in some way they greatly feared they might make a profit at it and be able to sell it at a gain, defies common sense, and no analysis has been produced to prove or even to strongly support such a hypothesis.

The capital gains taxation as it was, and the tax free status that it will enjoy, flies in the face of the recommendation by, I believe, the Benson Committee that "a buck is a buck is a buck" and that all forms of income should be subject to taxation on a more or less equal basis.

It is a fact taken from the tax statistics published by the Government that 63 per cent, nearly two thirds, of all capital gains go to those people who have incomes of $50,000 and over. They make up only 4 per cent of the population. We do not see what is accomplished by this tax free status the Government proposes. We do believe that there is certainly room for favourable treatment of capital gains aimed at keeping business capital in operation, and aimed at conserving, shall we say, a pool of business capital for the support of

existing and future operations. But the idea of this blanket exemption, I would emphasize, applies to a capital gain whether made inside the country or outside. We do not see how this capital gain tax exemption is accomplishing the purpose which the Government states it has. What we do see is that the exemption is rewarding a group which the Government knows is its supporter.

May I return for a moment, since I notice the Hon. Member for Scarborough West (Mr. Stackhouse) is in the House, to the process of the six month hiatus and then the introduction of Bill C-84.

I would like to quote the Hon. Member's words to him. In doing so I would like to say that I naturally make allowance for optimism—that, after all, is a failing we should encourage in all of us—and naturally I make allowance for a certan degree of hyperbole generated by his loyalty to his Party. He said:

> I am sure that with the Hon. Member's seniority in the House—

He is referring to my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis). Let me continue:

> —he is aware that when this legislation passes this stage in the House of Commons it will go to committee for a very thorough study in which I hope the Members of his Party will participate.—The debate in which we are now engaged is certainly not the last opportunity for critical assessment of this legislation, as the Member knows.

It would have been nice if the Hon. Member for Scarborough West had been at committee to see the supposedly "thorough study" which he predicted when he was speaking in the House. I can assure him that that was really not the way it went.

Under this capital gains tax exemption, the investor can benefit from untaxed gains on a wide range of capital property. It could be a condominium in Florida, which I gave as an instance in my first speech on this Bill, or it could be foreign securities, really any assets on a world-wide basis. We do not see the benefit that this will bring to the small business sector and to job creation in the business sector in Canada.

There are some good points to this Bill. I will make brief mention of them. One is the proposal to allow a tax credit of $700 to an individual investing in a labour-sponsored venture capital organization. That, with the relatively simple and short drafting process it entailed, is going to do a great deal more for investment in small and medium sized businesses than the plethora of clauses which were needed to institute the capital gains tax exemption.

My Party is in support of the surtax on upper incomes. What I would say is that it appears that all the things we see in this Budget as being in any way in support of fairness or equity are temporary, and all the things that hit ordinary middle and lower income Canadians seem to be permanent. That is a telling criticism to which the Government should pay some attention.

It amuses me to hear my colleagues in the Liberal Party, those who were responsible for the abolition of marginal tax rates above the present level, talk about tax fairness. One of the things we in the New Democratic Party will be doing in the coming weeks is travelling to centres in Canada with Tax Probe '86, a commission which will be chaired by my colleague, the Hon. Member for Kamloops-Shuswap.

• (1150)

I would like Hon. Members of the Liberal Party to reflect on the difference between the taxes paid by upper-income earners under the present regime, which of course the Government has not changed, compared with those payable under the tax regime abolished in 1981.

One of the things we are going to be doing in Tax Probe 1986 is of course looking for examples of unfairness, inconsistency, incoherence and uneven application in the tax system. Since we have the medium of television available, I would like to say to all those who may be watching that we welcome their participation in bringing forward any such instances they can find.

Turning again to Bill C-84, it is best summed up as the legislative concretion of an insider's Budget. It was a Budget designed to reward the few without overly aggravating the many. We found out—and I say more power to Canadians because of it—that the many were indeed prepared to be aggravated when they saw manifestly inequitable measures being introduced. This Bill is the homage that the Progressive Conservative Government is paying to its supporters, and it appears that that homage shows a certain disdain for the ordinary taxpayers of Canada.

The National Council on Welfare, commenting on the changes to child benefits, said that after the various changes are phased in, raising the child tax credit, lowering the turnover point for the child tax credit, reducing the children's exemption, and partially deindexing all family benefits, even the poorest parents—and I underline those words—will receive less than they would from the existing child benefit scheme. Contrast that with the Government's $500,000 capital gains tax exemption. That is not the sort of sum the average low-income person is able to earn in a working lifetime. That is a sum completely beyond the bounds of the imagination of the poorest 20 per cent of Canadians. The fact that we have that kind of an exemption in a Budget which is taking from the parents of poor children will stand as a telling indictment of this Government and its legislative priorities.

To cover a couple of more points before I reach the end of my time I would like to refer to the deindexation of personal income tax brackets. Although we have to go back a long way before we find something to give the Liberal Government credit for, we can give it credit for having the sense to introduce indexation to ensure that the Government did not profit from inflation. That was a laudable objective. Now we see the Progressive Conservative Government removing the first 3 per cent of that indexation, making sure that in future the Government will get its pound of flesh from the operation of inflation on our monetary system.

**The Acting Speaker (Mr. Paproski):** I regret but the Hon. Member's time has expired. Questions or comments?

**Mr. Johnston:** Mr. Speaker, I listened with interest to some of the comments of the Hon. Member for Kenora-Rainy River (Mr. Parry). He made reference to some of the actions of the previous Government. I do not intend to be an apologist for actions of past Liberal Governments—

**Mr. Jepson:** There is not enough time.

**Mr. Johnston:** —because I myself have criticized our tax system in the past. There is room for substantial reform and I hope that the NDP travelling road show will confirm some of the points I have already made concerning the tax system. When we are in Government and bring forward tax reform measures I hope the NDP Members will see fit to support them with the enthusiasm they have manifested here this morning.

**Mr. Jepson:** They will all be retired by then.

**Mr. Johnston:** Indeed, many of the Tory Members will be retired by then.

**Mr. Jepson:** Don't count on it.

**Mr. Johnston:** The Hon. Member made reference to marginal tax rates. In 1981, the Liberal Government reduced the top marginal rate to 50 per cent, for reasons which were fully debated and explained at that time. The Hon. NDP Member suggested in his remarks that marginal rates should be much higher. Having made that statement, I think it behooves him to tell us what he views as being the marginal rates in excess of 50 per cent that the NDP might like to see applied. Would it go to 60 per cent, 70 per cent, 80 per cent, 90 per cent, or perhaps 100 per cent at some point? Would he be able to give us some response to that?

**Mr. Boudria:** How much do you want to increase taxes?

**Mr. Parry:** Mr. Speaker, I would like to assure the Hon. Member that rather than evade the substance of that sort of question I would like to meet it head-on.

I do believe that changes to the marginal rates would have to be carried out in consultation with the provinces. I make no judgment as to the process when marginal rates were reduced. I point out to the Hon. Member that the present top federal tax rate of 34 per cent does not take effect until the average person in that bracket reaches an income in the region of $70,000 to $75,000 per year. If there were a change to the marginal tax rates to bring them back to where they stood previous to 1981, they would likely not impact on any taxpayer whose gross income was under $100,000. So we are talking about a decidedly high income segment of the population.

I would also like to say that this Party would certainly not envisage a tax regime in which, for example, marginal rates reached those that, for example, prevailed in Britain after the war, something which I am familiar with and which I can speak to. I personally do not believe that any marginal tax rate which resulted in an effective tax rate above 65 per cent would be supported by a future NDP Government. I do not think it would be supported by the provincial Governments, some of which of course might at that point not be NDP Governments.

However, to reduce the top marginal tax rate to between 51 per cent and 55 per cent, as it is today, is to allow those people who have incomes over $100,000 to escape paying their fair share of taxes which they are perfectly well able to do.

**Mr. Stackhouse:** Mr. Speaker, I just want to say a few words in response to the Hon. Member's reference to a statement I made in a previous debate on this Bill. I thank him for the quotation. Every knock is a boost and I always appreciate free publicity from the NDP. I want to respond directly to the quotation because it refers to the limited time which there was for the Finance Committee to examine the particulars of the legislation relating to this capital gains tax exemption. I joined him in regretting the limited time, as I am sure every member of that committee did. I was there the night that it was introduced, although he seems to have forgotten that.

• (1200)

However, the reason was obvious to us all, namely, the tardiness of the officials of the Finance Department in bringing the recommended legislation before us. Whatever the justification for the long delay, that was the reality. The committee had no option but to give priority to the rights of the taxpayers who had based their investment policies on the budget proposals, which they had every reason to believe would be adopted, and to act accordingly.

The real concern which the House should have with respect to the capital gains tax exemption is whether or not it has benefited the people of Canada. The record shows that this budget proposal, and many other proposals in the 1985 Budget and other economic legislation and programs of the Government have combined to fulfil the election commitment of the Government to renew the economy. Every economic indicator for months and months has supported the fulfillment of that renewal. The number of jobs which have been created and the number of people who have found renewed hope for themselves by getting back to work indicates the effectiveness of the economic policies of the Government, of which the capital gains tax exemption is a part.

The real purpose of that exemption was not to give a benefit to particular investors, but to stimulate the economy and increase the number of jobs that private investment would produce. The result is there. It is true that you cannot identify a particular job and say that the capital gains tax exemption produced it, any more than you could deny it. However, taking the picture as a whole, we see encouragement to the private sector and investment, and the obvious positive results.

In conclusion, the reference to this budget proposal being in favour of supporters of the Progressive Conservative Party has a strong ring of truth to it. The fact is that we are the Government because of the very large number of supporters that we have. This Budget has been in their favour and, if the

New Democratic Party had as many ordinary Canadians supporting it as we do, it would be here and we would be where it is.

**The Acting Speaker (Mr. Paproski):** I will recognize the Hon. Member for Kenora-Rainy River (Mr. Parry) for a very short rebuttal.

**Mr. Parry:** Mr. Speaker, we all, of course, anticipate that day.

**Mr. Stackhouse:** Hope springs eternal.

**Mr. Parry:** I thank the Hon. Member for his intervention. He is, of course, a living demonstration that when one gets to around the age of 60 one does not necessarily have to be appointed to the Senate or as a high court judge in order to get a job.

I thank the Member for the implied criticism of the Government. If the Minister of State for Finance (Mrs. McDougall) had not stepped out, I am sure the Hon. Member for Scarborough West (Mr. Stackhouse) would have gotten one of the famous glares that can be received in this House.

Very briefly, Mr. Speaker, the Hon. Member knows that he cannot attribute job creation to the presence of the capital gains tax exemption. That is entirely too speculative or hypothetical for even such an optimist as himself to sustain.

[*Translation*]

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I welcome this opportunity today to discuss the legislation proposed in the Bill to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act.

Mr. Speaker, three important events have taken place since 1917 with regard to our tax system. In 1917, the Income Tax Act was adopted and tax measures introduced. In 1971, the capital gains tax became a reality, and today, in 1986, we are about to amend the capital gains tax legislation.

Mr. Speaker, this Bill is further to the Notices of Ways and Means tabled on May 23, 1985 and November 21, 1984. The proposed legislation is part of a comprehensive strategy aimed at providing for durable economic growth, creating jobs, creating a climate of confidence, and providing a durable and consistent framework for economic recovery. The strategy is already working, and as a result, since September 1984, 420,000 Canadians were able to obtain employment. This means 420,000 new jobs since September 1984.

Through this legislation we are proposing to introduce a $500,000 capital gains tax exemption. Our purpose is to make this country more investment-oriented.

Mr. Speaker, I shall, if I may, go back to what was said in *Hansard* of June 18, 1971, by the Hon. E. J. Benson, Minister of Finance, who moved, and I quote:

> That this House approve in general the budgetary policy of the Government.

Some Hon. Members said "hear, hear!"

And I wonder what they were cheering about. Those were Liberal Members, and they were cheering the inflation that was to result from one of the measures that would prove most destructive to economic renewal and economic development: the taxation of capital gains. They were cheering a measure that slowly but surely would prove to be destructive and devastating, as insidious as getting small but regular doses of arsenic in your food. They cheered, and look what happened. If we set the value of the dollar in 1971 at 100, today, fifteen years later, as a result of this measure it now takes $306 to buy the same amount of consumer goods you could buy for $100 in 1971. Mr. Speaker, I call this a Liberal hold-up when Canadian men and women who thought they had managed to accumulate a certain capital, have seen their dollar become a thirty-five-cent dollar in fifteen years. That is what the Liberals were cheering about!

And all this cheering led to an increase in interest rates, up to as much as twenty-three per cent in 1981. So much for their cheering! And it all paved the way for one of the worst recessions in forty years. That was something to cheer about. As a result, many of our businesses have disappeared. Our developers no longer had any incentive. And what happened then? The State was forced to put Canadians on the dole because there were no developers left and nobody felt like opening a business. Anxious to hang on to office for years and years, the Liberals began to redistribute the money borrowed by the State, not its wealth nor its taxes. These days 40 cents of every tax dollar collected are set aside to pay the debt run up by the Liberals.

Taxing capital gains had to be the worst decision ever made since Confederation. Mr. Benson stated that it has been the most significant tax reform since 1977. It was the most significant indeed, in the sense that it also proved to be the most devastating. He was not aware of its full impact, as I have just described it.

To quote him, this measure was intended "to broaden the income tax base through the capital gains tax". The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) was not there at the time, but in a moment I will name some of the Liberal Members who were there.

I am referring to the Hon. Member for Davenport (Mr. Caccia) who was in the House a moment ago and who made statements to which I want to respond. The Hon. Member for Davenport had to leave. He should have waited to hear me out, he said something about capital gains and, in 1971, he was one of the Members who voted in the House—

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order.

• (1210)

**Mr. Boudria:** Mr. Speaker, I wish to draw your attention to something you are certainly aware of, and I am sure you will remind the Hon. Member that referring to the absence of a Member is contrary to the Standing Orders of the House.

[*English*]

**The Acting Speaker (Mr. Paproski):** I appreciate what the Hon. Member is saying. I do not believe that I heard that remark but I am sure the Hon. Member realizes that we should not mention the absence of any Member from the Chamber. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

[*Translation*]

**Mr. Fontaine:** Well, Mr. Speaker, I might point out that the Hon. Member for Cochrane-Superior (Mr. Penner) is in the House, yet he does not seem to have anything to say about Bill C-84. The Hon. Member for Cochrane-Superior was here to vote in 1971, and now he should apologize for having driven Canada into such a precarious economic situation. The Hon. Member for Vancouver Quadra (Mr. Turner) was here in 1971, as was the Hon. Member for Saint-Maurice (Mr. Chrétien). Also present then were the Hon. Members for York Centre (Mr. Kaplan), Hull-Aylmer (Mr. Isabelle), Saint-Jacques (Mr. Guilbault), Windsor West (Mr. Gray), Algoma (Mr. Foster), and Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). There were 13 Liberal Members who in 1971 supported the capital gains tax and they are still here now. It is unfortunate that they are still here. All I can wish for them is that after the next election we no longer see them here.

We heard earlier the Hon. Member for Kenora-Rainy River (Mr. Parry) dealing with capital gains. This Member of the socialist party from Western Canada was discussing capital gains with a flagrant misunderstanding of what it all means.

Mr. Speaker, he suggested that failing to tax capital gains would reduce Government revenues. Well, that is because he never understood anything about free enterprise, and Canadians are well aware that his Party never did understand and that is why there were never more than 22 per cent of the population who ever had any degree of confidence in this Western Canadian socialist party.

We also heard earlier the Hon. Member for Davenport (Mr. Caccia), a former minister in the previous Government, suggesting that the measure would deprive this Government of tax revenues. Mr. Speaker, is this sheer unthoughtfulness, or is it a blunder on his part? He should realize that the immediate aim of exempting the first $500,000 from capital gains is simply to give business an incentive, a reason to invest more, and this would increase tax revenues.

Mr. Speaker, when I hear the Hon. Member for Davenport suggest that this measure will deprive us of considerable tax revenues, frankly, I wonder what he understands about economic principles. It is because of that kind of people who do not understand anything about economic principles that $200 billion were sunk into our deficit. Because of people who failed to understand anything about the economy and who borrowed money for redistribution our country has reached a level where we can no longer borrow. It was at that point that we came to power and we are going to pull this country out of the chaos in which you put it.

Mr. Speaker, what did the 1971 decision prevent? It took incentives away from the free economy, from people who wanted to build up a new heritage. People need to build up a heritage during their lifetime but this is no longer possible within the taxation structure that was set up by the Liberals. So, what did people do? Instead of investing, those who had a bit of money loaned it. They loaned it to businesses, to the Government, and this is why we accumulated a deficit and stopped creating jobs, because nobody was investing any more.

Mr. Speaker, who borrowed the money available because of the depressed situation which had been created for our promotors and business people? It was the Liberals, Mr. Speaker. For whom did they borrow? They borrowed for the Liberals. How much did they borrow, Mr. Speaker? They borrowed $200 billion.

Mr. Speaker, they borrowed so that they would be able to appoint Mr. Ivan Head, a former staff member of ex-Prime Minister Trudeau, to a position at the International Development Research Centre. They borrowed to appoint Mr. Roméo LeBlanc to a Government position. They borrowed to appoint Perry Anglin, from the Office of the Minister of Consumer and Corporate Affairs, Deputy Minister of Revenue Canada.

They borrowed to appoint many of their friends, for instance Mr. Jean Fournier, from the Office of Mr. Jean Chrétien, who was given the position of Deputy Minister of Finance. They borrowed to appoint another one of their friends from another Minister's office, Mr. William MacEachern, to the Aviation Safety Board. They borrowed to appoint another one of their friends, Mr. Bob Rabinovitch, to another important Government position. It was with these borrowings that they appointed their friends. And there are still many people who protect them at the upper echelons of the Government.

Mr. Speaker, we have been through a long and progressive recession since 1971. We have witnessed continuing inflation as $1 now equals 35 cents. It now takes $3.08 to purchase what you could buy for $1 in 1971. The Liberals increased the interest rates. Canada went from being an exporter of manufactured goods to being an exporter of raw materials. The Liberals so discouraged investment and initiative that foreign interests were the ones who decided to invest in this country, and the Liberals then created FIRA to stop them. What inconsistency on the part of the previous Government! They

tried to screen foreign investments with FIRA. Mr. Speaker, the Liberals sold Canada on credit.

**Mr. Boudria:** As for you, you gave the country away.

**Mr. Fontaine:** Fifteen years have gone by since 1971. We must now applaud the courage of the Minister of Finance (Mr. Wilson) and of the Minister of State for Finance (Mrs. McDougall) for having been willing to implement the capital gains exemption. It is one of the most, if not the most, effective initiative for economic recovery. Contrary to what some would say, this initiative is not designed for the wealthy and the multinationals. For them, $500,000 is not a significant amount. This is another initiative for ordinary taxpayers, for our business people. Nowadays those who purchase shares from brokers and who are interested in investing in Canadian companies do so because they want to make a profit. Formerly, when they made for instance a $1,000 profit on their investments, they had to pay income tax on 50 per cent of this amount, namely $500, at a tax rate of maybe 40 per cent. Which means that they had to pay $200 in income tax on that $1,000. On the one hand, they had less money to reinvest and, on the other hand, they lacked incentive.

Mr. Speaker, people involved in small businesses will also benefit from this because they will be able to find in their own environment, in the area where they do business, people eager to invest in their businesses, for they will know that they will be entitled to tax-free profits. That is how our 750,000 small and medium-sized businesses will grow. There will be more investors and these investors will be able to rely on their neighbours, the working people all over the country. Those who do not invest their money will lend it. They used to lend it and to purchase foreign goods with their income, so that we had developed as a nation of consumers instead of a nation of builders.

This legislation will also liberate small businessmen who had transmission problems. What was the use for our small businessman of starting businesses when they knew quite well that in the end they would have to reassess the value of their businesses and pay income tax? Then they lacked incentive; now, with this $500,000 exemption from capital gains tax, we are giving them back incentive.

This way, Mr. Speaker, the firms will remain the property of our businessmen, will make it possible for our 750,000 administrators, developers, owners of small- and medium-sized businesses to hope again to show a profit, and that is the only way in the western world to encourage economic development. The fact of the matter is that since our Party came to power on Parliament Hill, we have managed to create 415,000 new jobs, including 130,000 in the Province of Quebec.

● (1220)

Since we came to power, our country has had the best record for job creation among the summit countries. We have managed to reduce interest rates by three per cent. The unemployment rate has gone down, and this year, the rate of inflation his its lowest point since 1971. This is important to people who have savings, because savings are very sensitive to inflation. Now, we are going to make sure their money maintains its value.

Our plans and programs have the support of the Canadian Chamber of Commerce. We enjoy the support of local Chambers of Commerce and the Canadian Federation of Independent Businesses and business associations. It must be said that the Liberal Party exhausted this country's resources. It made us borrowers and consumers of credit. Mr. Speaker, the Liberal Party, and this is a serious thing, looked on business as the exploiting class. It discouraged business through the tax system. It destroyed the ambition of our business people. That is what this party did in 1971 and 1984. The Liberal Party forgot that the role of the state is essentially to distribute part of the wealth, wealth which must first be earned. It decided to borrow that wealth, and today we have to do something about this situation. We are going to reduce borrowing and take steps to develop our economy.

Mr. Speaker, in concluding I might say that we are among the richest countries in the world. We have coal and oil on three oceans. We have our fresh water resources, hydro-electric power, wheat and lumber. Our population consists of one-third Francophones, one-third Anglophones and one-third—the ideal mix to exploit these natural resources, but first, Canadians must be given a framework within which they can become free and develop their resources, a framework that the Liberals dismantled. This must be said. The Minister of Finance (Mr. Wilson) is giving Canadians, our human resources, a chance to exploit these resources. Let us do so, and meanwhile, my last message to the Liberals is: Keep quite and repent your sins! I would even say: Admire what we are doing!

**The Acting Speaker (Mr. Paproski):** Questions or comments. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

**Mr. Boudria:** Mr. Speaker, the arrogance of the Conservative Government is obvious when a Conservative Member suggests to the House that Opposition Members should not be allowed to exercise their right to speak. They are expected to remain silent, lost in admiration before a Government that is sinking fast in the polls. This Conservative attitude is becoming increasingly flagrant.

[*English*]

I suggest that the Hon. Member should consider seriously changing his speech-writer; I think he definitely needs a new one.

[*Translation*]

I have a question for him, he mentioned the value of the dollar. I noticed he said he wants the dollar to maintain its

value. Can the Hon. Member tell us how come during the last election campaign the Conservatives handed out what they called a "One Liberal dwindled dollar", a cardboard dollar with a quarter of it missing, representing 75 cents. How do they explain that since then the dollar has dropped below 75 cents, another piece of it is gone and it is worth only 71 cents under this Conservative administration? In his reply, would he also indicate, concerning his reference to savings—

[*English*]

**Mr. Duguay:** Mr. Speaker, I rise on a point of order. The Hon. Member is fond of calling others to order for naming Members in the House. I am sure he knows full well that props are not allowed in the House.

**The Acting Speaker (Mr. Paproski):** The Hon. Member is right, but I did not see the prop.

**Mr. McDermid:** He needs a prop to prop him up.

**The Acting Speaker (Mr. Paproski):** I will take that under advisement. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has the floor.

[*Translation*]

**Mr. Boudria:** Mr. Speaker, I note that Hon. Members who always read their speeches simply will not let us read a document in the House. I also take notice of this Conservative approach, it is like all others.

Finally, the Hon. Member said that Canadians keep too much money in savings accounts, a sure sign that they lack confidence to invest in the private sector. If that is so, why would the Hon. Member tell us we must change registered retirement savings plans and raise the ceiling, which would only increase savings, when he has just contradicted himself in his remarks? How can he make such a statement when the Budget contains measures which are altogether contrary to what he is saying? In fact, is that not one more proof of the fact that he ought to get himself a new speech writer?

**Mr. Fontaine:** Mr. Speaker, in answer to the two questions and the remark of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), I can assure you that anything I say here in the House of Commons comes from me. I do not read speeches written by others, I can draft my own and I am very proud of it.

When I say that I get involved in Government policy, it is a matter of personal belief, my friend. You may have been trained to read speeches written by your Ministers, even though they may even have been unable to draft them properly, but that is not the way we operate.

To reply to your question about inflation, I said that a dollar was worth $1 in 1971 and that it now costs $3.06 to do the same things, whether we are talking about buying a car, food, or housing, or building roads.

Your thinkers, and I did say yours, systematically implemented a system which provoked this inflation and unfairly took away the savings of Canadian men and women by reducing their purchasing power. You were not honest with the Canadians who had savings in the seventies and eighties. Their money is now worth only one third of its value in 1971.

Terms to describe what you did to them are not allowed in the House of Commons, but I think that everyone should be told about it. In case you did not understand, that is what inflation means.

Second, you speak about savings. It is very clear that you, the Member for Glengarry-Prescott-Russell (Mr. Boudria), do not know the difference between an investment and a loan. Our tax proposal will promote investment. For your information, investment means the money that is put into a business as equity, as shareholder assets, as owner equity, and this is what gives the business the means to develop.

As for you, you told the Canadian people: Invest in loans of the Government of Canada. You paid up to 22 per cent for Government of Canada loans. You told Canadians: Bring us some money, we need it to redistribute among our friends. You do not know the difference between an investment and a loan and you never did. That is why you are not even able today to comment the speech and the tax proposal of our Minister of Finance (Mr. Wilson). As for me, I can both comment and defend them.

I trust that we shall eventually stop talking about this issue and go on to other things which are also important for Canada. Stop trying to delay these initiatives!

[*English*]

**Mr. Marchi:** Mr. Speaker, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) indicated that the Hon. Member for Lévis (Mr. Fontaine) was approaching the issue with some arrogance. It is not only that; the Hon. Member for Lévis was approaching the whole issue with a very selective process of misleading the Canadian public. He suggested that this side of the House was giving confused signals and messages to the Canadian public. The Hon. Member had the audacity and temerity, a word which his Prime Minister (Mr. Mulroney) likes to use, to suggest that this particular piece of legislation, together with the other pieces of legislation flowing from the Budget introduced last May, was somewhat fair and just to Canadians.

Did the Hon. Member for Lévis explain to his constituents that people earning $15,000 will be expected to pay 36 per cent more in taxes by 1990, compared with a $100,000 earner who will have to pay 4 per cent more or a $200,000 earner who will have to pay 2 per cent more? Did the Hon. Member portray the reality of the Budget to his constituents? Does he feel that those figures to which I just referred coming from the documents of the Minister of Finance (Mr. Wilson) are reality and are in fact fair? Why was that schedule imposed rather than a more equitable balance between all Canadians from all

parts of the country, not just the gulf that is certainly getting larger between rich and poor under this administration?

• (1230)

[*Translation*]

**Mr. Fontaine:** The Hon. Member for York-West (Mr. Marchi), as usual, and like his colleagues, is going to dwell on details as he does every day, during Question Period for instance, anxious as he is to have Canadians forget we created 430,000 jobs. During the Summer of 1984, Canadians understood our message on a balanced budget. This is what we are giving them today, Mr. Speaker. So they understood our message and now they are thanking us. They are telling us: "Carry on, you are doing well". We have the support of people who know about the economy, people like you, people in Chambers of Commerce, businessmen's organizations, economists, consumers in general, business people who trust us, who invest, who have hired 430,000 people. That is our message, Mr. Speaker, and that is our performance. Therefore, I do not have to answer questions about details that they keep asking to victimize this Government.

[*English*]

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. The Hon. Member for Cochrane-Superior (Mr. Penner).

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I did my best to try to follow the arguments of the Hon. Member from Lévis (Mr. Fontaine). I suspect that perhaps what he was trying to do today was to launch a new school of economic thought. If that is the case, I would suggest to him that, other than himself, I doubt that anyone else would be interested in enrolment.

I have spent some time on Bill C-84 and done some analysis of it. I have come to one inescapable conclusion, and that is that Bill C-84 takes what has been in this country a snail's pace movement towards tax reform and it has slammed that into reverse.

When the Minister of Finance (Mr. Wilson) introduced his Budget on May 23 he told the House of Commons that this Budget was going to be tough and it was going to be fair. I have to agree that this Budget is tough. It certainly is very tough on lower income Canadians and on middle-income Canadians. Members who support the Government must be feeling a little awkward, a little uncertain of themselves when they contemplate the figures that were mentioned by the Leader of the Opposition (Mr. Turner) and repeated by the Hon. Member for York West (Mr. Marchi) that a man or a woman earning $15,000 is going to face, over the next four years, a cumulative tax increase of 36 per cent. To earn $15,000 is to have a person hovering around the poverty line. To face an increase like that is very, very difficult for Hon. Members to justify. So it is a tough Budget, it is tough on lower and middle-income Canadians, and it does provide some nice fat, juicy fare for the well-to-do. I will come back to that a little later on.

I do want to give the Minister of Finance some credit. The Minister of Finance must be given some credit for assisting his Party and assisting his Government to slip so significantly in the public opinion polls. Now he cannot take all the credit, he is getting some help from his colleagues in the Cabinet, and he is certainly getting quite a bit of help from his Prime Minister (Mr. Mulroney).

During the recess of Parliament when I was in my constituency I spoke to a citizen for whom I have great respect and he made an interesting comment. He said, "You know, I am not a person who has studied political science or even economics". He was in another important field of endeavour, but he said, "It occurred to me that if I were the Minister of Finance and I were preparing a Budget for the nation, I would certainly not attack or move against either senior citizens or children".

You know that the senior citizens of this country fought back and they won, and no more needs to be said about that except that there is a lingering suspicion in the minds of many Canadians, because of that error made by the Minister of Finance, that the Conservative Party that now forms the Government wants to erode the social security system that has been built up over a long period of time. Even though the senior citizens did win their battle, the children of this country continue to be the losers. Thanks to the family allowance measure that went through the House yesterday, children are going to get an additional one cent a day in 1986. I want to say that they will get one cent a day, but if those same children were to buy one or two confectionery items then this Government is going to reach into the blue jeans of those tykes and take out all of the loose change.

**An Hon. Member:** The dentists think it is wonderful.

**Mr. Penner:** Surely the Conservative Party is not now going to dictate what people shall eat or what they shall buy. Surely the Member who has just spoken is not saying that in this measure the Government wants to move against the confectionery industry.

**The Acting Speaker (Mr. Paproski):** On a point of order, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley).

**Mr. Gormley:** I have been listening with great interest to this Member. I heard him refer to Bill C-70, I heard him refer to other ways, means and motions. I am wondering if he is going to come to the point and discuss Bill C-84 at some point before his time expires.

**The Acting Speaker (Mr. Paproski):** I know the Hon. Member, he is a colleague of mine from the class of '68. I know that he knows what relevancy is in this House. I am sure he is getting to the point.

**Mr. Penner:** I hope that unnecessary intervention will not be subtracted from my time, Mr. Speaker. I will say something about Bill C-84. I would like to concentrate my attention on three objectionable aspects of Bill C-84. First, there is the partial deindexation of the tax system. Second, there is the reintroduction of an exemption from taxation of capital gains. If time allows, I would like to say something about the effects of Bill C-84 on the tourist industry.

I have mentioned in this House before, with respect to the indexation of the tax system, that this idea was first brought into the precincts of Parliament by no less an outstanding Canadian and parliamentarian than the Hon. Robert Stanfield. At that time the Minister of Finance, who is now the Leader of the Opposition, engaged in a national debate across this country about whether indexing the tax system was valid. He played the role of devil's advocate and gave some speeches to the contrary, but Canadians convinced him that it was a fair reform measure in our tax system. Parliament subsequently introduced it in a Budget that he brought in.

To do away, even partially, with the indexation in our tax system, to deindex it partially is, I believe, to take that slow tedious process of tax reform and to put it into reverse gear. The Leader of the Official Opposition has called this measure a sneaky one. I do not think that is unparliamentary, Mr. Speaker, because if you take a look at what it does, you will find that it is actually rather sneaky, because in 1985 what you have with this measure is just a small tax bite. You take out $80 million out of taxpayers' pockets in 1985, and in the year in which we are now that tax bite gets a little larger because the amount goes up to $635 million. From the calculations which have been done for us we note that by 1990 what began as a tax bite becomes one huge tax grab. Somewhere close to about $5 billion will be taken from the taxpayers' money.

• (1240)

Regarding this measure, one commentator has said that in the future, there will be a cloudburst of tax increases, and another described it as being a time bomb built into our tax system. After looking at Bill C-84, the Consumers' Association of Canada stated that the tax changes introduced by this measure will create a new kind of poverty in Canada, the middle-income poor.

Most Hon. Members will know that about one-half of Canada's economic growth was directly due to consumer spending on goods and services. With millions of dollars, soon to be billions of dollars, being taken from consumers' pockets, do Hon. Members who are supporting this Bill not think that there will be a setback in the economic recovery that they said they would encourage if they were elected to office? There is bound to be a setback.

The purchasing power of middle-income earners, because of Bill C-84, will be eroded. True, this erosion will begin slowly but it will increase as we move through the 1980s and into the 1990s. That is my first strong objection to this Bill. I am glad my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), moved to have the deindexation clause in Bill C-84 removed in order to retain what is a very strong reform measure in our tax system designed to protect taxpayers against inflation so that the Government is not able to live off the avails of inflation. If the Hon. Member for Lévis were here, he would be interested in hearing my comments.

My second objection has to do with the reintroduction of the capital gains tax exemption.

**Mr. Vincent:** Order.

**Mr. Penner:** Don't get too excited. he is the one who raised the issue.

[*Translation*]

**Mr. Vincent:** On a point of order, Mr. Speaker. I think the Hon. Member knows very well that reference should not be made to the presence or absence of Members in this House, and I find it very unfortunate that we have to call that to their attention almost every day.

[*English*]

**The Acting Speaker (Mr. Paproski):** I believe the Hon. Member realizes that, and I do not think it will happen again.

**Mr. Penner:** The Hon. Member for Lévis had drawn me into the debate and I was anxious to reply to him. I neglected to note that he had left the Chamber. I apologize.

**Some Hon. Members:** Oh, oh!

**Mr. Penner:** All Hon. Members who follow requests for changes in our tax system will know that in the business community and in financial publications, there has been for a long time now a request for the ending of the capital gains tax. In speeches and in various publications, business leaders have said that this particular form of taxation ought to go, and in arguing that it ought to go, they have presented a rationale or justification for it. I would like to summarize briefly that justification.

The rationale is that if we were to abolish the capital gains tax, there would be a higher level of personal investment and risk capital formulation. If we removed the capital gains tax, we would encourage Canadians to rethink the way in which they invested their money, a way which tended to be primarily through term deposits or Canada savings bonds. Rather than using those instruments for investment, the abolition of the capital gains tax would encourage people to put their money into private or public equity, more risk taking would be encouraged, and the flow of investment capital into areas of the economy that would show the greatest promise of job creation would be enlarged. That is the justification for that measure. However, there are those who counter these arguments. I refer specifically to Professors Brooks and Peltomaa who, in 1979, wrote a publication entitled *Canadian Taxation*. On page 7 of that publication, they said:

> The tax reform process in Canada clearly reveals that even the most ludicrous of ideas, if supported by business interests, are often acted on by the Government.

They went on to argue that it is difficult to justify the exemption of capital gains from taxation. I will not repeat all of their arguments because I do not want to spend all of my time quoting. However, let me bring Members of Parliament up to date.

Immediately following the May 23 Budget, *The Globe and Mail* reported that it had in its possession a document from the Department of Finance that argued that changes in capital gains taxation might well have only a small effect on the ability of corporations to obtain new equity financing. That argument was not made by members of the Opposition but by an analysis done within the Department of Finance itself.

Many tax experts argue that the removal of the capital gains tax will do no more than encourage a great deal of speculation in the real estate market and that that speculation will drive the price of land up. If an increase in the price of land is coupled with the abolition of the Registered Home Ownership Savings Plan, a program which helped young couples save money, how are we going to help young people to acquire the homes they believe they have a right to acquire at some point in their lifetimes as Canadian citizens?

In my view, the capital gains tax exemption is nothing more than a generous windfall for the rich of Canada. It does not require the rich to invest any further if they do not see fit to do so. Within Bill C-84, there is not even a minimum requirement that the capital should come from Canadian investment within Canada. One tax analyst from Coopers & Lybrand said that he was surprised that Ottawa made the exemption so wide open rather than aiming it toward investments in Canada that create jobs. He went on to reflect further and said that he did not think that we could solve Canada's unemployment problems by exempting capital gains from taxation in any event.

I believe we must conclude that the capital gains tax exemption is a very special gift from the Government to its well-to-do friends and supporters. Of course, the Government has the right to do that. I do not argue with that. However, I believe that that is the way this measure is seen by the public. The Hon. Member for Kenora-Rainy River (Mr. Parry) drew to the attention of the House the fact that, according to the 1982 statistics, 63 per cent of the capital gains tax exemption will accrue to people who are earning $50,000 per year or more, about 4 per cent of the tax-paying population.

I would argue that a fair, just and equitable tax system should be based on the ability to pay. That is not very profound, but I believe that that is what a fair taxation system should be. All sources of income which increase the economic power of the recipient, including capital gains, should be recognized in determining the tax base. If that sounds familiar, it is because that was a statement that was made by the Royal Commission on Tax Reform, the Carter Commission. Hon. Members will know that the Carter Commission was set up during the Government of the Right Hon. John G. Diefenbaker and reported during the time Mr. Pearson was in office. Finally, some parts of the Carter Commission Report were incorporated into a White Paper, the so-called Benson White Paper. There was extensive debate in the country, and certainly a great deal of it in Parliament. As a new Member of Parliament at that time I remember being overwhelmed by all the lobby groups and special interest groups which wanted to protect their own special place within the tax system. Indeed, it was a very demanding period of time.

● (1250)

The tax reform measures which were finally introduced following the debate of the Benson White Paper can only be described as a partial tax reform. In no way was it complete. However, there were certain principles which were enunciated during that debate which I think are difficult to challenge. For example, it has long been accepted in Canada that a tax system should be based on ability to pay and that Governments should levy progressively more tax on higher income earners as compared to those who earn lower incomes.

We had a discussion earlier about marginal rates. It is always difficult to know where to draw the line between that which is fair and which must be done in order not to stifle initiative, innovation, and all of those other features which help a nation to grow and expand, and that which is unfair. We know that there is a strong concentration of capital gains in higher income tax brackets. Therefore, to bring back an exemption for those people runs directly contrary to the most basic principles of tax reform. I think we have taken a retrograde and regressive step in reintroducing this exemption. I regret it very much. It creates further inequities in our tax system. It adds more complexities to a tax system which my colleague, the Hon. Member for Saint-Henri-Westmount, has already described as unfair in many of its aspects and one which is certainly confusing to most taxpayers. After all, there is a whole profession out there of people who simply live off the income tax laws because only a very small handful have the time or the inclination to understand them as fully as they should.

I wish to come back to the Benson White Paper, which the Hon. Member for Levis mentioned in his speech. I admit that I was a supporter of this particular measure. I do not deny that for one moment. The White Paper expressed a great deal of sympathy with Mr. Carter's recommendations for the taxation of capital gains. I think it is probably a good idea to go back to that White Paper. Mr. Speaker, you know very well what a controversial document it was. Here is what the document stated in part, and I remind Hon. Members that it was stated in 1969:

> A Canadian who is able to realize a substantial stock market profit or real estate gain clearly has an increased ability to pay; he is better able to pay for a new car, or to pay for stocks and bonds, or to pay income taxes, than is his neighbour who has not had such a gain. At present, Canada does not tax this ability to pay. As a result, some very well-to-do Canadians pay far less tax than others with similar abilities to pay, and less even than others with much lower incomes (all because these particular Canadians receive a large part of their income as 'capital gains'). Moreover, it has been possible for the sophisticated to arrange their transactions in such a way that they receive as capital gains amounts that would have been income had the transaction been carried out in the normal manner.

**The Acting Speaker (Mr. Paproski):** I regret to advise the Hon. Member that his time has expired. Are there questions or

comments? The Hon. Member for Champlain (Mr. Champagne).

[*Translation*]

**Mr. Champagne:** As we know, Mr. Speaker, we had mild weather recently and January is the month for head colds. I am afraid my hon. colleague has a superior one considering that the Hon. Member for Cochrane-Superior (Mr. Penner) has just told us he is against capital gains. He just said we are offering hand outs to the rich—we as a Government—that they help only the rich. But the question I am going to ask him is this: How is it that the Hon. Member did not rise in this House, when he was in Government, to castigate the then Minister of Finance because there were more than 200,000 Canadians, the most affluent, who were paying no income tax? How can he reconcile that? He now opposes our allowing capital gains, he suggests that it is for the rich, but when in Opposition he failed to do his duty as a Member by not rising and telling his Minister of Finance: Make the most affluent pay, make the rich pay income tax. I believe, Mr. Speaker, that his head cold is at its worse and I hope the Hon. Member will take good care of himself.

[*English*]

**Mr. Penner:** Mr. Speaker, apart from the personal comments, I would like to say that I never for one moment suggested that I was against capital gains. I do not remember saying that. What I said is that capital gains ought to be taxed.

**Mr. McDermid:** They are.

**Mr. Penner:** They are now; but they will be exempted up to a total of $500,000 in the course of a person's lifetime. That really amounts to an interest-free loan from the Government. I am saying they ought to be taxed.

The former Liberal Government under Finance Minister Benson brought in a capital gains tax which was only partial in terms of reform, since capital gains were still taxed at a lower rate than was income. I do not know if the Hon. Member has experienced the following difficulty, but I know that I have. It is difficult for me to say to the man who carries a lunch pail to work and who works under very adverse conditions, let us say in a pulp and paper mill or in a mine in my constituency, that he must pay the prevailing rate on the income that he earns under those very difficult conditions. Many of the people who carry out those jobs find that by the time they reach their mid-fifties they are burnt out from working in the bush, the paper mills or the mines. It is not easy work at all. It is very difficult to say to such a worker: "If you have extra dollars and you could send them out to work for you, did you know that they would be tax-free?" It is difficult for me to justify saying that to a person who works hard for his living.

I would like to deal with the second point about the minimum tax. The Hon. Member will know that in this Party we have not opposed at all the idea of a minimum tax on those who find that by using every aspect of the tax system they end up paying no tax at all. However, if the Hon. Member will look at the history of that measure he will see that at the beginning there were few people involved in that category and that over the years more and more people were able to use the tax system to their advantage. Certainly through extensive investments in Canada and through the use of the dividend tax credit they have found that they now escape taxation altogether. We have had to face up to a problem. The problem is that every Canadian ought to contribute to the national well-being and should be taxed. No one is arguing to the contrary. However, it has only become a large problem with a significant number of taxpayers in recent years.

**Mr. Jepson:** Mr. Speaker, I listened with interest to the Hon. Member for Cochrane-Superior (Mr. Penner). Over the last few months I have noticed a theme in the House whereby members of the Opposition have alluded to legislation being sneaky and less than truthful. They have a clear agenda to create a credibility gap between the Government and the people, which I think is disastrous to the people of Canada.

The Hon. Member for Cochrane-Superior was a member of a Government which, when in office, told the people of Canada that it would not increase gasoline prices by 18 cents a gallon. He was a member of a Government which told the people of Canada at voting time that it would not put in place wage and price controls and, yet, brought those measures in. I do not understand how people from the Hon. Member's Party can be in a position to judge as to whether or not a piece of legislation is sneaky. I think this does a great disservice to all Canadians. As we reflect on the school of economics adhered to by the Liberal Party, we see that it is a Party which left my Government a $200 billion deficit, with some $22 billion on an annual basis. I understand why members of that Party do not understand the progressive legislation which is before the House.

**The Acting Speaker (Mr. Paproski):** Before I call it one o'clock, I would like to advise the Hon. Member for Cochrane-Superior (Mr. Penner) that five minutes remain in the time for questions or comments.

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

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

*S.O. 22*

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## ENVIRONMENTAL AFFAIRS

CALL FOR NEGOTIATION OF AIR POLLUTION TREATY WITH UNITED STATES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, in 1909 we signed the Boundary Waters Treaty with the United States. Article 4(2) says:

> That boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health and property on the other.

The same principle, Mr. Speaker, should apply to air. We need a treaty on transboundary air pollution. The first step in this direction took place in 1980 when the United States signed a memorandum of intent with us. The acid rain envoys chose not to build on the memorandum of intent and thus made, in my view, a serious mistake.

Today, and every day, because of the prevailing winds, the United States is still causing transboundary environmental interference. Every day the United States is still causing serious economic damage to Canada. Despite the progress of science and technology it is not possible to change the direction of prevailing winds. We are thus the recipients of sulphur dioxide emissions from the United States, millions of tons per year.

Next March the Prime Minister (Mr. Mulroney) will meet the President of the United States again. Thus the action on acid rain shifts to the top. The Prime Minister chose this course of action, and we wish him well. We will applaud him if he succeeds with a reduction plan of substance. If he does not, then he can blame the prevailing winds or, to be consistent with his statement Sunday, he can always blame the media.

* * *

## INCOME TAX ACT

LANGUAGE USED IN WORDING OF SECTION

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, to date the Government has failed to act on its promise to simplify the tax system so I can only conclude that the Minister of Finance (Mr. Wilson) understands Section 127 of the Income Tax Act which reads:

> In applying Subsection (9) in respect of
>
> (*a*) a qualified property or qualified transportation equipment acquired after November 16, 1978 or qualified construction equipment acquired after April 19, 1983, the references in paragraphs (*a*) and (*b*) thereof to "5%" shall be read as references to "7%", the references in paragraphs (a.1) and (b.1) thereof to "5%" shall be read as references to "13%" and the references in paragraphs (a.2) and (b.2) thereof to "2.5%" shall be read as references to "3%";
>
> (*b*) a qualified expenditure incurred by a taxpayer after November 16, 1978 and before his taxation year that includes November 1, 1983, or a qualified expenditure incurred by him in that taxation year or a subsequent taxation year if he deducted an amount under Section 37.1 in computing his income for the year,
>
> (i) where the expenditure was incurred by a Canadian-controlled private corporation in a taxation year of the corporation in which it is or would, if it had sufficient taxable income for the year, be entitled to a deduction under Section 125 in computing its tax payable under this Part for the year, the references in paragraphs (*a*) and (*b*) thereof to "5%" shall be read as references to "25%" and the references in paragraphs (a.1), (a.2), (b.1) and (b.2) thereof—

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

* * *

## FISHERIES

DAMAGE CAUSED BY GRAY SEALS TO EAST COAST FISHERY

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, I rise today to highlight once again the economic damage to the East Coast fishery being inflicted by the gray seals.

Proliferation of seals and seal worms has been a major concern over the past few years. To outline the gravity of this situation, the following points must be made. The seal population along the Nova Scotia coastline is approximately 100,000 animals; one gray seal consumes 3,200 pounds of fish annually; total consumption of fish by seals along the Nova Scotia coastline exceeds 200 million pounds annually; the Sable Island herd will increase by 12,000 in 1986, and an immediate control kill is required to reduce the seal population.

A major policy decision must be made to decrease the size of the herd and place controls limiting future growth. With the push for quality enhancement, it is difficult to achieve high quality without addressing this problem.

In addition, extensive damage is being done to fishermen's gear by the seal population. Nets and traps are being destroyed by these animals.

I commend the Minister of Fisheries (Mr. Siddon) for his recent comments to the effect that he is prepared to address this problem, and I encourage all Members of the House to support the Minister in this respect.

• (1405)

This problem threatens the viability of the Atlantic fishery and therefore the backbone of the Atlantic economy. It is time for all of us to acknowledge—

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

* * *

## CANADIAN BROADCASTING CORPORATION

REPEAT BROADCAST OF "NEAT TO BE DEAD" SONG

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, last Thursday I made a statement concerning the CBC's irresponsibility in broadcasting a song with the theme that it is "neat to be dead", in which children expound on the virtues of death. In

light of the program's morbid content I asked for an apology or at least a retraction from the CBC. I thought it would end there, but this was not to be. What happened? The song was broadcast in its entirety again yesterday at approximately 8 a.m. on CBC Radio in Toronto.

**Some Hon. Members:** Shame!

**Mr. Pennock:** Most Canadians can put this song in perspective. My concern is with the one child who cannot, the one child who is having difficulty at school, the one child who listens to the radio talk about death this way: "It's fun to croak! Oh, boy, it's cool, it sure beats school, it is ever neat!"

Does the CBC realize that one-third of all suicides in Toronto last year were committed by children under the age of 19? This is no joke. A serious social problem exists when children and teenagers not only attempt suicide but contemplate suicide as a viable way to get around the pressures of today's society. I ask the CBC was it really worth it? To broadcast this song again was not only irresponsible but outrageous.

My final remarks are directed to one Canadian, the President of the CBC, Mr. Pierre Juneau: Your accountability to the people of Canada is no different from that of a Minister of this Government in that—

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

**Mr. Pennock:** —you owe it to the people of Canada to do the honourable thing and resign.

* * *

## HUMAN RIGHTS

### CANADIAN ROLE IN WORLD-WIDE STRUGGLE

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, yesterday the United States celebrated a new federal holiday commemorating the fight for equal rights for American blacks spearheaded by Dr. Martin Luther King. By creating this statutory holiday, Americans underscore the right to equality of opportunity and equality of rights for all citizens. This is a human rights day. But Mr. Speaker, we are sadly aware that these freedoms do not exist the world over.

It is important that all nations join the fight for universal respect of individual human rights. Canada and Canadians are in the forefront in taking up this global challenge. The task is not easy, but the challenge is a worthy effort. Canada, this young nation of ours, can stand proud in the world of nations for we are a role model, although still not perfect. Although still not perfect, we can be proud of the Charter of Rights and Freedoms in our Constitution which accords to all Canadians the fullest spectrum of freedoms. Canada is not only a signature of the Helsinki Accords, but speaks out for its principles, of particular note in the interests of Soviet jewry.

*S.O. 22*

Just recently our Parliament declared Raoul Wallenberg Canada's first honorary citizen. This will ensure that his name and deeds in the interests of human rights and decency will forever be a part of our country's history. It also allows us to seek information as to his whereabouts. You, Mr. Speaker, graciously hosted a reception to mark our new honorary citizen. The President of the United States received Coretta King to mark Dr. Martin Luther King Day. Both acts are encouraging in the fight for world-wide respect of individual human rights.

* * *

## FOOD AND DRUGS

### BAN ON TOBACCO ADVERTISING ADVOCATED

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, 15 years ago an all-Party committee of this House recommended unanimously that tobacco advertising be banned. Since then some 300,000 Canadians have died from tobacco-related diseases. In short, tobacco use has been responsible for more deaths than all the wars, car accidents, epidemics, and illegal drugs in all of Canada's history. Yet, instead of legislating an advertising ban, the Liberal Government of the day permitted tobacco companies to adopt a voluntary code of advertising.

Violations of the code, such as sports sponsorship and advertising near schools, have been rampant, and there are no penalties for violations. Today the Non-Smokers' Rights Association released a study of the extent of these violations. To me the worst is advertising directed to children. While adult men, including some Hon. Members, are wisely quitting smoking, the tobacco companies are going after the youngsters, and the age of the onset of smoking is now down to 12.

The request of the Minister of National Health and Welfare (Mr. Epp) to the companies that they ban the most flagrant abuses has simply been very politely ignored. The tobacco companies know that children smoke the most advertised brands. It is time that the Minister take the advice of every medical association and health advocacy group in the country and bring in legislation for a complete ban on tobacco advertising.

* * *

• (1410)

## ADMINISTRATION OF JUSTICE

### DEPORTATION OF UNITED STATES JAIL ESCAPEE

**Mr. Sid Fraleigh (Lambton-Middlesex):** Mr. Speaker, today a blow was struck for the justice system in Canada. I want to express my appreciation, and that of the great majority of Canadians, for the decision of the Minister of Justice (Mr. Crosbie) to return a convicted killer, Joseph Kindler, to the United States where he will meet with the consequences of the crimes he committed in that country. I am sure the

Canadian public will support the Minister's decision to ensure that Canada does not become a haven for those who have committed murder in another jurisdiction. Since the crime was committed in the United States, the laws of the United States should apply.

With his decision the Minister of Justice has shown Canadians that our system of justice is prepared to take difficult decisions to ensure that those pursuing criminal activities in other countries will not have Canada to turn to in an attempt to escape the consequences of their actions. I join with many Canadians in thanking the Minister of Justice for reaffirming our faith in the principles of law and order that exist in our country.

* * *

[*Translation*]

## QUEBEC CARNIVAL

### TRIBUTE TO ORGANIZERS AND PARTICIPANTS

**Mr. Marcel Tremblay (Quebec East):** Mr. Speaker, the headquarters of the Quebec Carnival are situated in my fine riding of Quebec East. Believe me, there will be a lot of action there within the next few days!

Quebec Carnival is known internationally and I am proud of its slogan *C'est chez nous que ça se passe!*

As has been the case over the past 32 years, there will be activities for all tastes and all categories within our society. Quebec Carnival, with its hundred of thousands of volunteers, has shown the Quebecers *joie de vivre* as well as their spirit of tradition, sharing and popular participation.

It is a great opportunity for all Canadians to get to know one another and to share this great event with millions of our American friends who will be there to take part in the various activities or who will watch us through the miracle of TV broadcasting. For the first time, Mr. Speaker, the ABC network will broadcast its *Good Morning America* program from the Old Capital!

I raise my hat to all the businessmen who are involved in this event. I congratulate most sincerely the duchesses who through their charm, personality and talent, will show a facet of the true Quebec life. Best of luck to all of them as they compete to be queen of the Quebec Carnival, something I would not miss for the world.

From Parliament Hill in Ottawa, I wish every success to good old Bonhomme Carnaval, to Carnival president Gilles Savard, and his great team. The Quebec Carnival is another proof that volunteers have a place in our community. Volunteering pays, Mr. Speaker!

[*English*]

A warm welcome to all Canadians to Quebec's capital—

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

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## PUBLIC SERVICE

### RELOCATION OF LAID-OFF EMPLOYEES

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, during the 1984 election campaign the Leader of the Conservative Party sent a letter to the public servants of Canada. I will read to you one such letter that was sent to Mr. Jack Donegani, President of the Professional Institute of the Public Service of Canada. It says in part:

> A PC government will negotiate directly with public service unions and associations toward the establishment of an improved collective bargaining system based on the provisions of the Canada Labour Code.

It says further:

> We will pursue joint bargaining as a means of achieving greater fairness and efficiency in the collective bargaining process.

What a difference a year makes, Mr. Speaker. During the year 1985 some 2,464 employees of the Public Service of Canada were declared surplus to the Government's need. The Government went out of its way to tell the public servants of the country that it would help them to relocate and find other jobs within the Public Service. As of January 3, 1986, 1,999 of those employees had yet to be relocated. The failure rate of the Government in terms of relocating public servants to other jobs within the Government has been in the order of 80 per cent.

It is a disgrace. Perhaps the Minister of Justice (Mr. Crosbie) said it best during the election campaign when he said to the people of Canada and to the media: "If the people of this country knew what the Progressive Conservatives wanted to do, we would never get elected".

* * *

## THE ECONOMY

### COST OF GOVERNMENT BORROWINGS

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, workers in Canada know that if they continually spend more than they make they will end up in the poor house. Businessmen who spend beyond their income, even though the expenditures are for good purposes, will go bankrupt and lose everything they have. For many years the Government, under the Liberals, and aided by the NDP, spent millions of dollars that it did not have, and now $1 out of every $3 collected in taxes goes to pay the interest only, without reducing the debt that was built up through their extravagance.

If this borrowing continues, the interest will increase until we are paying $2, then $3 out of every $3 collected, and then $4, until our credit is ruined and we cannot borrow any more and we can't pay our bills. We will have to cut out donations for worthy causes and we will have to cut pensions for the

aged, pensions for the crippled, and family allowances. That is why millions of people in Canada elected the PC Government with a mandate to cut the deficit and to live within our means. Yet every time we make a cut the Liberals and the NDP yell their heads off.

• (1415)

The Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson), and the PC Party have a vision of a prosperous Canada, not a bankrupt nation. We can make sacrifices now and reduce the principal and interest and eventually eliminate the debt and build a nation, or we can go on in Liberal and NDP fashion and borrow ourselves into oblivion.

**Some Hon. Members:** Hear, hear!

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF INDUSTRY, PRINCE EDWARD ISLAND

**Mr. Speaker:** May I indicate the presence in our gallery today of the Minister of Industry for Prince Edward Island, the Hon. Wilbur MacDonald.

**Some Hon. Members:** Hear, hear!

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# ORAL QUESTION PERIOD

[*English*]

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I had a question for the Minister of Energy, Mines and Resources who, I was advised, will be in the House. I will wait until she gets here.

* * *

## FISHERIES

ISSUANCE OF LICENCE FOR EAST COAST CLAM FISHERY

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Minister of Fisheries and Oceans is being sued by Kristan Seafoods International Inc. for issuing a licence, against the advice of his senior bureaucrats, to Mother Snow's Fine Foods Ltd. for a test clam fishery off the coast of Cape Breton Island.

Were the Minister and the Government not aware, when this licence was issued, that three of the five principals had outstanding judgments against them, and in fact two of the principals themselves are being sued by Kristan Seafoods for representing themselves as working for Kristan Seafoods while



gathering information for their own licence application and leaving Kristan Seafoods high and dry?

**Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans):** Mr. Speaker, that is quite a statement by the Hon. Member. I will provide the answer as Acting Minister of Fisheries and Oceans. The short answer is that two licences of an available six were granted to Mother Snow's after the regional director had interviewed and received applications from three, I believe.

The regional director in Halifax issued those two licences.

**Mr. MacLellan:** Quite a situation indeed, Mr. Speaker.

ALLEGED POLITICAL PRESSURE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, Kristan's statement of claim against the Minister states that the Minister did know of the action against the two principals when the licence was issued by Fisheries and Oceans.

**Mr. Speaker:** Order. Question, please.

**Mr. MacLellan:** Were not the Minister and the Government led to issue this licence because of political pressure, because one of the five principals is Richard Logan, former chief of staff to the ex-Minister of Defence, the Member of Parliament for Cumberland-Colchester?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, those are definable only as allegations by the Hon. Member. I am surprised that he would make such allegations knowing, as he obviously does, that an action to which he has referred has been commenced in the courts by Kristan. It is totally improper for the Government or indeed any Member to be raising questions that are *sub judice*.

* * *

## ENERGY

INCREASE IN PRICE OF GASOLINE IN VANCOUVER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last March when she announced her Energy Accord, she told me, as reported in *Hansard* on March 29, that motorists would benefit from any decline in world oil prices. According to the figures from her Department, world oil prices have fallen from $28 U.S. a barrel when she made that announcement to $20.50 U.S. a barrel today.

In Vancouver, a city which both she and I have the honour of representing, motorists paid 47.3 cents a litre for gas in March. Today Vancouverites are paying 56.7 cents per litre; that is an increase of 20 per cent. Why are the people of Vancouver paying 20 per cent more to fill up their tanks when world oil prices have fallen 25 per cent in the same period?

● (1420)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Right Hon. Member has correctly indicated that oil prices have fallen from $28 per barrel internationally to $20 per barrel today, but he has neglected to say that that decrease took place only in the last few weeks. Actually oil prices rose toward the end of last year, and they historically stay high during wintertime. Therefore the decrease in the international price of oil which we are experiencing now will not show up at the pumps until a few months from now when the oil is moved to the pumps.

COMPARISON WITH UNITED STATES PRICES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, returning to the Minister's own figures, prices at the pump are down 2.8 per cent in Los Angeles over 12 months, down 3.7 per cent in Detroit, down 2.1 per cent in Seattle, up 14.9 per cent in Calgary, up 15.2 per cent in Toronto, and up 23 per cent in Saint John, New Brunswick. In view of the fact that the Canadian Government has raised taxes at the pump 58.1 per cent in those 12 months, the same period, why are Americans benefiting from falling oil prices while Canadian motorists are taking it on the chin?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the answer is that the Americans were lucky enough not to have a Liberal administration—

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Miss Carney:** —such as the one which left this Government with such a massive deficit that we need those taxes as revenues to pay it down.

**Mr. Turner (Vancouver Quadra):** I have been talking about the last 12 months, a period in which this Government has been in power. The Minister's bravado does not fool anybody, and the arrogance is becoming contagious along those front benches, absolutely contagious.

EFFECT ON TOURIST INDUSTRY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, does the Minister realize that in six months British Columbia ran up a $200 million tourist deficit, largely attributable to higher gas prices, and that the outrageous gas prices in British Columbia are jeopardizing the future of Expo 86?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, it is so typical of a Liberal to be negative toward Expo 86, which will be the best thing that ever happened to our province.

**Some Hon. Members:** Hear, hear!

**Mr. Axworthy:** We built it.

**Mr. Rossi:** You are on your way out, Pat.

**Ms. Copps:** A cabinet shuffle.

**Mr. Axworthy:** Talk about being full of gas.

**Mr. Speaker:** Order, please.

INCREASED GASOLINE TAXES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I would like to follow up on that line of questioning and ask is she aware that in her own riding of Vancouver Centre taxes have gone up 2.8 cents per litre over the period the Conservatives have been in power, and pump prices have gone up 3.4 cents per litre, so that gasoline prices have gone up over 6 cents per litre. Why did the Minister tell me yesterday that it was only federal and provincial taxes that were responsible for gouging the consumer?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, Governments do not set the price of gasoline. Possibly under a socialist Government they would set the price of gasoline, but under a market system the price of gasoline goes up and down with the market.

**Mr. Tobin:** Then why has it not gone down?

**Miss Carney:** I point out again that the extra taxes imposed on gasoline were put on by this administration to help pay for some of the social services that Canadians want.

**Mr. Waddell:** Governments do not set the price of gasoline; six oil companies do that, and the Government should do something about it.

TIME LAG BETWEEN WORLD AND CANADIAN PRICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my supplementary question is for the same Minister. If she continues to predict that world oil prices will go down, and therefore will be reflected at the pump, what will she do to stop this time lag to make the Canadian oil industry more competitive and prepared to react to world prices going down? Is she prepared to do something about the competition in the oil industry?

**Mr. Deans:** A lack of competition.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, what I did was to bring in a new energy policy which would make the Canadian market much more responsive to world conditions.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** We are seeing what happened.

**Mr. Axworthy:** Look at the result.

**Mr. Blackburn (Brant):** It is going in the wrong direction.

• (1425)

[*Translation*]

## PUBLIC SERVICE

### IMPACT ON EMPLOYMENT OF GOVERNMENT POLICY

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, my question is directed to the President of the Treasury Board. We know that the public Service Employment Act does not contain any provision under which Government employees can negotiate lay-offs or job security. According to Government policy, 15,000 jobs are to be eliminated within five years, 5,000 this year and 10,000 in the following four years. We know that this would have serious and devastating consequences for public employees, their careers and their families. Would the Minister tell the House whether his Government will make sure that, in the future, collective bargaining will cover this important and necessary provision so that lay-offs and job security can be negotiable?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I would like to emphasize the fact that we indicated in the May Budget that 15,000 person years would be eliminated over the next five years, including 5,000 during the next fiscal year. We have negotiated with all our unions a policy concerning employees who might be adversely affected by this program. As I indicated in my press release last Friday, most of them will be re-assigned either in their own Departments or in others. We have already reached agreement with the unions to deal with those employees who might be faced with the sad reality of being laid off during that period.

[*English*]

### GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, the facts are that there are 2,000 public servants at this time who have been declared surplus by the Government. My question is: has the Minister lost control of the situation, the unions are talking about strike action—

**Mr. Speaker:** Order, please. Just a question.

**Mr. Gauthier:** My question is: has the Minister lost control of the situation, unions are threatening strike action. Will the Minister not keep his word on the Government's commitment to public servants and allow negotiations to take place on security of jobs and on the question of designation. And I will say, Mr. Speaker—

**Mr. Speaker:** Order.

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, the reality is that the Member opposite has lost control of the facts and we set them out very clearly in the Budget last May, that there would be a reduction of 2 per cent in the coming fiscal year in the number of person years in the Public Service, and 1 per cent every year thereafter for four years for a total of 15,000 person years. I have said very clearly that we expect that 3,200 people will be placed or replaced within their own Departments, 1,100 will be replaced within other Departments, and that at a maximum 700 would be possibly laid off over the coming year. Those are the facts, and remember them.

* * *

## TEXTILE INDUSTRY

### REQUEST FOR RENEWAL OF IMPORT QUOTAS

**Hon. Edward Broadbent (Oshawa):** I have a question for the Minister of Regional Industrial Expansion. According to a report that the Minister received before Christmas, Canada is in danger of losing between 50,000 and 60,000 jobs if the quotas are not renewed in the clothing and textile industry. I want to ask the Minister now is the Government prepared to announce that it will be renewing these quotas, and second, in terms of whatever new arrangement is made with the United States concerning trade, will he assure the House that we will not lose the right as a nation to apply such quotas.

**Hon. James Kelleher (Minister for International Trade):** Mr. Speaker, I assume that the Hon. Member is referring to an article that appeared today with respect to a Quebec study.

**Mr. Clark (Yellowhead):** That was yesterday's question.

**Mr. Kelleher:** Mr. Speaker, if the Hon. Member is in fact referring to the release of a Quebec study I would advise the Hon. Member in the House that we are not aware of that report. We have not seen the report and are not in a position to comment on it until it comes into our possession.

### STUDY UNDERTAKEN BY QUEBEC PROVINCIAL GOVERNMENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I do wish the cabinet Members would pay attention to the questions being asked. I asked the Minister responsible about a report, a copy of which I have and that he received some time ago. I would like to combine both. Since we now know from a federal Government report that 50,000 to 60,000 jobs are threatened by the absence of quotas and since we know, according to a secret study done by the Government of Quebec, about which there has been news in the last 24 hours, that 30,000 jobs in the Province of Quebec alone would be threatened by free trade, has the Minister obtained a copy of the Quebec report? Second, will he assure us that the quotas will be renewed?

• (1430)

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, obviously my colleague thought that the Hon. Member for Oshawa was at least current with the reports.

In answer to the Hon. Member for Oshawa, let me assure him, as I assured one of his colleagues yesterday on this subject, that we have this matter under review. We received

the report to which the Hon. Member is referring last December, and we find it helpful. I would point out to the Hon. Member that the main problem for the textile and clothing industry in Canada comes from such countries as Korea, Taiwan, and Hong Kong, the low-wage countries, and that our feeling is that that is perhaps where the negotiations have to take place to ensure that we will have that viable textile and clothing industry to which I referred yesterday.

EMPLOYMENT OF WOMEN—EFFECT OF IMPORTS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, since we have made no progress in terms of the answers to the specific questions with either Minister, I would like now to ask a question of the Minister who is sitting behind the Minister who has just replied, the Minister Responsible for the Status of Women. Considering that 64 per cent of clothing and textile workers are women, and considering that the Minister lectured his caucus colleagues and members of the Cabinet on the weekend about the need for the Government to be sensitive to major economic decisions which impact on women, I would like to ask the Minister if he has urged his cabinet colleagues to renew the quotas and to make sure we do not move into a free trade arrangement with the United States, an action which will release thousands of women onto the labour market.

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, I would like to thank the Hon. Member for the question. The rather pathetic story is an indication of just how seriously the Government takes the matter. In fact I have had discussions with my colleague, the Minister responsible for trade, about the negotiations and about the importance of having within our negotiating team a unit specific concerns relating to the impact on women of any decisions that are made.

* * *

## INSURANCE

LIABILITY COVERAGE FOR TRUCKING COMPANIES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is for the Minister of State for Finance. A group of Canadian trucking companies have been negotiating a loan guarantee with the federal Government in order to acquire an insurance company that has gone bankrupt, but so far there have been no results. Can the Minister do something so that the trucking companies can acquire this loan to buy the company and get liability insurance before it is too late?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, the truckers have been working very hard to come to a solution to their problem and I do commend them for it. We have been working with them on this.

The insurance company in question is in the hands of an Iowa regulator who is liquidating the company at the moment, and our regulators are in constant touch with him. Progress is being made and we will be in touch with the truckers again on this matter.

REQUEST FOR ACCELERATED NEGOTIATIONS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I know that the Government has been negotiating but we found out that if, in a couple of days, no decision is reached by the federal Government, the trucking industry will be left without insurance. Could the Minister speed up the negotiations in order to assure that the trucking industry will be able to receive insurance?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, speed is not traditionally of the essence in this town, but it is something at which I am working as fast I can.

* * *

[*Translation*]

## CONSUMER AFFAIRS

INQUIRY IF RESTRICTIVE TRADE PRACTICES COMMISSION IS STUDYING GULF-ULTRAMAR TRANSACTION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

The Minister is aware that Canada's Restrictive Trade Practices Commission is examining the circumstances of the sale of Gulf to Ultramar.

Mr. Speaker, my question is as follows. Could the Minister give the House the assurance that the Commission will examine the actions of Shell and Ultramar to find out whether threats made by these companies to close down their refineries in Montreal constitute a violation of Section 32 of the Combines Investigations Act?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I believe I gave a satisfactory explanation last week. As I said before, the Canadian Restrictive Trade Practices Commission is responsible for deciding who should be heard when it decides to hold an inquiry, to conduct hearings and to receive testimony. I have no control over this Commission, so I have no comments on the subject.

REQUEST FOR PUBLIC HEARINGS

**Mr. Lorne Nystrom (Yorkton-Melville):** I have a supplementary, Mr. Speaker. Will the Minister allow public hearings to be held so that the consumer can be sure that Shell and Ultramar did not try to restrict competition in Quebec in order to increase oil prices and profits?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I merely want to point out that, as I said last week and as I said again yesterday, Quebec consumers have no reason to be worried about security of oil supplies, anymore than they should be worried about artificial price increases, because we are monitoring the situation very carefully.

* * *

[*English*]

## ROYAL CANADIAN MOUNTED POLICE

### ALLEGATIONS OF SEXUAL HARASSMENT OF WOMEN MEMBERS

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, my question is directed to the Solicitor General and concerns the very serious allegations of sexual harassment and sexism within the RCMP. The Solicitor General has initiated an internal investigation but that simply is not good enough. What is necessary is an independent investigation. Will the Solicitor General not agree that an independent investigation into the serious allegations is necessary in order to avoid the possibility of a whitewash and a coverup?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I suppose I have much more confidence in the integrity of the Commissioner and of the senior members of the RCMP than the Hon. Member does.

**Some Hon. Members:** Hear, hear!

**Mr. Beatty:** I have asked the Commissioner of the RCMP to look into the particular circumstances. One of the difficulties that we have is that an allegation has been made by people who have not identified themselves. We have done a search to see if there were specific grievances filed by female members of the force alleging sexual harassment. We have not been able to locate any. I can certainly give the undertaking that in any instance in which a member of the force comes forward with an allegation of sexual harassment, it will be fully investigated and, if it is found to be substantiated, then action will certainly be taken.

### WOMAN CONSTABLE'S ALLEGATION

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, surely the Solicitor General is not serious. In September of last year he was made aware of a specific case, the case of Nancy Fehr, Constable No. 32359, who said in a report to the Equality Rights Commission—

**Mr. Speaker:** Order, please. Is this a preamble? Just the question.

**Mr. Nunziata:** Is he aware of the allegation made by this particular constable in her statement in the report, of which he should have been made aware, which is as follows:

> We have to suffer silently the harassment for fear of being totally ostracized from the working peer group.

Why was the Minister not aware of this allegation when it was made?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, what I indicated was that I am not aware of any grievance filed by members of the force. I have asked the Commissioner to investigate the report that I have from the RCMP indicating that they cannot find any official complaint received from any regular member. The other undertaking that I have given is that the Government is quite clear in terms of its opposition to sexual harassment in any form and in any instance—

**Mr. Nunziata:** Prove it.

**Mr. Beatty:** Let the Hon. Member come forward with an allegation by any member of the force. We will ensure that it is fully investigated, and if it is substantiated we will take firm action.

**Mr. Nunziata:** It's right here.

**Mr. Beatty:** However, rather than simply trying to smear the RCMP, the Hon. Member should be acting with some responsibility and should be undertaking to come forward with hard evidence.

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## EXTERNAL AFFAIRS

### CANADA-UNITED STATES BOUNDARY

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. Since George Shultz has now appointed Edgar Dewinski as his U.S. representative for discussions on the two British Columbia boundaries with the United States and since discussions have now taken place between Ottawa and Victoria on this issue, would the Minister be prepared to table in the House the four major components of the Strait of Juan de Fuca boundary and the Dixon Entrance boundary so the people of Canada can know exactly where the Governmenlt stands on this issue, so we do not get sold out like we did in 1903 by Wilfrid Laurier?

● (1440)

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, let me commend the Hon. Member on getting his question out.

I would like to advise him that even now he is a little bit ahead of himself. We are involved in some consultations with the Government of British Columbia to determine whether it would, in fact, be in Canada's interest to respond to the suggestion of the United States Secretary of State that there be preliminary discussions. If there are discussions preliminary to a negotiation, they will be to find out whether Canada's interest would be served by any such negotiation. Only if Canada's interest would be served would we enter into any such negotiation.

**Mr. Fulton:** I was just reminded, Mr. Speaker, that dead Liberals are okay!

**Mr. Hnatyshyn:** You are sitting next to 40 of them!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

DIXON ENTRANCE BOUNDARY

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question for the Secretary of State for External Affairs is this. I am sure he recalls in 1984 how aggressive the Americans were in relation to the Dixon Entrance boundary. Will the Minister rise in the House today to assure British Columbians that under no circumstances would 54°-40°, or the Dixon Entrance boundary, be moved even one inch south?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, if dead Liberals are okay, I wonder if the Hon. Member could explain why his Party has spent so much of its time and energy in keeping them alive.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

**Mr. Clark (Yellowhead):** Mr. Speaker, if the Hon. Member reads my first answer carefully he will see that I answered his question before he put it, even though he put it late.

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## AGRICULTURE

BEEF IMPORTS FROM EUROPEAN COMMON MARKET

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, my question is for the Minister of Agriculture. It concerns the importation of Common Market beef into Canada. January 16 was the stated deadline for Revenue Canada to file a preliminary report on the dumping of subsidized EEC beef into Canada. Has that report been received? If not, why not?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the Hon. Member will realize that on September 24 the Canadian Cattlemen's Association made a request to the Anti-dumping Tribunal to commence a countervail action. That action commenced on october 16 and a preliminary determination was to be issued on January 16. The Deputy Minister Customs and Excise has issued a 45-day extension. The 45-day extension does not mean a 45-day delay but, rather, that the Deputy Minister has requested an extension to seek and assess additional information. He has made a firm commitment to make a preliminary determination before the end of January.

## ROYAL CANADIAN MOUNTED POLICE

ALLEGED SEXUAL HARASSMENT OF WOMEN MEMBERS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Solicitor General. It deals with the sexist attitudes of the RCMP. I wish to ask him how he can expect the country to accept an internal investigation at a time when he ignores a statement made in a compendium to the report of the Committee on Equality Rights which clearly states on behalf of women in the RCMP:

> In situations of harassment my female member friends and myself find that there is no one outside of each other that we can go to for support for fair treatment. If we tell anyone we are seen as crybabies or troublemakers . . . We have to suffer silently the harassment—

**Mr. Speaker:** Order, please. The question has been asked.

**Ms. Copps:** How can the Minister—

**Mr. Speaker:** The question has been asked.

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I will do my best to discern what the question was.

**An Hon. Member:** He said it was asked.

**Mr. Beatty:** It appears to be Liberal Party policy simply to attack the RCMP.

I have had the opportunity to meet with a number of the female members of the force in my tours across the country. I must say that I am particularly proud of them. The force has recruited a tremendous group of female members.

**Some Hon. Members:** Hear, hear!

**Mr. Beatty:** It may very well be that the Hon. Member feels that under the Liberal Government not enough was done in terms of the recruitment of women, and I agree.

**Mr. Nunziata:** This is not a partisan issue.

**Mr. Beatty:** One of the commitments that we have made is to boost the recruitment of women and natives in the RCMP. It is a commitment which I personally make.

**Mr. Waddell:** Then look into this.

**Mr. Beatty:** Further, I have indicated to the House of Commons that in any instance where a member of the force who is prepared to lay a charge of sexual harassment comes forward that we will ensure it is fully investigated. If it is found to be justified, stern action will be taken.

**Ms. Copps:** Mr. Speaker, the women of the country and the Liberal Party do not want to be patronized. We want action.

**Some Hon. Members:** Hear, hear!

EMPLOYMENT EQUITY LEGISLATION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, if the Solicitor General is not prepared to listen to the recommenda-

tions of the all-Party Committee on Equality Rights, perhaps the Minister of Employment and Immigration is. I would like to address my supplementary question to that Minister.

The Minister knows that the proposed—

**Mr. Speaker:** Order, please. This is now becoming a long preamble. Does the Hon. Member have a question immediately, please?

**Ms. Copps:** Yes, Mr. Speaker. Will the Minister of Employment and Immigration announce to the House that she will follow the recommendations of the all-Party committee and not exempt the RCMP and the Canadian Armed Forces from employment equity legislation which is before the House, since that specific exemption is in violation of the Canadian Charter of Rights?

**Some Hon. Members:** Hear, hear!

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I have been in this House now for almost 14 years.

I waited some 13 years sitting on the opposition benches for the Government of the day—in fact, pleading with it—to bring forward employment equity legislation. I am pleased and proud that this Government has finally brought employment equity legislation into being. I hope that Hon. Members opposite will see that it receives quick passage.

**Some Hon. Members:** Hear, hear!

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## PUBLIC SERVICE

### NUMBER OF LAY-OFFS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the President of the Treasury Board. It also concerns women workers and, in particular, women workers in the Public Service of Canada, clerks, messengers, and other support staff, who will be laid off by the Government by the thousands over the course of this year. The Minister will know that thousands of people were demonstrating across the country today for that very reason.

Is the Minister aware that the information collected by the union has led the Public Service Alliance to conclude that 3,500 federal employees will lose their jobs and be out of the Public Service by the end of this fiscal year? Will he explain how that can be reconciled with the figure of 700 which he gave last Friday?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I think I have already responded to that question. It is quite clear from our manpower planning exercise that we will reduce the number of person-years in the Public Service, as we said in the last Budget, by 5,000 over the next fiscal year. We expect that 3,200 will be relocated within their existing Departments, 1,100 will be placed in other Departments throughout the Public Service, and at a maximum 700 may be facing lay-offs. Those are the numbers.

### REDUCTION BY ATTRITION

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, is the Minister aware that his estimate amounts to only three-tenths of 1 per cent of the employees of the federal Public Service of Canada?

**Mr. Hnatyshyn:** Are you aware?

**Mr. Cassidy:** Could he say why it would not be possible, if those cuts are to be achieved this year, to achieve them by attrition so that the Government can, in fact, guarantee federal public service employees, who do a fine job, the job security they seek?

[*Translation*]

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I repeat that we had lengthy discussionss with the unions last spring, to formulate a policy for redeployment in the work place to minimize the impact of any employment cutbacks that might occur. Listen, this is a serious matter. I think that we must show every consideration for people who might be displaced. A policy was agreed on with the unions to try and minimize the impact. As I said before, this impact will affect a maximum of 700 employees, and we are still trying to reduce that impact, and we hope to be able to re-hire these people in some way—

• (1450)

[*English*]

**Mr. Speaker:** Order. The Minister may want to finish that answer under Statements. The Hon. Member for Western Arctic.

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## EXTERNAL AFFAIRS

### SOUTH YEMEN—SAFETY OF CANADIAN CITIZENS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my question is for the Secretary of State for External Affairs.

In view of the turbulence in South Yemen, could the Minister advise the House respecting the safety of Canadian citizens in that country and of any arrangements which might have been made for their removal?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, as of noon today there was one Canadian in Aden, an employee of the UNDP Organization, who had requested to be left there who has now requested to be assisted in leaving. We are assisting in that leaving. There are 10 other Canadians in the country in the oil fields, far from the battle and violence. They are judged to be safe. If our judgment of

that situation changes, we will act to help them leave South Yemen.

* * *

[*Translation*]

## TEXTILES AND CLOTHING

### IMPACT OF FREE TRADE WITH UNITED STATES

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

We know that his department has prepared special studies on how free trade with the United States would affect the clothing and textiles industry.

Does the Minister intend to release these studies and the findings on the impact that free trade with the United States will have on Quebec workers?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, when I saw the Member rise and say he had a question for me, I thought he was going to comment on the 82,000 jobs that were created in the province of Quebec during 1985.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** You really thought that, did you?

**Mr. Stevens:** In answer to the specific question finally asked by the Hon. Member, I would like to inform him first that there is no special report that he refers to in our Department.

As far as the textile and clothing industry is concerned, it is something we have had under review. With the multifibre negotiations coming up this summer, we feel that Canada's negotiation posture must be identified as one that will ensure the jobs now being shared by Canadians in the textile and clothing industry will, in fact, continue.

**Mr. Axworthy:** The Minister, Mr. Speaker, I know has been absent for a long time but his Department has prepared sectoral studies on the impact of free trade on the textile and clothing industry.

### MINISTER'S POSITION

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I would like to ask the Minister an important supplementary. Last May in an interview with *The Financial Post* he indicated that it was his intention in industries, such as textiles—

**Mr. Speaker:** Order, please.

**Mr. Axworthy:** —to guarantee 30 per cent to 40 per cent of the domestic market—

**Mr. Speaker:** Order, please. The Hon. Member knows that I am trying not to allow—

**Mr. Axworthy:** —I am asking a supplementary.

**Some Hon. Members:** Sit down.

**Mr. Speaker:** Order, please. Order. I am perfectly happy to let the Member put his supplementary but I am trying not to allow preambles to supplementaries. Just a question, please.

**Mr. Axworthy:** Mr. Speaker, does the Minister intend to live up to the commitment he made last May to preserve 30 per cent to 40 per cent of the domestic market in textiles for Canadian manufacturers?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member is, of course, taking something completely out of context. The reference he is making was a reference that I made in the article he has referred to in the context of the tremendous penetration which the previous Government allowed in the textile and clothing industry in Canada from foreign importation.

**Mr. Broadbent:** What are you going to do about it?

**Mr. Stevens:** It jumped 20 per cent, 25 per cent a year. What the Member is now referring to is a comment I made that I thought the textile and clothing industry should be allowed to enjoy a fair share of the Canadian market in relation to the total domestic product.

**Mr. Axworthy:** That is not what you said.

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## INSURANCE

### REQUEST FOR FEDERAL-PROVINCIAL INQUIRY

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my question is for the Minister of State for Finance. This morning the Minister met with the Federation of Canadian Municipalities who came to her asking for federal leadership in what is a national crisis in the insurance industry.

Will the Minister indicate whether she is supportive of the request to have a full federal-provincial inquiry into the state of the insurance industry as requested by the Federation of Canadian Municipalities?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, as I told the Association, at this stage nothing is off the table if it helps us reach a solution.

We agreed, and I think they announced later at their press conference, to push forward with a co-operative investigation by the industry and by the Superintendent of Insurance, spearheaded actually by the Association of Canadian Municipalities, so that we can put a focus on exactly what the problem is.

What we are trying to do is roll up our sleeves, deal with the very specific problem, and come up with a quick solution.

MUNICIPALITIES' DIFFICULTIES IN SECURING LIABILITY COVERAGE

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, will the Minister be as hard-headed in dealing with the problem of municipalities that she suggested in the House yesterday with respect to the sports governing bodies to ensure in the short term municipalities can get insurance at rates they can afford and the coverage they need in order to continue the programs they offer? Will she agree to do that?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think it is very important that the municipalities continue to offer their services to the public. To the extent that is affected by insurance, we are working with them toward a solution. I think the Hon. Member will find they said that we had a very positive meeting.

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## CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND RAILWAY—DISCUSSIONS WITH UNIONS

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is for the Minister of Transport.

This morning in Newfoundland Mr. Hubert O'Reilly of Cornerbrook, President of the United Transportation Union, issued a public statement contradicting the claim of the Minister of Transport yesterday in this House that the Government had consulted unions in Newfoundland on the future of the Newfoundland Railway. Mr. O'Reilly says he has never heard from the Minister or anyone in his Department. Why has the Minister misled the House of Commons with regard to this matter?

**Some Hon. Members:** Oh, oh!

**Mr. Tobin:** When will the Minister be undertaking the kind of real consultation that he purported yesterday in this House was under way?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, perhaps I might invite the Hon. Member to telephone Mr. Mike Walsh of BRAC. He will set the record straight for him.

MAINTENANCE PROGRAM

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, that is the same kind—

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** Why don't you give him the telephone number?

**Mr. Speaker:** Order, please. Just a supplementary question.



**Mr. Tobin:** Unfortunately the Prime Minister's style is rubbing off on the Minister of Transport. BRAC is not the same as the United Transportation Union. They have not heard from the Minister, and you misled the House yesterday—

**Some Hon. Members:** Order.

**An Hon. Member:** Next question.

**Mr. Speaker:** I recognize the Member for just an immediate supplementary, and no more, please.

**Mr. Tobin:** Mr. Speaker, is the Minister aware that Terra Transport in Newfoundland has cancelled its maintenance program in spite of the fact that 57 bridges on the line between St. John's and Port au Basques have deteriorated to the point where "Go Slow" orders of 10 miles an hour have been issued in order for trains to go over those bridges? Is the Minister aware of that?

**Mr. Crosbie:** Make haste slowly.

**Hon. Don Mazankowski (Minister of Transport):** As I said yesterday, Mr. Speaker, we are examining the whole issue of transportation in Newfoundland. We are discussing it with the province, with members of the unions and other interested people. If the Hon. Member does not get a hold of Mike Walsh, he might try to get a hold of Fred Chancey who has also been involved in the discussions.

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## PENITENTIARIES

KINGSTON PENITENTIARY—THREAT OF VIOLENCE

**Mr. Alan Redway (York East):** Mr. Speaker, my quetion is for the Solicitor General. The Solicitor General is aware that he has been warned a number of times concerning the threat of serious violence at Kingston Penitentiary. Could the Solicitor General advise the House what steps he is taking with respect to this problem?

**Hon. Perrin Beatty (Solicitor General of Canada):** Yes, Mr. Speaker. One of the first prisons that I had a chance to visit as Solicitor General was Kingston Penitentiary. As the Hon. Member will appreciate, one of the serious problems we have there is a building that is extremely old which was severely damaged in a riot in 1971, and it is a protective care maximum security institution.

As a result of an incident that took place last fall, we had an investigation. A report was received by the Commissioner of Penitentiaries and myself just last week. We are taking a look at it at the present time. I had the opportunity yesterday to meet with Professor Hill of the correctional law projects at Queen's University. I am looking forward to meeting him in a few week's time to discuss the matter further.

*Point of Order—Ruling of Mr. Speaker*

## COMMUNICATIONS

BELL CANADA—REPORTED PLAN TO REPLACE FLAT RATE LOCAL TELEPHONE SERVICE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I would like to direct a question to the Minister of Communications. Is he aware that for three years Bell Canada has been actively planning to abolish the flat rate local telephone service, which led, as the Minister knows, to almost universal use in Ontario and Quebec, and planning to replace it with a pay-by-the-call system? This will cost local residents millions of dollars in extra charges. If the Minister is aware of the plan, what does he propose to do about this very backward step by Bell Canada?

● (1500)

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, like the Hon. Member, I read about this matter in the press, and it seems to me that the responsibility for defining and analyzing such policies lies primarily, as everybody in Parliament knows, with the CRTC.

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[*English*]

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of eight, presented by Hon. Members on Monday, January 20, 1986, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), one petition presented by the Hon. Member for Saint-Jacques (Mr. Guilbault), and one petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) do not meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Victoria—Haliburton (Mr. Scott) by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

I am also in a position to respond to a point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans) on Tuesday, January 14, 1986.

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## POINT OF ORDER

RULES REGARDING TELEVISING OF HOUSE OF COMMONS PROCEEDINGS—RULING OF MR. SPEAKER

**Mr. Speaker:** I have had the opportunity to review the representations made to the Chair on Tuesday, January 14, 1986, by the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Windsor West (Mr. Gray) regarding the televising of the proceedings relating to the joint address of the Prime Minister of Japan. May I say to the House that I have also had the last seven joint addresses to the House reviewed, going back to May 5, 1980, when Prime Minister Ohira addressed the House. The review demonstrates that all the joint addresses by visitors to this Chamber since 1980 were televised in the same style and format. In every instance there were a number of what I could call cut-away shots taking in the reaction of such persons as the Prime Minister, the Leader of the Official Opposition, the Leader of the New Democratic Party, the spouses of the visiting dignitaries as well as other dignitaries in the Chamber.

Whether this method of televising special events constitutes a breach of the guidelines and is therefore out of order is a difficult question. In the first place, when the existing guidelines for broadcasting were agreed to in 1977, the coverage of special events was not addressed. In the second place, the standard reference used in House Orders for such events is not as clear as both I and the Hon. Member for Windsor West had thought. The words of the Order are that the speech, and I quote, "be made available to the media for transmission in the usual way", by the House of Commons broadcasting system. I ask myself, is it the transmission that is available in the usual way or is it the method of broadcasting that is to be followed?

The Hon. Member for Hamilton Mountain is perfectly correct when he requested that the guidelines be followed or changed. On May 28, 1985, on a similar paint of forder I asked that the reform committee inquire into this matter. Again, I strongly urge the Standing Committee on Procedure and Organization to consider at least the specific question of what guidelines the Broadcasting Branch should operate under for special events such as joint addresses. I should indicate to the House that I intend to write to the committee on that matter.

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## BUSINESS OF THE HOUSE

**Mr. Hnatyshyn:** Mr. Speaker, I wanted to announce the business for tomorrow of which I have already informed the Opposition House Leaders. The business tomorrow will concern Bills relating to amendments to the Divorce Act and ancillary legislation, including Bills C-46, C-47 and C-48. I hope we can make progress on those important items of legislation tomorrow.

**Mr. Deans:** Mr. Speaker, I wonder if I might ask the Government House Leader whether it is still the Government's intention to prorogue early in February.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** Mr. Speaker, the premise of the question is of course incorrect. It is a fiction of the Hon. Member's very vivid imagination which is manifested by a lot of white hair.

# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

### INCREASED EXCISE TAX ON GASOLINE

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is my pleasure to table petitions signed by a number of individuals who oppose the recent increases in the excise tax on automobile fuel which has been levied to pay for the tax giveaways to the oil companies in the Western Accord.

[*Translation*]

### POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is my duty to table another petition today from people in a number of communities in New Brunswick including Moncton, Richibucto, Buctouche, Salisbury and Sussex. Mr. Speaker, these people are worried about the situation at the CN shops, and the purpose of their petition is to ensure that the Government understands how important the jobs in Moncton are.

[*English*]

### SALE OF DE HAVILLAND CORPORATION

**Mr. Sergio Marchi (York West):** Mr. Speaker, I have a petition from residents of my riding as well as ridings across Metropolitan Toronto who protest the sale of de Havilland to Boeing. They urge the Prime Minister (Mr. Mulroney) and his Government to maintain an active and effective Canadian interest in such a vital area of our economic life.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I wish to advice the House that the following questions will be answered today: Nos. 407, 408 and 409.

[*Text*]

### PSSA—RATE OF INTEREST

Question No. 407—**Mr. Cassidy:**

1. For each year since 1970, what was the average annual real rate of interest that (*a*) was earned (*b*) the actuarial valuation of the Public Service Superannuation Account (PSSA) assumed would be earned by the PSSA?

2. By what amount were the actuarial liabilities of the PSSA for past service increased as a result of changes made in the valuation assumptions on the real rate of interest that would be earned by the PSSA?

3. By what percentage of contributory payroll were employer PSSA costs for future service increased as a result of changes made in the valuation assumptions on the real rate of interest that would be earned by the PSSA?

*Order Paper Questions*

4. Were representatives of PSSA contributors and pensioners consulted on changes made in the valuation assumptions on the real rate of interest that would be earned by the PSSA and, if not, for what reason?

5. What are the corresponding answers to parts 1 to 4 with respect to the Canadian Forces Superannuation account and the Royal Canadian Mounted Police Superannuation Account?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):**

Public Service Superannuation Account (PSSA)

1. (a) Average Annual Real Rate of Interest Earnings

| Year | Per cent |
|---|---|
| 1970 | 3.9 |
| 1971 | 0.8 |
| 1972 | 0.9 |
| 1973 | -3.3 |
| 1974 | -5.8 |
| 1975 | -2.7 |
| 1976 | 1.3 |
| 1977 | -2.0 |
| 1978 | -0.6 |
| 1979 | -1.7 |
| 1980 | -2.6 |
| 1981 | -0.3 |
| 1982 | 0.8 |
| 1983 | 6.0 |
| 1984 | 7.1 |

(b) The real rates of interest assumed in the actuarial reports for the PSSA since 1970 were:

| Year | Per cent |
|---|---|
| 1972 | 4.0 |
| 1977 | 3.5 |
| 1980 | 3.0 |

2 and 3. The 1972 PSSA actuarial valuation used a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

The 1977 PSSA valuation used assumptions of 6.5 per cent for interest, 5.5 per cent for salaries and an implicit inflation rate of 3 per cent which means that the real rate of interest was assumed to be approximately 3.5 per cent. The effect of assuming a 6.5 per cent interest rate instead of a 7 per cent interest rate (which would have retained a real rate of approximately 4 per cent) was to increase liabilities by about $843 million and current service costs by 1.5 per cent of pay.

The 1980 PSSA valuation assumed a 6.5 per cent interest rate and an implicit 3.5 per cent inflation rate (i.e., about a 3 per cent real rate of interest). The effect of assuming 6.5 per cent instead of 7 per cent for interest rates (which would have retained about a 3.5 per cent real rate of interest) was to increase liabilities by approximately $1,009 million and current service costs by 1.2 per cent of pay.

4. Representatives of PSSA contributors and pensioners were not consulted about the change in real interest rate assumptions used to value the PSS Account. The benefits were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

5. The real rates of interest earned by the Canadian Forces Superannuation Account (CFSA) and the RCMP Superannuation Account (RCMPSA) are the same as those shown for the PSSA in part 1 of this question.

The corresponding answers to parts 1 to 4 with respect to the CFSA and the RCMPSA are as follows:

(*a*) CFSA. The real rates of interest assumed in the actuarial reports for the CFSA since 1970 were:

| | |
|---|---|
| 1970 | 4.0per cent |
| 1975 | 3.5 per cent |

The 1970 CFSA actuarial valuation used a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

The 1975 CFSA valuation used assumptions of 6.5 per cent for interest, 5.5 per cent for salaries and an implicit inflation rate of 3 per cent, which means the real rate of interest was assumed to be approximately 3.5 per cent. The effect of assuming a 6.5 per cent interest rate instead of a 7 per cent interest rate (which would have retained a real rate of approximately 4 per cent) was to increase actuarial liabilities by about $419 million and current service costs by 2.1 per cent of pay.

Representatives of Canadian Forces contributors and pensioners were not consulted about the change in the real interest rate assumption used to value the CFS Account. The benefits were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

(*b*) RCMPSA. The real rates of interest assumed in the actuarial reports for the RCMPSA since 1970 were:

| | |
|---|---|
| 1974 | 3.5 per cent |
| 1979 | 3.0 per cent |

The 1969 RCNPSA actuarial valuation used a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

The 1974 RCMPSA valuation used assumptions of 6.5 per cent for interest, 5.5 per cent for salaries and an implicit inflation rate of 3 per cent which means the real rate of interest was assumed to be approximately 3.5 per cent. The effect of assuming a 6.5 per cent interest rate instead of a 7 per cent interest rate (which would have retained a real rate of approximately 4 per cent) was to increase liabilities by about $47 million and current service costs by 2.8 per cent of pay.

The 1979 RCMPSA valuation assumed a 6.5 per cent interest rate and an implicit 3.5 per cent inflation rate (i.e., about a 3 per cent real rate of interest). The effect of assuming 6.5 per cent instead of 7 per cent for interest rates (which would have retained about a 3.5 per cent real rate of interest) was to increase liabilities by approximately $80 million and current service costs by 2.0 per cent of pay.

Representatives of RCMPSA contributors and pensioners were not consulted about the change in economic assumptions used to value the RCMPS Account. The benefits of pensioners were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

PSSA—VALUATION ASSUMPTIONS ON REAL SALARY INCREASES

Question No. 408—**Mr. Cassidy:**

1. For each year since 1970, what was the average percentage increase in real salaries resulting from salary revisions that (*a*) Public Service Superannuation Act (PSSA) contributors received (*b*) the actuarial valuations of the PSS Account assumed would be received by PSSA contributors?

2. By what amount were the actuarial liabilities of the PSS Account for past service increased as a result of changes made in the valuation assumptions on the real salary increases that would be received by PSSA contributors from salary revisions?

3. By what percentage of contributory payroll were employer PSSA costs for future service increased as a result of changes made in the valuation assumptions on the real salary increases that would be received by PSSA contributors from salary revisions?

4. Were representatives of PSSA contributors and pensioners consulted on changes made in the valuation assumptions on the real salary increases that would be received by PSSA contributors as a result of salary revisions and, if not, for what reason?

5. What are the corresponding answers to parts 1 and 2 with respect to the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):**

PSSA Contributors

1. (a) Annual increase in real salaries resulting from salary revisions.

| Year | Per cent |
|---|---|
| 1970 | 4.9 |
| 1971 | 0.8 |
| 1972 | 0.7 |
| 1973 | -1.5 |
| 1974 | 0.6 |
| 1975 | 4.6 |
| 1976 | 5.2 |
| 1977 | -4.0 |
| 1978 | -1.2 |
| 1979 | -0.8 |
| 1980 | -0.1 |
| 1981 | 2.7 |
| 1982 | 0.8 |
| 1983 | 0.9 |
| 1984 | 0.2 |

(b) Actuarial valuations of the PSSA prior to 1977 assumed no real increase in salaries. The 1977 valuation assumed a 2.5 per cent real increase in salaries and the 1980 valuation was based on a 1.5 per cent real increase in salary assumption.

2 and 3. Changes in assumptions of real increases in salaries resulting from salary revisions produced the following changes in actuarial liabilities and current service costs:

| | Liabilities $ | Current Service Costs (% of pay) |
|---|---|---|
| 1977 valuation | 1102 million | 2.8 |
| 1980 valuation | - 759 million | -1.4 |

4. Representatives of PSSA contributors and pensioners were not consulted about the change in real increases in salary assumptions used to value the PSS Account. The benefits were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

CFSA Contributors

5. Annual increase in real salaries resulting from salary revisions.

| Year | Per cent |
|---|---|
| 1970 | 4.7 |
| 1971 | 6.7 |
| 1972 | 5.2 |
| 1973 | -2.6 |
| 1974 | -1.0 |
| 1975 | 4.6 |
| 1976 | 2.1 |
| 1977 | -2.6 |
| 1978 | -2.5 |
| 1979 | -3.4 |
| 1980 | -5.8 |
| 1981 | 3.2 |
| 1982 | 1.7 |
| 1983 | 1.3 |
| 1984 | 1.1 |

Actuarial valuations of the CFSA prior to 1975 assumed no real increase in salaries. The 1975 valuation assumed a 2.5 per cent real increase in salaries.

Changes in assumptions of real increases in salaries resulting from salary revisions produced the following changes in actuarial liabilities and current service costs:

| | Liabilities $ | Current Service Costs (% of pay) |
|---|---|---|
| 1975 valuation | 224 million | 3.9 |

Representatives of CFSA contributors and pensioners were not consulted about the change in real increases in salary assumptions used to value the CFS Account. The benefits were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

RCMPSA Contributors

Annual increase in real salaries resulting from salary revisions.

| Year | Per cent |
|---|---|
| 1970 | 14.0 |
| 1971 | 6.0 |
| 1972 | 3.2 |
| 1973 | -4.0 |
| 1974 | 4.1 |
| 1975 | 3.8 |
| 1976 | 3.0 |
| 1977 | -2.1 |
| 1978 | -2.7 |
| 1979 | -1.8 |
| 1980 | 2.0 |
| 1981 | 0.2 |
| 1982 | 2.7 |
| 1983 | 1.4 |
| 1984 | 1.2 |

Actuarial valuations of the RCMPSA prior to 1974 assumed no real increase in salaries. The 1974 valuation assumed a 2.5 per cent real increase in salaries and the 1979 valuation was based on a 1.5 per cent real increase in salary assumption.

Changes in assumptions of real increases in salaries resulting from salary revisions produced the following changes in actuarial liabilities and current service costs:

| | Liabilities $ | Current Service Costs (% of pay) |
|---|---|---|
| 1974 valuation | 81 million | 5.7 |
| 1979 valuation | - 67 million | -2.3 |

Representatives of RCMPSA contributors and pensioners were not consulted about the change in real increases in salary assumptions used to value the RCMPS Account. The benefits were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

*Income Tax Act, 1986*

PSSA—INFLATIONARY EARNINGS

## Question No. 409—Mr. Cassidy:

In each of the past 15 fiscal years, what amount of inflationary interest earnings on pensioner credits in the Canadian Forces Superannuation Account, the Public Service Superannuation Account and the Royal Canadian Mounted Police Superannuation Account, has been used to reduce government contributions and amortization payments to these Accounts?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):**

Estimated Amounts of Interest Credits in Excess of Actuarially Assumed Rate Earned by Pensioner Assets

| Year | Public Service Superannuation Account $ | Canadian Forces Superannuation Account $ (000,000's) | RCMP Superannuation Account $ |
|---|---|---|---|
| 1970-71 | 8.9 | 16.6 | .1 |
| 1971-72 | 11.8 | 21.3 | .2 |
| 1972-73 | 15.7 | 28.1 | .2 |
| 1973-74 | 29.3 | 36.5 | .3 |
| 1974-75 | 37.7 | 47.8 | .4 |
| 1975-76 | 50.1 | 66.4 | 1.2 |
| 1976-77 | 62.3 | 79.8 | 1.5 |
| 1977-78 | 76.7 | 94.7 | 2.0 |
| 1978-79 | 98.8 | 111.1 | .9 |
| 1979-80 | 118.0 | 126.9 | 1.2 |
| 1980-81 | 107.8 | 111.9 | 2.9 |
| 1981-82 | 115.4 | 103.3 | 4.5 |
| 1982-83 | 177.9 | 149.6 | 7.0 |
| 1983-84 | 214.4 | 178.1 | 8.9 |
| 1984-85 | 253.9 | 206.5 | 11.0 |

[*English*]

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

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

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and passed.

**Mr. Speaker:** When the House rose at one o'clock there were five minutes remaining in the question and comment period following the speech of the Hon. Member for Cochrane-Superior (Mr. Penner). I take it the Hon. Member for London East (Mr. Jepson) was in the middle of a comment. Is that right? No, he had finished. Therefore, we proceed to the reply by the Hon. Member for Cochrane-Superior.

**Mr. Penner:** Mr. Speaker, I will reply briefly to the comments made by the Hon. Member for London East (Mr. Jepson). As I recall, he took exception to my reference to certain measures in Bill C-84 as being sneaky in nature. I was of course speaking about the partial deindexation of our tax system. I was pointing out that what begins as a reasonable tax bite in 1985 grows to a pretty significant chunk in 1986; going from about $80 million to $635 million. By 1990 it becomes not a tax bite but a huge tax grab of some $4.5 billion.

I have to be honest with the Hon. Member. I was a little reluctant to use the term "sneaky". However, it was difficult to find another term quite as appropriate. It seems to me that if the Government wanted to be very forthright and not open itself to charges of being sneaky or devious, then it should have said to Parliament that the Government needs additional revenue in 1985 and it was going to ask for a 3 per cent increase. Parliament could have dealt with it on the basis of what the needs were and then granted the money. We could have then looked at the situation in 1986 and the Government could have come back with another 3 per cent or 4 per cent increase, whatever was required, and it could have justified it to Parliament. Instead, the Government chose to remove from our tax system one of the most important reform measures that I think has ever been introduced into the tax system. It is a means whereby we protect taxpayers against inflation so that Governments cannot live off the avails of inflation, as I said in my remarks.

In order for the Government to get more money it has to be forthright and deal with it on a year-to-year basis. I did not like to use that word, as I said. I checked with the Speaker and you will recall that I looked at you quizzically, wondering whether "sneaky" was a parliamentary term. I did not see a negative shake of the head from you, and you and I have very good communication, having served together since 1968. so I was bold enough to carry on and use the word "sneaky". I must say that it is not a favourite word of mine and I was searching for some way to describe the scrapping of one of the most important reform measures in our tax system. I guess I fell a little bit below the line of propriety in calling it sneaky, but I really find it difficult to come to any other conclusion.

• (1510)

**Mr. Jepson:** Mr. Speaker, while I appreciate the Hon. Member's penance here before the House, I think I counted "sneaky" about 20 times in his speech. Methinks thou doth protest too much.

I think it is clear that the people of Canada will not be fooled by this constant repetition of the word "sneaky" in an attempt to erode the credibility of a Government which has been very forthright in bringing forth positive economic measures for the country which have resulted in unprecedented growth in employment, in a 3 per cent drop in interest rates, in mortgage rates coming down, in new housing starts going up by a significant 26 per cent, in an increase in consumer spending, and in a spirit of real economic confidence in the business community. We are seeing a revival in the country which is unprecedented in the last 20 years. I must confess that I do not understand why we do not have the co-operation of the Liberal Party when we bring such progressive measures before the House.

**Mr. Penner:** Mr. Speaker, I certainly must agree entirely with the Hon. Member for London East that the credibility of the Government is on the decline. As a matter of fact, I think it is more than on the decline, I think it is now into a free fall. I do not know what sort of radical measures the Prime Minister can take—

**Mr. Jepson:** Mr. Speaker, I have a point of order.

**The Acting Speaker (Mr. Paproski):** Gentlemen, the period for questions and comments is now finished, but I will recognize the Hon. Member on a point of order.

**Mr. Jepson:** Mr. Speaker, I certainly did not say that the credibility of the Government was in decline.

**Mr. de Jong:** He didn't have to.

**The Acting Speaker (Mr. Paproski):** The period for questions and comments is now terminated. I will recognize the Hon. Member for Cardigan (Mr. Binns) on debate.

**Mr. Pat Binns (Cardigan):** Mr. Speaker, I am pleased to rise today to speak on third reading of Bill C-84, an Act to amend the Income Tax Act as well as provisions in other Bills including the Unemployment Insurance Act.

Having mentioned unemployment insurance, Mr. Speaker, I will take just a moment to mention that when the budget papers were submitted to the House by the Minister of Finance (Mr. Wilson) he made way for two very important provisions which reflect on the kinds of initiatives the Government is undertaking with Bill C-84.

With regard to unemployment insurance, the variable entrance requirement would have meant that in June of 1985 all workers in Canada would have had to have a minimum of 14 insurable weeks before being able to file an unemployment insurance claim. Of course, that was established under the former Government. Our Government undertook to review that timetable and has, in fact, set the deadline back to the end of December, 1986. That, of course, was a recognition that all areas of the country have not experienced full economic recovery. In my own area in Atlantic Canada, in particular, many good developments have taken place and there is a move toward strong economic development, but many people have still not been able to obtain more than 10 weeks of work.

In the meantime the Government established the Forget Commission on Unemployment Insurance. I am pleased to say

that it has been travelling across the country to hear the views of Canadians. In the meantime, another initiative with regard to unemployment insurance which is being carried out by the Government is that the premium rates for employers and employees will remain constant in 1986 even though they were subject to change this year by the legislation of the former Government.

The Bill itself does represent a substantial component of the Government's program of economic renewal for Canadians. The Bill will ensure that economic growth is powered primarily by new initiatives in the private sector. Those kinds of initiatives will be supported, wherever possible, by the Government.

The Bill undertakes a number of amendments which provide important measures to ensure that our economy gets up and is moving in the way in which all Canadians would like to see. One of the most important measures is the lifetime $500,000 capital gains tax exemption provision. There is also a provision with regard to capital tax on larger financial institutions to ensure that large companies in the country pay adequate tax. There are modifications to the rules governing investment in small business by pension and other retirement income plans, on which I will elaborate more in a few moments. There are rules preventing taxpayers from splitting income among family members to reduce tax, again ensuring that the taxpayers of Canada all pay their fair share. There are changes to Revenue Canada's powers to audit and examine taxpayers' books and records, including its powers of search and seizure. These measures touch on a wide variety of issues including tax fairness, fiscal responsibility, taxpayers' rights, and efficiency of Government programs.

I think that the $500,000 personal lifetime capital gains tax exemption is perhaps the most important and most significant measure in this Bill, simply because it sets the direction and character of the kind of tax system which the Canadian Government wants to encourage. It, of course, recognizes that our economy can be dynamic and productive when the successes of individual Canadians are rewarded.

It is an especially positive step with regard to Canadian farmers because it enables them to reap immediate benefits. Commencing in 1985, the full $500,000 capital gains tax exemption becomes immediately available when a farmer sells qualified farm property. Part of the objective of this particular provision is, of course, to spur investment interest in small and medium-sized businesses in Canada. It is the feeling of the Government that these measures will create new investment income because people have been able to realize those capital gains and are able to turn them into equity in new businesses.

Even in this year significant steps will take place with regard to that capital gains provision. In 1985, the exemption will have a cumulative limit of $20,000 in capital gains. That will increase to $50,000 in 1986, $100,000 in 1987, $200,000 in 1988, $300,000 in 1989, and $500,000 in 1990 and subsequent taxation years.

Another important tool in economic recovery in this Bill, Mr. Speaker, especially as it relates to some of the more disadvantaged areas of the country, is the special investment tax credit. The fact that an investment tax credit of 50 per cent exists is encouraging new businesses to locate in my own area. I can think of companies that have located in our area specifically because that tax incentive is in place. I hate to point out individual companies, but one success story is that of a company called Wevea Canada which is now manufacturing harvester belts in Brudenell, P.E.I. That company exports throughout North America and around the world. I am sure that the 50 per cent investment tax credit had something to do with that location. This legislation extends this provision for another year. I am hopeful that other companies will take advantage of that extension in order to reap the tax benefits offered by this particular provision.

The Bill deals not only with economic initiatives, Mr. Speaker, but has taken into account many social needs as well. It is important to recognize at least some of the inequities that this Bill overcomes. The Income Tax Act currently allows a special deduction to be claimed by disabled persons, but this applies only to those persons who are blind or confined to a bed or wheelchair.

• (1520)

As a result of the proposed changes in the Bill, the definition of disability is broadened to include many severely disabled people in the country who are not necessarily confined to a bed or wheelchair. I believe that this is an important initiative because it is estimated that some 185,000 Canadians will benefit from these expanded provisions in this amendment.

The Government's attempt to attract investment income for small business is also obvious in the changes to the Registered Home Ownership Savings Plan. The objective of the measure is to allow some $2 billion in funds to be injected into the Canadian economy. Individuals will be allowed to withdraw their funds tax free and use that money to stimulate economic growth in the country.

At the time of the Budget some $2 billion had accumulated in RHOSPs and the availability of these funds to Canadians on a tax-free basis, coupled with other incentives in the Budget, represent a very large pool of funds that can be used to support entrepreneurial job-creating investments and the purchase of consumer goods. The Government is considering what pools of capital are available in the country to be invested and thereby stimulate the economy and create jobs.

The Government has certainly recognized in the Bill that there are those in the business and agriculture sector who continue to face economic difficulties. It is for that reason that the small business bond development program has been extended for two years. That program has provided reduced interest rates for farmers and small businesses in financial difficulty, and the Bill will simply ensure that its provisions can still be utilized for the next two years. In fact, Bill C-84 introduces measures which will allow taxpayers who have borrowed under the program either to refinance existing loans or to obtain new loans at any time before 1988, when the borrowers are in financial difficulty.

In addition to the benefits to social programs and economic activity, the Bill also provides new provisions for charities. The legislation contains two measures of relevance to registered charities. The first measure permits charities, in 1985 and subsequent taxation years, to engage in non-partisan political activities that are ancillary or incidental to their primary charitable purposes or activities. Currently, the Income Tax Act requires a charitable foundation to be constituted and operated exclusively for charitable purposes and requires all resources of a charitable organization to be devoted to charitable activities carried on by the organization itself. The difficulty is that the common law meaning of charitable purposes or activities has not included political activities. Therefore, a registered charity which engages in such activities could risk losing its tax exempt status.

However, the amendment recognizes that it is appropriate for a charity to use its resources within defined limits for ancillary and incidental political activities in support of its charitable goals. This means that non-partisan political activity in support of the charity's organizational goals is acceptable and recognized in the Bill.

Another major consideration in the Bill is the change with regard to child benefits in the country. The child tax credit will rise by $70 in the 1986 tax year and $35 in each of the tax years 1987 and 1988. The income threshold above which the child tax credit is phased out will be reduced to $23,500 from $26,330. The child tax exemption for children under 18 will be reduced from $710 per child to $560 in 1987; $470 in 1988, and will equal the annual value of family allowance payments in subsequent years. These child tax benefit changes are another social consideration which the Government has included in this Bill.

All of these provisions address a fundamental problem which the Government inherited when it came to office. It is that the country is faced with a substantial deficit which, in the fiscal year ending March 31, 1985, reached $37 billion. The country spent $101 billion providing services and support to Canadians yet brought in revenues of only $64 billion. Not only is the $37 billion deficit unbelievable, it is escalating very quickly. In fact, I believe that the accumulated deficit as of March 31, 1985, reached $190 billion in magnitude. As was pointed out by an Hon. Member earlier today, the country will simply go bankrupt if this situation continues.

I believe the Government has taken the responsible course of action and attempted to reduce expenditures wherever possible while cutting back on government services which have been duplicated or been found unnecessary, as well as increase the cost of some fees where warranted. I believe these steps allow the Government to make a balanced attempt to bring the deficit under control. If we do not accomplish that goal, we will hear economic horror stories that the country has never before experienced.

It is unbelievable to most Canadians that a third of all tax dollars raised last year went to pay interest on the debt. Of course, that debt is a result of the wild expenditures of a Government that thought it could never run out of tax dollars. Now we are suffering the economic consequence of that philosophy.

Many would suggest that the fact our dollar is not as strong as we would like is due to our large deficit. The Government's attempts at bringing the deficit under control is doing much to stabilize the value of the dollar, and I believe the Minister of Finance will have to continue that course of action.

One of my concerns as a Member of Parliament from Atlantic Canada is that the system used for deficit control is fair to everyone. We have special needs in Atlantic Canada, as do other regions of the country. This means that we must ensure that all new provisions are fair.

• (1530)

That is why I mentioned earlier that I was pleased to see the Forget Commission looking at the unemployment insurance system. If and when changes are made to that system, hopefully they will be fair to Atlantic Canada and other areas with high unemployment. I am pleased that the Government is taking its time to ensure that needless programs are not put in place and that the correct thing is done for all Canada.

It is obvious that I can support the provisions of Bill C-84. It places us on the right course, on the track to economic recovery. I am sure all Hon. Members of the House will want to join the Government in supporting it.

**Mr. Gormley:** Mr. Speaker, by way of a comment, I commend the Hon. Member for Cardigan (Mr. Binns) for his timely and well placed comments. I should like to add a few words in respect of the capital gains tax exemption. Bill C-84 includes the $500,000 capital gains exemption. I am very pleased that this day has come and that this capital gains tax provision will come to its final vote. It has been long awaited in the prairie agricultural community. However, I am disappointed that the Opposition, particularly the New Democratic Party, has attempted for as long as it has to delay passage of this capital gains tax provision. It is lamentable because the delay has added further uncertainty to the prairie agricultural community. Many accountants and tax lawyers have quite rightly had to tell elderly, retiring farmers to hold off because the Bill had not been passed. Despite assurances that it would be retroactive to January 1, 1985, because of the stalling tactics of the Opposition, these elderly farmers were very concerned and have in fact held off making major decisions.

It is with a great sense of pride and accomplishment today that we approach the final vote on this measure to bring the capital gains tax relief of $500,000 to prairie agriculture. It is also a great day for the small business community. This capital gains tax exemption is an act of confidence and of consideration by the Government for the small business people of Canada. I should like to add my further support to it.

**The Acting Speaker (Mr. Paproski):** Would the Hon. Member for Cardigan (Mr. Binns) like to comment on the Hon. Member's comments?

**Mr. Binns:** Thank you, Mr. Speaker. Of course the capital gains provision is one of the most important aspects of the particular Bill. It is something for which the farm community in Canada has been looking for a long time. It came as a surprise to many people in the business community that the capital gains provisions was not only provided for the farm community but in fact was extended to the business sectors of the country. That will have the kind of economic stimulus which the Government thinks Canadians want to see. It will give them an opportunity to see their money reinvested in new initiatives which will create work for Canadians. In fact, that is what the Government has been able to achieve in the last number of months. I think we have had something like 471,000 new jobs created since the Government took office.

In the Province of Prince Edward Island, the labour force last July reached an all-time record level with something like 67,000 people working in our economy out of the total population of soughly 125,000. More people have been drawn into the labour market. Employment has been at an all-time high level. Naturally we are still concerned about some of the high unemployment that still exists and will continue to work hard to see that we tackle existing problems. If the Government keeps on with the kinds of initiatives displayed in Bill C-84, we will see a rosier future.

**Mr. Tobin:** Mr. Speaker, you are the finest man to have ever occupied the chair in this institution; I wanted to put that on record. I was somewhat surprised that the Hon. Member for Cardigan (Mr. Binns) rose in his place today to defend the tax changes being proposed by the Government. Normally that Hon. Member is one who is clear-headed, fairly intelligent, fairly representative of his region and one who is normally concerned. Perhaps the kind of Atlantic Canada in which he lives is radically different from the one in which I live, but I want to ask him how many people he knows who are jumping up and down in the streets, applauding the $500,000 capital gains provision, which the average citizen in Atlantic Canada cannot even begin to contemplate. It is a wonderful thing if one has millions to trade in the real estate market, in diamonds, in furs or in condominiums. I do not know how many farmers in Prince Edward Island—indeed, tobacco farmers in the Hon. Member's riding—are playing the stock-market or are trading in condominiums, diamonds or furs these days.

Does the Hon. Member agree with a tax regime which will mean, over five years, a 36 per cent increase for those earning $15,000 per year, which is the average in his riding and mine; which will mean a 4 per cent increase for those earning $100,000 per year, which is unheard of in his riding and mine; and which will mean a 2 per cent increase for those earning $200,000 per year, which is what our lucky cousins make on the mainland once in a while, in Montreal or Toronto? For those earning $200,000 per year it will mean a 2 per cent increase in taxes over five years, whereas for those earning $15,000 per year, the kind of people the Hon. Member and I know, the ones who sent us here, it will mean a 36 per cent increase in taxes over that period of time. Did I hear the Hon. Member correctly? Perhaps I did not. This is his chance to redeem himself, to beg forgiveness and to clarify the record.

Did I hear him correctly when he said that the budget measure would be good for the people of Atlantic Canada? Did I hear him correctly when he said that this was the kind of fair measure he would support and propose for the people of Atlantic Canada? Did I hear him correctly when he said that he represented a riding in Atlantic Canada? Could it be that the ivory tower and the splendour of the House of Commons has confused the Hon. Member? Could it be that the splendour, the carpet and the rich ornaments surrounding us in this place, have changed his mind and made him forget the reality of the people who live by the sea and off the land in Atlantic Canada? Could that be so?

**Mr. Binns:** Mr. Speaker, it comes as a surprise to me that the Hon. Member from Newfoundland has not recongnized that many of his own constituents have worked hard over the years and have realized capital gains.

**Mr. Tobin:** You live in a different world from the one in which I live.

**Mr. McDermid:** Everybody does.

**Mr. Binns:** He suggested that no people in Newfoundland or in Prince Edward Island have in fact been able to gain assets such as a farm or a business operation, at which they have worked hard, day in and day out, over the last 20 years to 50 years. Our Government has simply recognized those people so that they can take their life savings or investments and realize a capital gain. Hopefully that money will then be reinvested in businesses for their sons and daughters. That is the kind of initiative which will get the country going again. If the Government simply takes away all the tax dollars from those people who have realized these gains, it will have simply done nothing to reinvest money in Newfoundland and in Prince Edward Island.

I am disappointed. I thought the Hon. Member recognized the kinds of advantages this provision will provide for his constituents. Perhaps Hon. Members on this side of the House will have to send some material to his constituents pointing out the advantages of this provision, because obviously he has not recognized them.

**The Acting Speaker (Mr. Paproski):** If there are no further questions or comments, we will continue with debate.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I feel very honoured to speak on Bill C-84. However, I feel a responsibility as the Member of Parliament for York West to rise in my place and address what is basically a series of inequities. It struck me, as it struck my other colleagues, as very odd for a Member from Atlantic Canada, the Hon. Member for Cardigan (Mr. Binns), to rise in his place and say the things he did. However, I think that has been par for the course, throughout the debates that we have been listening to today. Basically there are two sides to this financial equation that we find, not only in Bill C-84 but in other pieces of legislation such as Bill

C-80 and other documents flowing from the Budget that was introduced by the Finance Minister back in May.

● (1540)

Between now and 1990, nearly $37 billion in additional taxes will be collected. It is the largest single tax increase in the history of this country hitting the working and middle-class Canadians, those who can least afford another increase in their taxes. On the other side of the financial equation is that this legislation is allowing the wealthy to get wealthier, and the larger corporations to get even larger through tax gifts in the way of tax exemptions.

In the budgetary measures, for instance, the Minister of Finance (Mr. Wilson) together with the Conservative Government will allow $8.4 billion to go to oil companies before the end of the decade, starting with $124 million this year and ending up in 1990 with more than $2.5 billion. Couple that with the capital gains exemption that was briefly discussed only moments before. By 1990 this will amount to a $4.8 billion gift without any guarantee.

The Hon. Member for Cardigan said that somehow, this exemption is going to be reinvested into the economy, that smaller and medium-sized businesses and companies will prosper from that investment. He knows, and Canadians know that that is simply not true. There are no guarantees in the legislation that if someone shows a capital gain that that money will once again be channelled back into Canada, back into a Canadian company, a Canadian community. The Member for Cardigan and his colleagues did not mention that if someone shows a capital gains increase of some $200,000 there is nothing stopping that person or that corporation from going south of the border and investing in a Florida condominium or in European art. If they do that and money flows out of the country, how is it going to help the riding of the Hon. Member for Cardigan in Atlantic Canada, or those in British Columbia or in my Province of Ontario?

The other interesting aspect that this Government failed to tell Canadians is that with respect to the capital gains exemption, 63 per cent of the benefits from such a piece of legislation go to 4 per cent of Canadians. Yet we have this Government with the temerity to that it will benefit the entire country, that this is going to benefit thousands upon thousands of Canadians. If we look at past statistics, Mr. Speaker, what they are really talking about is 4 per cent of the Canadian population. How more specific, how more elitist can a Government become?

By looking very quickly at the facts and the figures, if you add the gift to the oil corporations and companies and you add the capital gains exemptions, it totals over $13 billion in gifts to the wealthier element of Canadian society. It is no wonder then that the Government is making this deficit up by increasing the taxes to over $37 billion by the end of the decade; $11 billion to come directly from the deindexation of personal tax exemptions, as well as removing the $50 tax credit that was available to every single Canadian. That is a shameful movement.

When you have a tax grab coupled with tax incentives for the rich, Mr. Speaker, I ask you, and Canadians are beginning to ask this Government, is that financial equation fair? Of course, you cannot say that it is fair or equitable because if you look at the other provisions you see very simply and very practically the unfairness of the tax measures and the direction that this Government says is an economic recovery.

It was mentioned by my colleague only a few moments ago in terms of the different tax ratios to various elements in our society that if you earn $15,000, by 1990 you will pay 36 per cent more tax. If you earn $30,000, you will pay 15 per cent more tax. If you earn $100,000, you will face a 4 per cent increase. If you are lucky enough to earn $200,000 or more, your increase is limited to 2 per cent. Is that fair, Mr. Speaker? Is it equitable that those individuals earning over $200,000 will face a miniscule increase while the earner with a family who is bringing home $15,000 is being told by this Government: "Listen, Mr. Joe Smith, you will have to salt away 36 per cent more tax by 1990"? Is that fair? Are Canadians going to accept that? I think not.

Look also at partial deindexation of the family allowances that was passed only yesterday, despite opposition from coast to coast and despite vocal opposition from Parties in the House of Commons. By the year 1990 this will amount to $400 million. The Government is removing $400 million from families which rely on that monthly cheque which is a social contract that they have with this country. Look at the pettiness. It is prepared to give the oil corporations $8.4 billion, and yet it moves in the family allowances deindexation area. How shameful. It could have at least given the oil companies only $8 billion and not deindex the family allowance.

We can look at the attempt at deindexation of the senior citizens' pensions as well. The Member across the aisle is upset, and I would be upset too to listen to the truth and see the facts as they are, Mr. Speaker. Our senior citizens were asked to take less money. The Member for Cardigan said that somehow we have to get the deficit under control. No one disagrees with managing our affairs in a proper way. What Canadians are not accepting and do not accept is the fact that some people are paying more of the share. The working class, the disadvantaged and the middle class are being asked to pay for those differences rather than their rich friends, their rich cousins, the rich corporations, the rich multinationals. All Canadians, whether they be poor or middle class, are prepared to shoulder the weight and do what they can in their own areas to help the Canadian economy. What they do not accept is being asked to do more than the wealthier elements in our society. That is unacceptable.

Look at the elimination of the RHOSP, a program that allowed families, particularly the younger families in our country, to salt away a few dollars each year in the hopes of buying that dream home. Well, the Tories took that away. Somehow they said: "No, you can't have those moneys, we have to eliminate the program so you can reinvest into the Canadian economy". Well, you just cannot have it both ways. You cannot expect the people to buy the homes and the

consumer products and then take away a program that would allow younger couples to afford a home. This legislation is drawing away consumer power from Canadians. It is taking away money from those who can least afford to give it up and is making their pockets much emptier while making wealthier pockets fuller. This is helping to widen the gap between rich and poor, between haves and have-nots.

● (1550)

Over the Christmas break, results of an interesting study undertaken by *Maclean's* in co-operation with Decima Research were published. One of the major findings in that national study was the fact that a significant number of Canadians are growing more concerned about the differences between the rich and the poor. Simultaneously, they are concerned that there is coming into being a well defined stratification of different socio-economic classes. They are equally concerned that the Conservative Government cannot bridge that gap. The Conservative Government is seen as the one that is widening the gap and playing to its special constituencies. I would suggest that in the years to come, the perception highlighted by that study will be dominating discussion in the House.

In the past, we may have had our differences when it came to provincial issues, regional issues and even linguistic issues. However, what we have not seen and what we should not see in the future is a debate based upon the classification of economic wealth. We seen in other parts of the globe well defined class struggles and Canadians fear that this is beginning to take hold in Canada. One can see why that fear is beginning to be felt by Canadian families. That reason can be shown by the examples I outlined a few moments ago.

If we begin to increase the taxes paid by a family earning $15,000 per year by 36 per cent and the taxes of a family earning $200,000 per year or more by only 2 per cent, of course there will be a backlash. Of course there will be protests from those earning $15,000 annually who will not be able to take it any more and will not be able to shoulder the Government's deficit reduction plans by themselves. We need the help of all Canadians to shoulder the weight of the Government's economic renewal, if that is in fact what it is doing, and I think it is not.

The Government Party promised Canadian prosperity and economic renewal. What Canadians forgot to ask is economic prosperity for whom. Where are the provisions in this legislation that indicate that we as the Parliament of Canada are honestly looking at the interests of all Canadians and of all regions? We cannot say that we are.

We could go to any constituency and ask the senior citizens what they thought was fair about the attempt at deindexing their pensions. We could ask any individual earning $15,000 per year whether he thinks it is fair that he should shoulder an increase in tax payments of almost 40 per cent. We could ask any Canadian mother who is receiving a monthly cheque whether or not she would like to continue to receive the entire amount. We could ask any Canadian family if it should be prepared to pay more than its own fair share and more than the energy corporations that are receiving $8.4 billion bonanzas are paying. The answers are very obvious.

We cannot talk of equity and fairness when talking in terms of the numbers to which I have referred. That is the message Canadians are sending the Government. That is why we saw a serious slippage in the Government's popularity in the latest polls. That was not surprising.

Government Members went across the country, constituency to constituency, region to region, promising every interest group its fair shake during the election campaign. Of course, members of the middle and working classes decided to give the Conservatives a try. However, what has been delivered to them? What are they faced with? They are faced with inequity. They are faced with a Conservative Government which is historically preoccupied with the exact constituency to which this piece of legislation delivers. This is proving the old saying that Tory times are tough times. They are not tough times for the multinationals or for those who can afford to benefit from the capital gains tax exemption but for the majority of average working Canadians who put in eight-hour days and ask themselves if they are going to make it this month.

There is going to be a tremendous revolt in this country. I am not trying to sound alarmist. I am simply trying to follow the trends that are emerging. There is going to be a tremendous revolt if the Government continues in the economic direction it is taking because it is a perverse direction. It is a direction that alienates and ignores the majority of average working Canadians. The Government points out that 400,000 jobs have been created since it took office. I would like to see the real statistics. The bulk of those jobs are part-time jobs, jobs without any benefits and short-term rather than long-term jobs.

The real problem with the Government and with this piece of legislation is that average Canadians perceive themselves as being hoodwinked. If the Government were to say that we are in tough times and that in the next five to six years, we will all have to make sacrifices and work together in order to secure a healthy and prosperous future, that would be fine. That would be acceptable not only by the Government but by opposition Members whose role it is to ensure effective and proper Government. That is a language that Canadians would not only understand but would be prepared to accept. However, they are not prepared to accept a message from the Government indicating that the poor, working and middle classes are going to be taxed more and that those who already have a lot are going to get more. That is not a partnership. That is not collective action. That is an elitist, regressive and historically Conservative approach to the economic woes of Canada. It is not an approach that will make things better.

The Government may try to cover up in the short term but I assure the Government that that is not a long-term solution and it is not a solution that bodes well for the socio-economic forces in Canada. If the Government continues to move in this direction, it will fuel the fire of unfairness. There will be more class struggles, something that we have been able to proudly

ignore while seeing on television these class struggles occurring in other parts of the world, including Great Britain. I fear that if the Government is given more latitude through this kind of legislation, we will not only see class struggles on our television sets but we will see them very clearly and vividly on our own Canadian streets.

You are indicating that my time is up, Mr. Speaker. Despite its absolute majority which can defeat any motion or win any vote, the Government should be prepared to pay attention to the views of Canadians who are saying that this piece of legislation and others are unfair and inequitable and they will not tolerate them.

• (1600)

**The Acting Speaker (Mr. Paproski):** Are there questions or comments? The Hon. Member for Edmonton East (Mr. Lesick).

**Mr. Lesick:** Mr. Speaker, I have been listening to the Hon. Member for York West (Mr. Marchi) go on and on and on with his gloom of doom and doom of gloom. I sometimes cannot believe everything I hear because it is no different from what we are saying. If the Hon. Member had listened carefully to the speech of the Hon. Member for Cardigan (Mr. Binns), he would have heard him outline very carefully the purposes of Bill C-84. He set out the advantages to the country and how we have to share the goodness while shouldering the problems which we have. There is equity in this measure.

With respect to the $500,000 capital gains tax exemption, it is a measure primarily for the small and medium-sized businessman. In some cases it is for the ordinary working man who manages to buy a second home and who makes a little money after he sells it. Would the Hon. Member deprive an ordinary working man of that capital gain? He spoke of some people going to the United States. Yet, he has not mentioned one person who supposedly received this mythical amount in capital gains.

He mentioned that the oil companies were receiving all of this money. They are just getting back the money which his Party took away as a result of the National Energy Program. We have simply righted a wrong. Is the Hon. Member aware that when the oil companies were doing well so were tens of thousands of people in Alberta, Ontario and Quebec? They were successful. The oil companies made money and they paid taxes. Does the Hon. Member know that after the National Energy Program was introduced some 25 per cent of businesses went bankrupt in one small city with a population of 30,000? Does the Hon. Member understand what that meant? It meant alcoholism, family break-ups, unemployment, and problems of all sorts. The Hon. Member said that we should not give them money. We all shared in this. However, the Hon. Member has to realize that.

Over the 18 years the Liberals Party was in power the economy came to a stumbling and bumbling halt. In 1985, the debt per person per year was $1,000. That is for every person in the country. In 1968 it was only $75. I ask the Hon. Member: Who will pay for that?

**Mr. Marchi:** Mr. Speaker, the Hon. Member for Edmonton East (Mr. Lesick) says that I bring him doom and gloom. The central premise of my argument comes from a Tory polling firm, Decima Research, which has indicated there is a serious concern in the country in that some 35 per cent of Canadians are worried about the gulf which has been created between the rich and poor since the Conservative Government came to power. They are concerned that there is a stratification of a class system taking place in the country. They are concerned that the Government will not be able to bridge that gulf, or that it will not have the courage or determination to do so. Those are the concerns of Canadians. They are the concerns of individuals who may have voted for the Hon. Member from Alberta, for myself, and other Members of the House. I would like to ask the Hon. Member why his Government refuses to pay attention not necessarily to him, or any other Member in the House, but to the concerns of Canadians. If he accepts that premise, then he ought to accept the issues and difficulties which we are articulating with some degree of responsibility on behalf of our constituents.

The Hon. Member also mentioned that the capital gains tax exemption would be enjoyed by every average working Canadian. In that case I would like to ask him why the statistics with respect to capital gains over the last five years show that nearly 65 per cent of those gains are attributable to only 4 per cent of the population. Why was it not attributable to 50 per cent, 70 per cent, or even 85 per cent? If that were the case, then I might give him some credit—I would not have said the things which I said.

The Hon. Member points out that oil companies have paid their taxes, have worked hard and are now benefiting. Is he suggesting that other working Canadians have not paid their taxes?

**Mr. McDermid:** They were not taxed in the same way.

**Mr. Marchi:** What members of the Conservative Party are really saying is: "Look, we are now giving a break to the oil companies". Canadians are paying for that break because the whole tax grid is completely unfair.

**Mr. McDermid:** You don't know what you're talking about.

**Mr. Marchi:** If one considers a family which earns $50,000, then it is unfair. It is gross and perverse for that family to pay 35 per cent more tax when the rich in society are getting away with paying only 2 per cent.

I might have knocked over a glass of water, and Hon. Members might be laughing, but Canadians are not laughing because those are the facts. The facts show that the situation is unfair and inequitable. Whether in 1987, 1988 or 1989, this Government will pay the consequences of not listening to the aspirations of Canadians. We will then see who will be laughing.

**Mrs. Sparrow:** Mr. Speaker, I believe the Hon. Member for York West (Mr. Marchi) mentioned in his opening remarks the handing over of some $8 billion to the oil companies.

**Mr. McDermid:** What a crock!

**Mrs. Sparrow:** I wish to set the story straight. We did not hand the oil companies $8 billion. It seems to me that in about 1980 or 1981 the Government of the day brought in the National Energy Program which instituted a form of double taxation. It imposed a well-head tax called the Petroleum and Gas Revenue Tax which, in effect, taxed oil and gas companies, resource companies, from 16 per cent down to 12 per cent on gross revenues. Then, this amount in taxation was not allowed to be deducted when the corporations computed their income tax returns. In effect, it was a form of double taxation.

During the three years following 1980, I wish to point out to the Hon. Member that the unemployment situation in Alberta went after 3 per cent to 13.5 per cent. We lost drilling rigs. We lost people who either went south of the border, to other countries, or who simply went belly-up. I wish to tell the Hon. Member that we can actually prove that 90,000 jobs were lost in the Province of Ontario due to the National Energy Program. Mr. Speaker, coming from that good province of Alberta, you are well aware of that point. We did not hand the oil companies $8 billion. What we did is correct an injustice. We have taken national reconciliation upon ourselves. We have developed economic renewal. As a result of the new energy policies brought in by the Minister of Energy, Mines and Resources (Miss Carney) some 25,000 jobs have been created in the energy sector. There will be spin-off jobs created for people living in Ontario and Quebec. Every automobile we buy comes from either Oshawa or Windsor. We buy cable and steel pipe from Hamilton.

I just wanted to correct what the Hon. Member for York West had to say. We have put people back to work. We have brought national reconciliation to the country.

**Some Hon. Members:** Hear, hear!

**Mr. Marchi:** Mr. Speaker, I have every respect for the Hon. Member for Calgary South (Mrs. Sparrow). However, I just cannot believe that she can rise in her place and say that this Government has brought about national reconciliation.

**Mrs. Sparrow:** You bet we have!

**Mr. Marchi:** Where and when? Members of the Conservative Government should take a hard look at the message being sent out by Canadians.

**Mr. McDermid:** Take a look at the Atlantic Accord and the Western Accord.

**Mr. Marchi:** They can have special caucus meetings every single weekend for the next year to see how to patch up their deficiencies. It is a crock for Hon. Members to tell me and this House that they are under way with national reconciliation and economic renewal.

I would like Members opposite to address the workers, the poor, the families, women and senior citizens, and ask them if they think this country is under a form of economic renewal and reconciliation.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Niagara River pollution (a) United States clean-up proposal. (b) Government position; the Hon. Member for Bow River (Mr. Taylor)—National Parks—Wildlife poaching—Harsher penalties; the Hon. Member for Spadina (Mr. Heap)—Energy (a) Refining capacity in Quebec—Government position. (b) Request for combines investigation.

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• (1610)

## GOVERNMENT ORDERS

[*English*]

### INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and passed.

**Mr. John R. Rodriguez (Nickel Belt):** As a matter of fact, Mr. Speaker, I was not here four years ago but I can tell you, the Member points to himself and says: "I was"—

**Mr. McDermid:** Yes.

**Mr. Rodriguez:** I want to tell you, Sir, without reading *Hansard* for the last four years, that he made speeches just like I heard from the Hon. Member for York West (Mr. Marchi). I am positive he made speeches like that.

It is six of one and half a dozen of the other. We call them the Bobbsey Twins of Bay Street but I think they are Siamese twins. Here the Tories are the Government and they do exactly

the same thing that the Liberals did when they held Government.

**Mr. Johnston:** Come on, John.

**Mr. Rodriguez:** I heard the Member for York West, but am I hearing correctly in this place? Is something wrong? I listened to debate of report stage of Bill C-84. The Liberals brought in an amendment that said the $500,000 lifetime capital gain should only apply if you earned it with Canadian speculation, that is, if you bought a Canadian racehorse or the Group of Seven paintings and made profits on Canadian condominiums. The Government made this beautiful argument that you have to Canadianize profits. That is a new one on the national list. The Member for York West said just a little while ago that the capital gains tax is a give-away to the wealthy and it contributes to developing class structures. He is absolutely right.

**Mr. Johnston:** Mr. Speaker, I rise on a point of order. I realize that I have a moment to ask a question subsequently, but what the Member said is a complete and utter distortion on the amendment which was brought into this House.

**Mr. Fulton:** That is a fact.

**Mr. Johnston:** Which, incidentally, allows—

**The Acting Speaker (Mr. Paproski):** Order, please.

**Mr. Johnston:** I would point out to the Hon. Member that our Party brought—

**The Acting Speaker (Mr. Paproski):** Order, please. I am sure the Hon. Member will have an opportunity during the questions and comments period to correct the Hon. Member. The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor.

**Mr. Rodriguez:** Mr. Speaker, listen to the sensitivity. Tommy Douglas, former Leader of this Party, said whenever you see a pack of coyotes, you always know when you hit one because they start yowling and howling.

**Mr. Guilbault (Saint-Jacques):** We do not expect you to understand the amendment.

**Mr. Rodriguez:** I did not think we had pay dirt on that one. The Hon. Member's intervention was as clear on this amendment on capital gains as his position was on free trade.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** I want to make my intervention and comments on Bill C-84. You know that I always try to make my comments relevant to the issue at hand, Mr. Speaker. I have discovered over the time I have been here that a Budget portrays the priorities and the philosophies of a Government. It has always been thus. What does the Government consider important? Where does the Government see the country going? What is the Government trying to achieve?

We went through the campaign of 1984. We heard it all. We all tuned in to hidden Crop detectors. We know three quarters was "b.s.". Most of it was "b.s.", Brian's statements. We understand that and the people understand it. We heard it from Liberals before. We were going to have participatory democracy and the just society. We heard about how the land was strong and that Liberals were there to try to raise the class differences to create a more egalitarian society.

The Tories did not go that far. They have no commitment to egalitarianism. We know where the Tories stand.

**Mr. Gormley:** You are talking through your hat.

**Mr. Rodriguez:** How can a Government bring in $500,000 capital gains give-away—statistics show that 4 per cent take advantage of it—and claim that creates jobs? There is no evidence that a capital gain ever created a job. How can the Government tell Canadians that we have to cut the deficit because ordinary folks are living off the hog of the land? We have to pay at the pump, we have to pay at the store and even when you pay for pet food the Government is nailing you. Everybody knows sales and gas taxes are the most regressive taxes in any society. They are no respectors of income. Everybody pays whether they can afford it or not.

I accuse this Tory Government of taxing the poor while giving the rich generous tax breaks and the $500,000 capital gains exemption. We are now the only industrialized country in the western world that does not have a capital gains tax. Every industrialized country in the western world has some form of capital gains. I challenge the Tories to show evidence which I am prepared to accept if they can prove that by allowing capital gains it creates employment. There is no evidence of that whatever, Mr. Speaker.

**Mr. McDermid:** Do you deny it to the farmers?

**Mr. Rodriguez:** Our position has always been, and it is consistent, excepting the farmers. They have been excepted.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** That has been our position. We dragged the Tories kicking and screaming into the 20th century on that issue and now they want to take credit for it. I have never seen anything so bold faced in my life. First we have the spectacle of Liberals stealing good NDP policy, and putting it into legislation and calling it their own. Now, the tories are starting to do it. At least give credit, for heaven's sake.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Our position has been that the captial gains tax does more to exacerbate class distinctions in Canada. It does not create employment. We said that only those who are wealthy can afford to take advantage of the capital gains.

It seems to me to be unfair. I have said before in the House that a tax system ought to be progressive, fair and be distributive in its nature. Capital gains is indefensible absolutely. At the same time the Government is chiselling the children and

women out of the family allowance. Here we have 31 cents a month. The Government is chiselling the children of Canada. What we have is one cent a day per child.

The Tories attempted to chisel senior citizens out of their full indexation. What happened? They found out that that did not wash, and they backed away. The National Council on Welfare noted in "Giving and Taking: The May Budget and the Poor" that in 1982 while those earning $50,000 and over accounted for only 18 per cent of total tax filers, they accounted for 63 per cent of the total benefits accruing under the capital gains provisions. Those are not the ordinary Canadians most of us represent who are in Atlantic Canada, in northern Ontario, Manitoba, northern B.C. and in the prairie provinces. Those are not the ordinary Canadians. Some of these people have earned over $50,000 and paid no income tax at all.

What about the corporations? The other day I toured the Falconbridge mines. They just bought the Kidd Creek mines for $650 million. The President, Bill James, was boasting that Falconbridge has not paid a penny of federal or provincial income tax in the last three years. He was proud as punch to tell me that. Does everyone not have a responsibility to support the country? Does everyone, including the Government, not have the responsibility to ensure that everyone in society pay according to their ability? That is a good socialist principle: From each according to his ability and to each according to his needs. That seems to me to be as applicable today as it was when it was first uttered.

• (1620)

**Mr. Clark (Brandon-Souris):** What was their taxable income?

**Mr. Rodriguez:** Oh, of course, after you gave them all these generous write-offs, depletions and tax expenditures! Do you want to talk about the tax expenditures? Take a look at this.

**Mr. Crosbie:** You were written off yourself.

**Mr. Rodriguez:** All you have to do is collect what should be collected and you would not have a deficit. Why do you have to keep taking it out of the hides of ordinary Canadians through all kinds of sales taxes? Why not collect what you are supposed to collect?

**Mr. Crosbie:** Where is it going to come from, you turkey?

**Mr. Rodriguez:** There is a biggest turkey I ever heard, the Hon. Member for St. John's West (Mr. Crosbie).

**Mr. Crosbie:** The hon. gobbler from Nickel Belt. You were written off yourself; now you are recaptured depreciation.

**Mr. Rodriguez:** Here is the moccasin lad whose Budget—

**Mr. Crosbie:** Don't try and hurt my feelings.

**Mr. Rodriguez:** —was rejected by this House and who caused his friend, the Secretary of State for External Affairs (Mr. Clark) to go down in ignominy.

**Mr. Crosbie:** They are bound to find you there, wherever that is.

**Mr. Rodriguez:** There he is, the near leader of the Conservative Party.

**Mr. Clark (Brandon-Souris):** Which side were you guys voting on then?

**Mr. Rodriguez:** Mr. Speaker, here are the kinds of—

**Mr. Crosbie:** It was the reds leading the dead.

**Mr. Rodriguez:** —tax give-aways which really structure the inequalities in the system. This is from an advertisement in the Vancouver *Sun*. It says that this is Canada's last great tax break. If your annual taxable income is over $70,000 you can deduct up to $165,000 over four years and own an income producing hard asset with 100 per cent borrowed funds.

Here is another one. It is called a tax shelter. It asks why you should buy a vacation vehicle tax shelter. Because each $1,000 of initial investment can generate $2,640 in first year tax savings and up to 43 per cent first year write-offs. That is the vacation vehicle tax shelter. It tells you to act now and receive a 60 per cent tax write-off in 1985. You can get a condominium in the Harbourfront Hotel limited partnership. I do not know any folks in Nickel Belt who would be able to play fast and loose with these kinds of tax evasion schemes. Yet it has all been legalized. I do not see the Tory Government, which is so concerned about a fair tax system, moving to change any of that sort of give-away.

I accuse the Government of discriminating against lower-income Canadians. An example of that is the RRSP and the RPP.

**Mr. Riis:** Isn't that to help ordinary Canadians?

**Mr. Rodriguez:** Yes, these are non-taxable contribution limits. In 1986 it will be $7,500, in 1987 it will be $9,500, in 1988 it will be $11,500, and $15,500 in 1990. We oppose this because we believe that it will benefit upper-income Canadians to the detriment of lower-income Canadians. I accuse the Government of using the same rules but different laws with respect to this particular item and unemployment insurance and I will give an example. The Government made a change in the Unemployment Insurance Act which says that pension income will be considered earned income for UIC purposes. That became effective January 1, 1986. Yet in the RRSP provisions the Government says pension income is not earned income. That means a pensioner cannot set up a spousal RRSP because according to one law it is earned income and according to another it is not. Under tax law it is not earned income for setting up a spousal RRSP, while under the Unemployment Insurance Act pension income is earned income. You can't suck and blow at the same time.

**Mr. Crosbie:** You can!

**Mr. Rodriguez:** You cannot have it both ways.

**Mr. Crosbie:** You are doing it now.

**Mr. Rodriguez:** There is the greatest sucker and blower of all time, the Hon. Member for St. John's West. We know how he does it. He does it on Screech. I accuse the Government of making no effort whatsoever to reform the tax system so that it will become more progressive, fairer and—

**Mr. Clark (Brandon-Souris):** What about the minimum tax?

**Mr. Rodriguez:** Our Party is very concerned about that. We made it one of the issues in the campaign. Once again we forced the Leader of the Conservative Party, now the Prime Minister (Mr. Mulroney), into admitting that we ought to do something about a minimum tax. Because of our concern we set up a task force which will go across this country listening to what Canadians have to say about how we can make the system fairer. I know the Tories had a tax task force which went across the country, but what they were more interested in was the mechanics of collection. They were laying the blame on tax collectors. What we are attempting to do is to listen to thoughtful suggestions from Canadians about how we can make the tax system fair. In the long run, if the people under the yolk of the tax system get to a point where they believe that the tax system is very unfair, they are going to kick up their heels. It is most unhealthy for a democracy to have a tax system so burdensome on people that it causes them to do things not in accordance with a free and open society and forces that society to react in a way which limits our freedoms.

Look south of the border. There is a country which has a national debt of how many trillions? I cannot imagine how much a trillion is. You can count 24 hours a day without sleeping or eating for 300,000 years before you would reach a trillion. The U.S. is a country similar to ours, a democratic and open society, and it is faced with this trillion-dollar debt. What are they doing with their tax structure at the moment? They are cutting taxes for ordinary Americans. What are we doing? We are going the other way. We are adding taxes. The Japanese have deficits but no one has mentioned that. They deal with that by borrowing from their own people and they pay it back.

**Mr. Crosbie:** What does it matter where you borrow it from, you have to pay it back.

**Mr. Rodriguez:** There is nothing here you have that—

**The Acting Speaker (Mr. Paproski):** I regret to interrupt the—

**Mr. Crosbie:** Are you suggesting we do not pay it back?

**The Acting Speaker (Mr. Paproski:)** Order, please. I regret to say that the Hon. Member's time has expired. Questions or comments.

• (1630)

**Mr. Fraleigh:** Mr. Speaker, I would like to take this opportunity to try to teach the Member for Nickel Belt (Mr. Rodriguez) a few lessons in basic economics.

**Mr. Crosbie:** Impossible.

**Mr. Fraleigh:** Never having done anything to generate a job in his life, I hope he will listen. To generate jobs in this country it takes entrepreneurs who are willing to invest their money, something that is hard for a socialist to understand. The only thing that creates jobs is people who are willing to take some risks, spend their money, and create those jobs. The Member may have a hard time understanding that.

**Mr. Riis:** Like Dome Petroleum?

**Mr. Fraleigh:** That is a fact of life.

**Mr. Riis:** I think Dome Petroleum is a good example for you to use.

**Mr. Fraleigh:** If the Members would just listen, although I know it is hard for them. I know the socialists have a real problem in understanding this. Entrepreneurs invest their money if they know they are going to be allowed some return on that investment. However, the great socialists want to tax the entrepreneur to death so that he gets nothing in return for the risks he takes. Just listen and I will tell you about it. You never generated a job in your life, any of you.

**Mr. Fulton:** You're pathetic.

**Mr. Fraleigh:** Address those problems. I want to tell—

**Mr. Riis:** Aren't you wonderful? You are absolutely fantastic, aren't you? Just sit there and lecture us. You created all these jobs. You're wonderful. We're saying that you are wonderful. Please tell us more.

**Mr. Fraleigh:** I want to assure the Members of one thing. I made every dollar I ever got.

**Mr. Waddell:** How do you know we never generated a job? You're an asshole. You don't even know.

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

**Mr. Waddell:** How do you know that?

**The Acting Speaker (Mr. Paproski):** Order, please! We only have another seven minutes.

**Mr. Riis:** You're a bloody insult.

**Mr. Waddell:** That's an insult. I have had three businesses and two professions, so don't give me that crap.

**The Acting Speaker (Mr. Paproski):** I will recognize the Hon. Member for Nickel Belt (Mr. Rodriguez).

**Mr. Rodriguez:** Mr. Speaker, I think the Member has generated a lot of hot air in a short period of time.

**Mr. Riis:** He's a brilliant orator.

**Mr. Rodriguez:** I would like to point out to him all the great entrepreneurs who took risks with the Canadian Commercial

Bank and the Northland Bank and then came running to the taxpayers. I think of the football club, the Calgary Stampeders, which, when it gets in trouble, comes to the public trough for a bail-out. I think of Inco and Falconbridge which received all kinds of tax concessions over the years, and yet the jobs have gone down the tubes.

I would like to put on the record that a study by the Department of Regional Industrial Expansion in February of 1985 shows that small and medium-sized businesses had a net job growth of about 375,000 between 1978 and 1982. In contrast, large businesses show a net job growth of less than 50,000. However, the tax and profit situation for the corresponding period, 1977 to 1981, gave the exact opposite picture. It was large businesses that saw their share of total corporate tax breaks increase from 64.5 per cent in 1977 to 71.9 per cent in 1981. They also saw their effective federal tax rate fall from 18.2 per cent to 14.3 per cent and their after-tax profits increase by 107.5 per cent over the same period. So don't talk to me about risk-taking and job creation.

**Mr. Ravis:** Mr. Speaker, I was hoping to speak to Bill C-84 this afternoon but, unfortunately, we are running out of time. However, I do have some comments and questions. It is interesting to hear the Member for Nickel Belt (Mr. Rodriguez), the same old NDP destructive machine, making nothing but negative comments. I am beginning to wonder whether I have ever heard anything positive come out of the ranks over there. The reason that an NDP member is not representing my constituency in the House of Commons at this time is because my constituents got tired of it. They wanted to turn the country around and to hear something positive for a change. They were tired of the constant wailing that everything is negative about the world and that we should destroy it. That is not our way. We want to turn things around and we are making some very good progess.

How does the Member for Nickel Belt feel about the last 16 years of the great socialist experiment that this country went through? How good was that for the country? Why are we in the mess that we are in right now? I have a copy of the report of the OECD, a very well-respected international agency. They have placed Canada in much better light than it was in before. When I was running for election, Canada was "tail-end Charlie" with regard to many of the key economic indicators. Canada's growth today is ahead of that of the United States. The only country that is ahead of us in that regard is Japan on the Pacific rim. We are ahead of our fellow industrialized nations in the western world.

I would like the Member for Nickel Belt to respond to many of the accomplishments made by the Government in the last while. Why does he want to go back to the old socialist ways practised by the Liberal Government in the country? I will give the Member a chance to be positive for a change. Does he expect all of these things to happen overnight? What kind of time frame is he putting this in? We gave the other fellows 16 years. We have been here only 16 months, and look at the accomplishments that have taken place. I would like the Hon. Member to answer that honestly by telling us how he feels we have been doing in the last 16 months in terms of the number of people who have got back to work, the economic confidence in the country, and the number of people who have intentions of, not only making investments, but hiring people in the coming months.

**Mr. Rodriguez:** Mr. Speaker, I have a better model than the 16-month reign of the Tory Party at the federal level. The better model that I would choose is the Government of Manitoba which has—

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Just listen and be informed. The Province of Manitoba has the highest rate of private capital investment per capita with the lowest unemployment rate in the country. I think that is the model, Mr. Speaker. I can refer back to the 17 years that Tommy Douglas governed the Province of Saskatchewan. When former Premier Blakeney left office in Saskatchewan the Budget was balanced and he had a heritage fund with bucks in it. What has happened to the heritage fund? It is a "zilcho". The Tories with Devine have blown it. What happened to the deficit? It has gone up, up, and away.

**Mr. Taylor:** Why did the people kick him out?

**Mr. Rodriguez:** Tories and Liberals have run Canada for the last hundred-and-some-odd years and look at where we are today.

**Mr. Crosbie:** Yes, just look.

**Mr. Rodriguez:** I remember when the Leader of the Liberal Party was here. When he left and went into private law practice, because he could not get along with his Leader, the Tories were scratching around for a leader. The rumour was that the Minister of Regional Industrial Expansion (Mr. Stevens) went down to Toronto and they had lunch at Winston's. He tried to convince the Leader of the Official Opposition in the House to be the Leader of the Tories. We have to put a sign up here: "Crossing. Beware".

**Mr. Riis:** "Tory crossing".

**Mr. Rodriguez:** They can go back and forth.

**Mr. Crosbie:** What about your buddy up in the Senate, Hazen Argue? What about him?

**The Acting Speaker (Mr. Paproski):** I regret that the period for questions and comments is now terminated. I will recognize the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

[*Translation*]

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I have only a few minutes until the end of debate to make my comments to the House.

[*English*]

Bill C-84 is the very centrepiece of the Minister's Budget. That Budget took nine months to produce. We had no Bill until November. Then, of course, it was pushed through the House and through committee. If there is one railroad that is operating well in this country it is certainly the one operated by Tory Members in the House of Commons.

● (1640)

I draw your attention to the comments of the Chairman of the Standing Committee on Finance, Trade and Economic Affairs, the Member for Mississauga South (Mr. Blenkarn), who last week had the candour to admit in the House that: "Unfortunately, in the rush to put the Bill through and complete it during the day the detail with respect to several clauses were omitted". That is what we have been up against. The Bill has been pushed through quickly and we now only have a few minutes left to comment on it.

I note that there are a number of intelligent Tory Members in the House this afternoon. I see that the Minister of Justice (Mr. Crosbie) is here. The injustice of this Bill must be very evident to him, as a former Minister of Finance.

How is this Budget and this Bill to be described? My Leader, the Right Hon. Leader of the Official Opposition, has described it as a sneaky Budget because it taxes in an indirect way by changing the indexation provisions of the Act. We pointed out during the report stage that the amendment to the indexation provision on personal income tax will, by 1990-91, add over $4 billion to the federal treasury in one year alone. It is a direct assault on the pocket-books of the working men and women of this country. Indeed, it is sneaky.

The supply siders, of whom there are many in the House, regarded this Budget as a wonderful supply side Budget with its trickle-down effect. The House will recall the old horse and sparrow economics of John Kenneth Galbraith: "If you feed the horse enough there might be something left over for the sparrows". The thrust of that was the $500,000 lifetime exemption.

Of course, it is not even a supply side Budget because it attacks the sparrows. It puts an avalanche of taxes on the low and middle-income groups of this country. It is not even a trickle-down Budget, but it might better be described as a dribble-down Budget.

I think I could best go back to that great Conservative parliamentarian, Sir Winston Churchill, and use the description he gave of Russia in 1939 to describe this Budget. It is a riddle wrapped in a mystery inside an enigma. I find this Budget incoherent, without direction and complex. The great mystery is why our Conservative friends not only want to shoot themselves in the foot, but directly in the head with these provisions.

The purpose of a riddle is to test the ingenuity of the person to whom it is put. I had a number of riddles I wished to put to my Conservative colleagues this afternoon. In the little time I have available I will put some for their consideration as they rise and vote like so many sheep to support what is clearly a bad piece of legislation.

Why does the Minister of Finance (Mr. Wilson) want to encourage Canadians to invest outside Canada? That is the result of the combination of the proposed capital gains exemption, which is completely unfocused and can apply to a condominium in Puerto Rico or a boat in the Caribbean, with the proposed alternate minimum tax which penalizes people who receive dividend income from Canadian corporations. It is a clear signal to invite Canadians to invest outside the country. That is the first riddle.

Why does the Minister of Finance tell the House that he wants tax simplification but produces one of the most complex, convoluted and confused pieces of tax legislation that has been seen in this House since the early 1970s? Why does he intend to compound that error with an alternate minimum tax which further complicates a system when he should implement basic tax reform or at least produce a simplified version of a minimum tax? Why does the Minister of Finance tell us that he wants to reduce the deficit and at the same time forgo $4.5 billion on capital gains exemptions by the year 1990?

Why does he bail out banks at a cost of billions of dollars? Why does he give tax rulings which run into the billions of dollars to permit takeovers such as the Gulf Canada assets by Canadian concerns? Why does he even go so far as to buy retail gas stations, many of them in the very province you represent, Mr. Speaker?

I would like to leave you with that riddle this afternoon. I realize that my time has expired and I thank you for your indulgence.

**The Acting Speaker (Mr. Paproski):** I regret that I was unable to hear the rest of the Hon. Member's speech this afternoon.

It being 4.45 p.m., it is my duty, pursuant to Order made on Friday, December 20, 1985, to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill now before the House.

The question is the following one. Mr. Hnatyshyn (for the Minister of Finance) seconded by Mr. Epp (Provencher), moves that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and do pass. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the yeas have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Call in the Members.

The House divided on the motion (Mr. Hnatyshyn, for the Minister of Finance) which was agreed to on the following division:

*(Division No. 181)*

YEAS

Members

| | | |
|---|---|---|
| Andre | Gormley | Mitges |
| Beatty | Graham | Murta |
| Bernier | Grisé | Nickerson |
| Binns | Guilbault (Drummond) | Nielsen |
| Bissonnette | Gurbin | Nowlan |
| Blais | Gustafson | Oberle |
| Blenkarn | Halliday | O'Neil |
| Bouchard | Hamelin | Oostrom |
| Bradley | Hardey | Paproski |
| Brightwell | Hawkes | Pennock |
| Brisco | Hees | Peterson |
| Browes | Hicks | Plamondon |
| Cadieux | Hnatyshyn | Plourde |
| Caldwell | Holtmann | Porter |
| Cardiff | Horner | Price |
| Carney | Howie | Ravis |
| Champagne (Saint-Hyacinthe-Bagot) | Hudon | Redway |
| Champagne (Champlain) | Jacques | Reid |
| Charest | James | Reimer |
| Clark (Brandon-Souris) | Jelinek | Ricard |
| Clinch | Jepson | St. Germain |
| Coates | Johnson (Bonavista-Trinity-Conception) | Schellenberger (Wetaskiwin) |
| Collins | Kelleher | Scott (Hamilton-Wentworth) |
| Comeau | Kempling | Scowen |
| Cook | Kilgour | Siddon |
| Cooper | Kindy | Sparrow |
| Corbett | Ladouceur | Speyer |
| Cossitt | Landry | Stackhouse |
| Côté (Lac-Saint-Jean) | Lanthier | Stevens |
| Crosbie (St. John's West) | La Salle | Stewart |
| Crouse | Layton | Tardif (Charlesbourg) |
| Darling | Lesick | Taylor |
| Daubney | Lewis | Thacker |
| Della Noce | Lopez | Towers |
| Desjardins | MacDonald (Kingston and the Islands) | Tremblay (Québec-Est) |
| Dick | MacDougall (Timiskaming) | Tremblay (Lotbinière) |
| Domm | MacKay | Tupper |
| Duguay | Martin | Valcourt |
| Epp (Provencher) | Mayer | Vankoughnet |
| Fennell | Mazankowski | Vincent |
| Ferland | McCain | Weiner |
| Fontaine | McDermid | Wenman |
| Forrestall | McDougall (St. Paul's) | Wilson (Swift Current-Maple Creek) |
| Fraleigh | McGrath | Wilson (Etobicoke Centre) |
| Fretz | McInnes | Winegard |
| Friesen | McKinnon | Wise |
| Gagnon | McKnight | Witer—146. |
| Gass | McLean | |
| Gervais | Minaker | |
| Girard | | |

NAYS

Members

| | | |
|---|---|---|
| Allmand | Frith | Mitchell |
| Althouse | Fulton | Nicholson (Trinity) |
| Angus | Gagliano | Nunziata |
| Axworthy | Garneau | Nystrom |
| Berger | Gauthier | Orlikow |
| Blackburn (Brant) | Guilbault (Saint-Jacques) | Penner |
| Blaikie | Heap | Pépin |
| Boudria | Henderson | Prud'homme |
| Broadbent | Hopkins | Riis |
| Caccia | Hovdebo | Robichaud |
| Cassidy | Jewett | Robinson |
| Copps | Johnston (Saint-Henri-Westmount) | Rodriguez |
| Deans | Kaplan | Rompkey |
| de Corneille | MacLellan | Rossi |
| de Jong | Marchi | Waddell |
| Finestone | | Young—47. |

**Mr. Speaker:** I declare the motion carried.

Bill read the third time and passed.

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# PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

## CANADA ELECTIONS ACT

MEASURE TO AMEND

**Mr. John R. Rodriguez (Nickel Belt)** moved that Bill C-246, an Act to amend the Canada Elections Act (leave of absence), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the purpose of Bill C-246 is to amend the Canada Elections Act to allow employees covered by Part III of the Canada Labour Code to have extended leave of absence provisions if they are candidates running in a federal election campaign and are successfully elected as a Member of the House of Commons.

**The Acting Speaker (Mr. Paproski):** Order, please. This is your Private Members' Hour.

**Mr. Rodriguez:** Mr. Speaker, there is a reason why I brought this particular Bill to the attention of the House for debate. I would hope that Members of the government side would not engage in their usual practice of talking out private Members' Bills. I believe that this Bill involves a very serious principle. The Bill goes to the very core of a democratic society which is open, free and egalitarian in most respects. We have the kind of society in which the citizens elect those who will govern them. The freedom of citizens to elect those who shall govern them is the very hub of a democratic society. There-

fore, I believe the means by which that happens should be open and available to all citizens.

It seems to me that the House of Commons is composed mostly of Members who were self-employed or professionals. In this House of Commons, there are very few working-class people sitting as Members of Parliament. I believe one of the reasons for this is that there are too many impediments for working-class people to become Members of Parliament. The greatest impediment involves financial and employment security beyond the time when the electors may turn them out or they may step down from office for one reason or another. It seems to me that the federal Government should make sure that a vehicle exists to remove that particular impediment.

Part III of the Canada Labour Code only deals with those who fall under the jurisdiction of the federal Government. Therefore, my remarks are directed toward those who are covered by the Canada Labour Code. If it is agreed that this Bill should go to committee and pass, I am hoping that it will become an example for the provincial Governments. That is the kind of leadership role I hope the federal Government will play.

Part III of the Canada Labour Code allows employees, on application, and on approval by the Public Service Commission, to become candidates in a federal election. However, if they are successful and are elected, there is no provision for leave for the time they are Members of Parliament. They must resign their jobs. That has been the experience at this level over which the Parliament of Canada has jurisdiction. I believe that is a consideration which colours the decision of many people who are covered by the Canada Labour Code.

I have checked into the experiences of employees at other levels across the country. For example, union leaders who work for banks are given leaves of absence without question while accumulating seniority but only to carry out duties as union leaders. That provision does not extend to becoming a Member of Parliament. If successful in an election, they must give up their jobs.

Teachers fall under provincial jurisdiction but in most cases, if the particular school board does not have policy with respect to leave of absence for becoming a Member of a provincial legislature or a federal Parliament, the teacher must resign. In the private sector, INCO gives leaves of absence for public officials who are elected provincially or federally. No seniority accumulates while the person is on leave. Falconbridge Nickel Mines provide leaves of absence as well.

According to the UAW-General Motors master agreement, any elected official shall be granted a leave of absence for the first term and additional leaves may be granted upon written application by the employee. However, there is no guarantee the employee will be granted such leave of absence. These provisions usually contain words like "may grant" or "should grant".

It seems to me that the limitations with respect to employment that are placed on an individual who is thinking of becoming a candidate prevent that individual from exercising his fullest rights as a citizen. I consider the greatest service that I can give my country is to be here in the House of Commons.

• (1720)

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** I see Members opposite think that is a big joke. Obviously, they do not consider what they do here a service to the people of Canada. Why are they laughing? They think this is a big joke. In fact, it is a service paid to the country. Outside of defending one's country in time of war, in peace time the greatest service one can give to society is to be here participating—

**Mr. McDermid:** Oh, oh!

**Mr. Rodriguez:** The Hon. Member for Brampton-Georgetown (Mr. McDermid) says: "Oh, oh". If Hon. Members opposite come to this place with that view, it is no wonder they have no motivation to bring about creative measures in order to make things better for the country.

**Mr. McDermid:** I will deal with you in a minute.

**Mr. Rodriguez:** Yes, you will. You will talk this Bill out.

In a democratic society we encourage our citizens and teach our children that it is necessary to exercise their franchise. As a citizen it really bothers me that in considering municipal elections, for example, we see that less than 50 per cent of eligible voters actually go out to elect municipal councils. In some cases, 16 per cent of eligible voters go out to elect school boards. Surely it is important for us to think that that is not right. Surely it is not right for us to think that there are not qualified people to run as candidates. In terms of motivation, commitment and understanding, exercising one's franchise is one of the greatest responsibilities which a citizen has. Therefore, people cannot exercise their franchise if there are not people who are willing to put themselves up to be chosen. That, too, is a worthy exercise. When one does that one is saying: "I want to be a part of this. I have some ideas and I would like to have the opportunity to put them into effect because I think I can help build a better Canada". Because of the present limitations, the widest possible range of candidates who may be elected to the House of Commons is actually prevented from seeking office.

In a survey which I saw of Members of Parliament in respect of their backgrounds I noted that less than 2 per cent were formerly what is called blue collar workers. Parliament should reflect the widest possible range of the Canadian population. Not everyone has a profession. If someone should decide to run, and wins, and is defeated after one term, then he just cannot go back into his law firm, accounting practice, medicine, or whatever it might be, and pick up where he left off. People who are in the public sector just would not have a job to go back to. I am asking the Government to show some leadership in terms of the public sector. People with families

have that to consider when thinking about entering themselves as a candidate for election.

I think my proposed amendment is reasonable, appropriate and timely. The Government would show a great deal of leadership if it were to allow this Bill to go to committee and eventually pass. It is the type of leadership which would nudge provincial Governments to legislate in their own jurisdictions. It would certainly go a long way toward contributing to the development and building of a truly democratic society.

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I commend the Hon. Member for Nickel Belt (Mr. Rodriguez) for bringing to the attention of the House an amendment which is required to the Canada Elections Act. I think that Part III of the Act recognizes the principle established by the Hon. Member but that it stops too soon. If Hon. Members had listened carefully to the Hon. Member for Nickel Belt, they would have heard that he was making a valid argument and one which ought to command the attention of the House.

He established the rationale for his amendment deeply in the principles of democracy itself. That is to say that all sectors of the community, or all sectors of the nation, those from all walks of life, ought to be legitimately and properly represented in the House of Commons. To my knowledge, there is not a ruling class in Canada. There is not a group of people from which it is appropriate to draw Members of Parliament to the exclusion of other groups of people. The wider the representation of the community of Canada in the House of Commons, the better the Government we will have. However, that is not now the case. There are a large number of people in our society who are reluctant to come forward as candidates for the political Party of their choice in order to seek election. It is not that they fear the democratic process of being elected. They fear what the future may hold for them if they take this very dramatic and drastic step.

I do not think I need to remind Hon. Members that to seek to become a Member of Parliament is, in fact, a high risk endeavour. It is a high risk enterprise and a gamble. In a sense, what one is gambling is one's life—one's very self. It is quite different to put yourself before your fellow citizens to seek election to come to the House of Commons as a Member of Parliament than to go to Las Vegas, Atlantic City, or Nassau. In a sense, it is to gamble with your entire being, your economic long-term well-being, your own psychology and your own sense of self-worth. In terms of self-worth it goes up if elected but can be decimated if one is defeated. As the Hon. Member suggests, those who seek office are dealing with long-term security. They have to deal with their security in terms of their own place in society. The legislation which we have in place states that a leave of absence can be granted for those who come under the jurisdiction of the Canada Labour Code to be nominated as a candidate to seek election. However, there is no requirement in law to hold that place open while that Member is here in the House of Commons.

Therein lies the problem. We know what can happen if at the end of a term one retires for one reason or another. It could be because of health or the fact that one has not felt any degree of self-fulfilment or self-actualization in terms of being a Member of Parliament. There may have been frustration or disappointment involved, or one could have been defeated. Then, where is that person who sought to be elected? We know where that person stands. That person becomes an outcast. He or she can well feel despised and rejected. As the Hon. Member has pointed out, it is far more serious for some than for others. I do not think it is easy for anyone, Mr. Speaker. We should never gloss over that. We can always say that one can return to the practice of law. I have spoken with many former Parliamentarians who were lawyers and it is not that easy. You just do not pick up that quickly. It is difficult.

• (1730)

Some school boards can be very generous. They can grant a leave of absence, sometimes beyond one term, sometimes going into a second but there is no consistent policy. The law in Ontario, I might remind Hon. Members, says that if one is a qualified teacher in the province and you serve in the House of Commons or in the Legislature of Ontario, the years you serve in the Legislative Assembly, federally or provincially, may count as years of teaching experience when you go back to the class-room. All you are obliged to do is to make up your superannuation payments. They can count as years of experience toward the required years for your eventual requirement. That is a very generous principle. I think it has allowed quite a number of people from the class-room to consider going into the House of Commons for a period in their life. It has attracted teachers as much as this place in the past used to attract lawyers to a very extensive degree.

Let me come back to the basic principle of having as many people from as many walks of life as possible in the House of Commons. I believe because we have restricted it narrowly to those who feel they have an opportunity because of the privileged position they have in society, because it is less threatening, they run for public office and are elected. I think as a result of that, because the range has been too narrow, we have created a gap. I consider it a serious gap between the real community that we purport to represent and the precincts of Parliament itself.

Would it be possible—I do not want to be assertive here—that that is why the process of parliamentary reform has been so retarded, so slow to get moving? Is that why? It may be, I do not know. I do know that if we opened up the opportunity to serve in the House of Commons to other sectors of society, to other walks of life, and those people were able to hold their place during that term, or even seek a second term and then return, those sectors in society would benefit greatly when people came back. They would have experienced Parliamentarians, and I can see that almost all sectors of society would benefit from having the person come back by holding his or her place by way of a leave of absence.

If this practice were followed and if this amendment were accepted and the practice became an example for other sectors of society, imagine how the business community would benefit from having someone return to the community having been a

Member of Parliament. Over the years I have been amazed at how little understanding the business community has of the workings of Parliament and of Government and how much wasted effort there is as it seeks to influence Parliament in one way or another for what that sector deems is good for it. What I say about business would apply to industrial workers, to organized labour and to professional organizations.

I believe that there needs to be a greater linkage between the real community and the parliamentary process. The British have come to recognize this. It is not exactly the granting of a leave of absence by various sectors. It points to the need to establish a linkage between the work of Parliament, the work of Government and the greater community beyond these precincts. I am arguing, Mr. Speaker, that that linkage could be forged if we allowed more people in greater varieties of occupations and callings to come here. There is another way in which it could be done as well.

In 1977 in Great Britain a trust was established known as the Industry and Parliament Trust. This trust offers to Members of Parliament of both Houses and all Parties an opportunity to gain direct experience of business by spending up to five weeks learning firsthand how a business operates, how Government impinges on a business and with what effect, and how labour relates to that company. The aim has been to help legislators to judge better the effect of possible actions by Government and to help them make better choices among alternative ways to pursuing the Government's purposes. You will be interested, Mr. Speaker, that within the first five years of that program, over 125 British Members of Parliament had completed a program with one of the participating companies. The acceptance of the program has been so great that there are now similar programs in Sweden, Norway, Denmark, the Netherlands and France.

If the Hon. Member for Nickel Belt were allowed to have this amendment adopted, he would be following that same basic principle, that is, the linkage, let me call it, between the real world and the parliamentary world, and the parliamentary world would be immeasurably strengthened and improved.

Let me throw in a personal note. I worked for a school board at the time I sought election that was generous enough to do exactly what the Hon. Member for Nickel Belt is proposing. I had not realized what the situation was at the time and it never even occurred to me until after I won the nomination for my Party and then returned to my job for the remaining months before the election and met a dear and delightful colleague, now deceased, who made the comment to me and said: "How can you possibly do what you are doing?" I was puzzled by her question. She said: "You are going out at the end of a limb and you are inviting your fellow citizens to saw off that limb, and then where are you?" Reality then set in. I established contact with the chairman of the school board and inquired about a leave of absence. It was granted, and it was granted on a second occasion in 1972. The curtain was drawn after that, and that was fine. If it can be done in that particular profession, why can we not extend this, first of all, by way of law? If it is established by way of law, then it can be established by way of example to involve and incorporate other members of society in other walks of life.

My Party would like to see this Bill go to committee for further study and analysis and to have other witnesses from the community express views on it.

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I am pleased to have an opportunity to make a contribution to this debate and to outline some of the other viewpoints that might be taken with respect to the question of whether or not one's job should be left open *ad infinitum*—some might say *ad nauseam*—while one serves in this House.

First, I could not agree more with my friend, the Hon. Member for Cochrane-Superior (Mr. Penner) with respect to the gamble, the precariousness of our position and the stress one has when one leaves a job or business or profession to become a Member of this House. We all enjoy our participation here. We all know the demands, and we all know that there are no guarantees. That is a given. I am in complete agreement with those stresses that my colleague outlined.

I want, however, to spend a bit of time dealing with some of the comments of my friend, the Hon. Member for Nickel Belt (Mr. Rodriguez) who made some errors as a result of probably not having access to the library in the basement of the building we share. Let me review for the Chamber the occupations of some of the Members of this House. My friend suggested that most Members of the House were professionals. I think that is in error. The House will be pleased to know that some 40 Members of this Party are either school directors, teachers or professors. The fact that we attract this type of person shows the scope of the Progressive Conservative Party. Approximately 15 per cent of our Members come from that profession and I think that speaks well for the Party. Unfortunately, the Liberal Party has no school directors and only four of its Members are teachers or professors. The NDP has done much better there.

● (1740)

We have talked about the risk of leaving your business to serve in this place. Our Party has 55 Members who are described as businessmen, businesswomen or business executives. The House will be distressed to know that not one Member of the NDP classifies himself or herself as a representative of business. The NDP likes to say that it represents business, but when it comes right down to the hard facts they just do not have anyone from that background. That speaks to the narrowness of their point of view on several occasions. Fortunately we have four accountants in our Party who have come here to serve. We also have administrators. The NDP seems to have a big gap in that profession. In fact, they have none. That speaks to the way they operate. I just wanted to be fair and point that out.

A lot of people would say we are fortunate to have 39 lawyers. My colleague from Simcoe South says we are fortunate that number is coming down and he hopes it will continue

to go down. I would tell my friends across the way that we are also fortunate to have in our Party the only psychiatrist in the House. He told me the other day that he has nothing to do so I suggested we would be pleased to have him assist my friends on the other side. I think all of this is indicative of the experience, background, indeed the diversity our Party brings to the House of Commons. The people of Canada knew when they sent us here in September, 1984, that they wanted a respresentative group of people and we are very fortunate to have such a broad background of experience in our Party. I think it is reflected in the legislation we bring forward.

I know that what I am about to say is not exactly pertinent to the Bill but I want to get it out. During the last two elections in that great democracy to the south only about 53 per cent of the voters got out to the polls. In this country on September 4, 1984, because of the great interest in the election and because the people wanted to send Members with a broad background of experience to the House of Commons, we had a 75 per cent turn-out. That speaks to the fact that we in this country are very aware of the democratic process.

With specific reference to the Bill, what my friend is trying to do is extend the present provisions in the Canada Elections Act which speak specifically to that period of time when one is declaring oneself as a candidate for a nomination, running for the nomination and then running for election. I think we all agree with the provision presently in place. There is no question that every candidate should have the freedom to run for a seat in Parliament without the threat that his or her job would disappear for any reason whatsoever while doing so. We all agree with that because we all know what we went through when we ran for election. The last thing in the world you need is for someone to be saying: "I just moved into your job yesterday; what will you be doing if you do not make it?" No one needs that kind of grief along with all the other things we have to contend with in an election.

The question then becomes whether or not this provision should be extended in an open-ended fashion as my friend suggests so that the job is there forever. I suggest that would be an untenable extension of this provision. I would also suggest that the Canada Elections Act is pretty generous. I pay tribute to those who passed that Act originally, no matter what Party they represented. I think it speaks to democracy in that it allows anyone who wants to the opportunity to contest a nomination and run for a seat in this House. However, should employers be forced to keep that position open while that Member stays in the House of Commons? It could be for 10 or 15 years. Should the employer have to promote people and tell them that there could be a general election next year and if so-and-so does not make it, they will be right back in his job? Should employers have to do that? More important, perhaps, should employees be forced to operate in that iffy situation? They would not know whether the job to which they have been promoted, one in which they are working hard, will be taken back by someone after an election defeat. Perhaps it would not even be a defeat, simply that the Member decided to retire.

I suggest we might bring some criticism down on ourselves if we were to vote such a provision into law. We receive enough criticism as it is concerning our positions as Members of Parliament. Ask yourself if you want to put yourself in the position of guaranteeing that a job stay open and run the risk that criticism will fall on all of us henceforth. I think it would do an injustice to the other employees of a limited number of enterprises to which this provision applies, since they have the right to expect a promotion and advancement on the basis of their service and experience. To have someone else then come back and insert themselves in their career path could be seen as unfair.

I would also suggest that quite reasonable steps have been taken to ease the return of Members of Parliament to a job or professional occupation after we leave here. We all support this. It is not easy to defend yourself in this area because no one likes to talk about how much they make and those kinds of things. However, being politicians our salaries and other benefits are public knowledge. The House will know that after six years of service Members become eligible for a pension. They pay for this pension during their service in the House. It helps to ease the transition to another job or occupation.

Now, I would like to go back to what I said to my friend from Cochrane-Superior. There is no question that there are some risks in the practice of law. My former partners keep telling me: "Lewis, you have changed all the laws on us. The place is confused. The practice of law is not what it used to be". By inference I would have a great deal of difficulty catching up. I know that my client base has gone to other lawyers in my former firm and to other professionals in the City of Orillia. I know that close relationships with business contacts other than clients are gone because, being here five days a week, one cannot maintain that same relationship.

• (1750)

I know that it is not possible to pick up where you left off when practising law. The same applies to so many of the professions or occupations. I say this not only on the basis of keeping the job open, but also on the basis of the individual. How many of us would expect to step back into our previous occupation or profession at the same level of competence and familiarity? I think we would be kidding ourselves if we said we could. I think we all realize that we would lose something. No matter how good we were when we left that position, after five or 10 years here we would be kidding ourselves if we said that we could go back and pick up all the traces without missing a few steps. I think it is unreasonable from that standpoint also.

The Management and Members' Services Committee has recently tabled a report which looks after the same thing as the pension which I referred to is looking after. That is, it suggests that there be a salary paid for a period of six months after a Member ceases to serve in the House. I think that is understandable too. I, personally, would support that as a severance pay which would give one a chance to say: "Yes, I worked hard for my riding right up to the day of the election and then

I set about looking for a job. I did not say that, since an election has been called for some time next year and I have decided to retire, I will start looking for a job right now and let my responsibility to my riding fall down while I look after myself".

I appreciate my colleague bringing this Bill forward so we can have some debate on it. I know he brings it forward on a well-intentioned basis. I can understand why he is doing it. I think that the provision which guarantees every Member an opportunity to run for office is perfect. There is no question but that that should be there. I have a difficulty, however, with forcing that extension to the career of the Member. I have difficulty for the employer and the employee, and I would have difficulty looking anyone in the eye and saying that any Member could step right back into that position and do the type of job that the employer would expect. For that reason, Mr. Speaker, I am speaking against the Bill and will vote against it at such time as it comes to a vote.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I appreciate the opportunity to speak on this Bill. As the House is fully aware, I always enjoy debating with my hon. friend, the Member for Nickel Belt (Mr. Rodriguez). I very rarely agree with him, but we do have some warm exchanges and we will probably have one today. I want to tell him that I understand perfectly why he is bringing this Bill forward. I was in the same position myself, being a provincial civil servant when I decided to seek public office. I won a nomination and got a leave of absence to run in the election, which I won.

Unless it has changed in the intervening seven years, in the provincial legislature there is the possibility of an individual being allowed, for five years, to return to the position, but not to the exact job, which he or she held when they ran for the first time. In other words, they could apply for a job for a period of five years in the category that they were in when they left. Once that five years was up, you are on your own. That basically meant that if you served one term and got defeated within five years, you could apply for a job at that level and would be given first consideration for the first opening that came along. I believe that is the way it is worded, unless it has been changed in the intervening seven years.

This is open-ended. I think the citizens of the country could rightly criticize us for taking care of ourselves forever. I just do not think that that is proper. We do make sacrifices to come into the House. The Hon. Member made reference early in his speech to there being no greater service to a country than to be a Member of Parliament, other than perhaps fighting to defend one's country. I took some exception with that. That is not because I am not proud of being a Member of Parliament, and not because I am not motivated for the job, because I am. I enjoy it very much and I plan to continue with it as long as the people of Brampton-Georgetown desire to have me as their Member of Parliament. However, I thought that that statement was rather arrogant and a rather inflated opinion of oneself.

People who work with the unfortunate in the country, at great sacrifice, are contributing to the country in a very meaningful way, no more and no less than a Member of Parliament. This is one way of serving the country, but there are so many other areas in which people make sacrifices to serve their country or their community, whether here or abroad. Therefore, although I respect very much the position that I hold here, I do not feel that there is no greater service in this country, because there are so many others that serve so well.

If the Member presented a more reasonable Bill which was not so open-ended, it would be worth while taking a very close look at it. However, I am concerned about this type of Bill that guarantees everything. What risk is there in running for Parliament? What sacrifice are you making? With these provisions one could say: "I should not worry about it. I am not serious about running. I can run and will be guaranteed my job. If I serve for 10 years and get a Member's pension I can return to my job and it will be there for me". What about the employer who must have that position available around every election time? That is quite a responsibility to place on an employer. I would not want to ask an employer to keep a position open in that way.

**Mr. Rodriguez:** That's not what I said. You didn't read the Bill. Why don't you read the Bill?

**Mr. McDermid:** Do we do that for the people in the communications industry, for example?

**The Acting Speaker (Mr. Paproski):** I regret that the hour provided for the consideration of Private Members' Business has now expired.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### ENVIRONMENTAL AFFAIRS—NIAGARA RIVER POLLUTION—UNITED STATES CLEAN-UP PROPOSAL. (B) GOVERNMENT POSITION

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, on October 17 last year, Mr. Lee Thomas, the head of the United States Environmental Protection Agency, met with Canada's Environment Minister (Mr. McMillan) to discuss an action plan for the cleaning up of the toxic waste dumps along the Niagara River. The Minister of the Environment would not discuss at the time the contents of the plan with the public or the House, even though the releasing agency, namely, the

United States Environmental Protection Agency, considered this to be a public document. We were told to be patient.

Six weeks later, on November 28, I asked the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) if he could shed any light on the contents of the Niagara Action Plan. Were all sites to be cleaned up? How much money was allocated? What was the schedule for clean-up? Would the waste be destroyed or just contained?

On that day the Parliamentary Secretary said that the proposals for specific clean-up plans were being narrowed down and would be released by the beginning of the year. Now it is the beginning of the year and still nothing has been released. Five million Canadians and some 24 million people, Canadians and Americans, who depend on the water are still no wiser as to the security of their water supply in the future. Why is there this foot dragging? Why will the Minister not practice the open Government so often alluded to by his Party? Therefore, when will the action plan be announced?

At the end of October last year, Occidental Chemicals reached an agreement with New York State and EPA officials to deal with the toxic wastes in the Hyde Park dump. The plan called for Occidental to spend $17 million to contain the chemicals that are buried there. The plan was released for public comment and the Environmental Protection Agency in the United States is receiving comments until February 25 of this year. It will take them into consideration and submit to the judge any alterations to the plan before it is signed as a court order.

It seems to me that this is an opportunity for the Canadian Government to make strong representations to the EPA on the necessary to excavate and destroy rather than to contain, and to comment on the progress of clean-up of all dump sites, not just Hyde Park.

My second question to the Parliamentary Secretary is: Are we taking advantage of this opportunity and, if so, how?

Finally, the St. Clair River is another piece in this toxic chemical jigsaw of the Great Lakes. The gravity and scope of the situation there is not yet fully known but could present the Ontario and Canadian Governments with a problem on the scale of the Niagara toxic dumps in New York State.

• (1805)

According to the "Pollution of the St. Clair River—Situation Report", released by Canada and Ontario in November, 1985, there are 18 deep wells which have been injected with wastes and seven land fills within Lambton County. If it is determined that wastes are leaking from the storage sites just mentioned, the consequences could be grave. It is therefore imperative that the Government make it clear from the outset that the St. Clair River situation will be dealt with in the manner which the Minister of the Environment and others have demanded from the United States in the Niagara area, namely, that toxic wastes must be destroyed. Attempts to contain leaking dump sites are not good enough, because it would be a repetition of the mistakes along the Niagara River.

In conclusion, it seems that the Canadian Government has an opportunity to show leadership in the cleaning up of the St. Clair River. We have to provide this leadership through our own actions, as Liberal Governments have done on so many other environmental issues in the past, and to demonstrate to our American neighbours that we are prepared to do on our side of the border what we are asking them to do on their side.

I have outlined the reasons for my intervention tonight. I would be grateful if the Parliamentary Secretary would kindly answer the questions.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I looked forward to replying to the Hon. Member because, as some people know—not too many—the action carried out by the Ministry during his brief tenure as Minister of the Environment was negligible. He knows full well that the Government has been working extremely hard on trans-border pollution problems, has privided more action and has got more interest in both this country and south of the border than the previous administration. He knows that the Government has made a very strong commitment to address the problem of toxic contaminants in the Niagara River basin. Also he knows of the very rapid, firm action of the Minister of the Environment (Mr. McMillan) on the St. Clair problem. He should be applauding the Government for the action it took, the speed with which it took it, the competence in which it took action and the results of that action. I assure him on behalf of the Minister of the Environment that every precaution will be taken to ensure safety and good water in the Great Lakes by thee Government.

I should like to tell the Hon. Member that there are negotiations and ongoing work right now at a very hectic pace within the Ministry of the Environment with our neighbours to the south. A working document was provided to the Minister of the Environment and to Mr. Thomas of the United States EPA when they met in Ottawa last fall and put together the draft action plan.

I think the Hon. Member understands—I forget how long he was the Minister, but he knows that in order to have a good working agreement and to ensure that we take care of and attack the problem it is necessary to have mechanisms which ensure effective meshing of the various efforts on the Niagara. Of course that would pertain to the St. Clair as well. We are confident that this will be achieved as it is at the core of a comprehensive action plan to reduce the amount of toxic contaminants in the river.

It is the intention of the Minister and Mr. Thomas to have a co-ordinated, four-jurisdiction plan—and we are talking about four jurisdictions now—in accordance with the commitments made last May. We expect to announce the details of the four-party plan in the coming weeks. I assure the Hon. Member that every effort—and we are working very diligently on this—is being made to this end.

In conclusion, I reiterate the Minister's commitment to the reduction of toxic pollution in the Niagara River and Lake

Ontario in order to improve the quality of these waters and, most important, to protect the health of Canadians who use them.

• (1810)

NATIONAL PARKS—WILDLIFE POACHING—HARSHER PENALTIES

**Mr. Gordon Taylor (Bow River):** On Wednesday, December 4, I asked the Hon. Minister of the Environment (Mr. McMillan) what steps he was taking to deal with the problem of poaching in Banff National Park. I have no quarrel with the Minister's reply but the time limitations prevented the whole story being told. The Minister said in part:

> Poaching, especially underground organized poaching, is becoming a serious problem in our national parks right across the country. Dozens of our big game species are being slaughtered, largely by non-Canadians for trophy purposes. For example, a bighorn sheep head will command about $50,000 on the black market. To meet the problem head on, we intend to change the fine, which is now only $500 and as such is not a deterrent but a licence, to $150,000 maximum. And we intend to include six-month jail sentences as a further deterrent.

The majority of trophy hunters are Americans and Europeans. To hunt legally as non-residents they must pay $7,500 to $10,000 for a guided ram hunt in British Columbia, Alberta or the Territories. Since one-half of these hunts are successful, a hunter can reasonably expect to pay $20,000 plus travel expenses before taking a animal. The chances of taking a trophy animal or the ultimate goal, a record trophy animal, are even lower, and thus the real value of a trophy ram to the hunter exceeds $20,000.

The current black market value of a ram's head ranges from $10,000 to $30,000. In such a market the risk of a $500 fine is of little consequence to a determined trophy hunter convinced his chances of taking a trophy animal are significantly higher in a national park. Trophy animals are becoming scarce in more accessible areas where they can be hunted legally.

As an example of what happens, in 1981 an elk was shot in Banff National Park and a bighorn sheep was shot in the Jasper National Park. As a result of a six-month investigation, an international poaching ring was broken and a B.C. guide outfitter was found guilty of poaching wildlife in both parks. His combined fines totalled $5,000 and he served a three-month jail term. He lost his B.C. guide outfitter licence and the right to sell his hunting territory, valued at more than $70,000. The application of the National Parks Act alone would have resulted in only $1,000 in fines.

The American hunter in the above case pleaded guilty in the U.S.A. court to illegally importing an elk head from Banff National Park and two eagles from British Columbia. He faced a maximum fine of $20,000 and five years in jail. He was fined $13,000 and sentenced to 40 days in jail. Canadian arrest warrants remain in effect for charges under the National Parks Act should he ever return, but if he does he will only be faced with a maximum fine of $500. This ring was broken up by our wardens and our RCMP.

In addition, there is an illicit trade going on in wildlife organs and body parts. For instance, the organs and body parts of a grizzly bear are valued in the aphrodisiac, jewellery and charm trade. The hide and skull range in value from $2,000 to $7,000 and claws sell for $50 to $125. Elk antlers are highly praised as an aphrodisiac and velvet antlers sell for $2,000 a pair.

In addition, organized poaching, in association with trophy hunting, is becoming a common practice and criminals are using advanced radio communications, night scopes, telemetry equipment and tranquilizers to increase their chances of success and reduce the chances of being detected. Law enforcement is only one of the several duties of the RCMP and a warden's job and consequently the poachers think they can get away with these trophies.

In addition, in the past decade there have been numerous cases of assault of wardens apprehending poachers. In 1983, two wardens in Riding Mountain National Park were robbed at gun point of their horses and radios by a poacher packing out six hind quarters of elk and moose meat. The poacher was later arrested by the RCMP in Winnipeg and convicted of armed robbery. Increased use of violence may be one negative aspect of higher penalties for poaching. On the other hand, better training, particularly in self defence and better equipment will hopefully counter this trend. The Minister, in increasing the fines and providing a jail term, I believe, is on the right track, and I hope we will be successful in saving the animals in our national parks. I also recommend that the RCMP and wardens be provided with weapons and equipement at least comparable to that used by the criminals and poachers so they can properly deal with this illegal work.

• (1815)

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, when one has the responsibility of speaking during the Late Show, one sometimes is very fortunate in having the opportunity to reply to a comment by the Hon. Member for Bow River (Mr. Taylor), a Member who represents probably one of the most beautiful ridings in all of this great country. It is a riding in which I spend a lot of time in order to enjoy its abundant wildlife.

When we speak of poaching, my heart breaks. This is so for anyone who has experienced the sight of young children seeing animals in the wild for the first time. I can recall my first experience with bighorn sheep. I was so close to them that I could almost touch them. When I hear about poaching I am saddened. I feel badly about it.

Quite frankly, I was amazed to learn the price people can receive for trophy heads. This price ranges between $10,000 and $50,000 on the black market and I understand that the $500 fine of which the Hon. Member spoke has been in place since 1919. An increase in the penalty is long overdue.

I can tell the Hon. Member that people go to a lot of trouble to poach. It takes a lot of work and a lot of planning but it is worthwhile if it pays off in the long run. Why go to the expense and trouble of taking a trophy animal legally when the National Parks present such an inviting alternative? We

intend to provide poachers with a good answer to that question: the prospect of facing a fine of $150,000 and six months behind bars.

As the Hon. Member mentioned, the poaching problem does not stop there. He spoke of the retail prices of red meat, fish and poultry. These prices have made the poaching of meat increasingly attractive. This is particularly true of moose, deer and salmon. The black market value of a moose carcass ranges from $400 to $1,000. Again, a very small fine has been imposed for this kind of poaching. However, we intend to introduce a maximum fine of $2,000 for other offences under the National Parks Act, offences which include the poaching of meat.

Creating a deterrent is only part of the solution to the problem. There are currently 250 wardens in the system. That may sound like a lot of wardens but they have to enforce 140,000 square kilometres of parkland and they must cope with the highly organized poaching activities, the more sophisticated poaching techniques and the increased use of violence by individuals that are apprehended. Clearly, we cannot rely on the patrols and surveillance operations of the wardens to keep pace with poaching. We must have better equipment, better training and inter-agency co-operation between wardens and the police. As well, I think we as individuals who use the parks have a responsibility to report any undue activities we see occurring in the parks in order to help those who are trying to protect nature at its finest.

## ENERGY—REFINING CAPACITY IN QUEBEC—GOVERNMENT POSITION. (B) REQUEST FOR COMBINES INVESTIGATION

**Mr. Dan Heap (Spadina):** Mr. Speaker, last week during Question Period, I asked the Prime Minister (Mr. Mulroney) how he plans to protect the Montreal jobs and the oil consumption prices of Quebec consumers from the consequences of the shutdown of the Gulf refinery which was permitted by the Government, throwing hundreds of people out of work and creating a daily deficit of 50,000 barrels a day of refined products in Quebec. He gave no serious answer to the question. I asked again specifically whether he would take action under the Canadian Combines Investigation Act. His response was quite evasive. That is just not good enough.

● (1820)

To review the main facts briefly, Ultramar bought the Gulf refinery and closed it. It is the fourth refinery in recent years to be closed in the east end of Montreal. The policy of this Government continued the policy of the previous Government in allowing the refining capacity of Quebec to be reduced so that now there are only three refineries left. There are a total of 1,700 men and women out of work and Quebec lacks 50,000 barrels a day in its capacity to refine petroleum products. It is very clear that with the Government's knowledge and foresight Ultramar bought the Gulf refinery for the purpose of closing it and keeping it closed. It refused to resell it to Gaz Metropolitain which would sell refined petroleum products in Quebec.

While Investment Canada was studying the sale, Ultramar publicly threatened the Government of Canada that if the federal Government took action to keep the refinery open Ultramar would close its Quebec City refinery. Shell made the same threat regarding the closing of its own Montreal refinery. In other words, they blackmailed the Government into shutting down and helping them to keep the Gulf refinery closed for the use of the Quebec people. The Government bowed to their threats.

Now the three refineries which have been operating at three-quarters capacity will be able to operate at maximum capacity. Of course, they will have a great increase in profits. They will be able to squeeze the small retailers, the independent retailers, out of business. According to what we learned from the O'Farrell Report, as it has been leaked under the Combines Investigation Act, this will mean price gouging against the people of Quebec. There will be a monopolization of prices, or a cartelization of prices, that forces them up. However, the mysterious thing is that the O'Farrell Report does not make clear whether it is investigating the particular practices of Shell and Ultramar.

Today, the Hon. Member for Yorkton-Melville (Mr. Nystrom) asked the Minister of Consumer and Corporate Affairs (Mr. Côté) whether the O'Farrell investigation which is continuing will go into the practices of Shell and Ultramar. The Minister refused to give an answer. He would not say yes or no as a fact. Instead, he dodged, making the excuse that he cannot interfere with the work of the investigator. He was not asked to interfere; he was asked simply for a statement of fact which he studiously avoided giving.

Is he afraid to tell the truth? Is it intended by this Government that the O'Farrell investigation, under the Combines Investigation Act, will go in there with its eyes closed so that it will not see any facts embarassing to this Government? Mr. Speaker, we need a much more thorough investigation than it seems this Government yet wants.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, over the last several weeks there have been numerous questions raised about the closure of the Gulf refinery in Montreal east and the emergence of somewhat conflicting data, from a number of sources, relating to the impact this closure would have on refining capacity in Quebec.

The closure of the Montreal refinery brings to 13 the number of Canadian refineries closed since 1976—four of them in Montreal—as a direct result of the dramatically reduced demand for oil products in the country; I might say not only in this country but around the world. I met with 21 Energy Ministers last summer and they all talked about the rationalization of energy in their particular areas. Quebec has done a magnificent job of reducing its dependency on oil. It has reduced its oil share for energy use within the province from some 63 per cent down to 45 per cent in six years. The Quebec Government's goal is 40 per cent by 1990 and it will probably reach that goal. There is a dramatically reduced demand.

● (1825)

The capacity of the remaining three Quebec refineries is approximately equal to the 1985 Quebec demand. Moreover, demand in Quebec for petroleum products is projected to decline over the next few years, as I have said. Any requirement for temporary additional supply could be met by other means: exchanges, inventory drawdown, product imports from offshore or other provinces.

Furthermore, there is no reason that a particular region or province must be self-sufficient in petroleum products. Other provinces, such as P.E.I., Newfoundland, Manitoba, and certain regions in the United States—New York with a population of 15 million people—do not have refineries and rely completely on supplies from external sources.

The Minister of Energy, Mines and Resources (Miss Carney) remains firm in the view that current and future petroleum product supply projections for Quebec are accurate. But, as with any economic analysis, there will be differences.

When initially responding to this question in the House, the Prime Minister (Mr. Mulroney) stressed that the Government of Canada is committed to protecting the interests of Quebec consumers at all times. I want to reiterate that commitment. However, I would also like to impress upon the Hon. Member that no shortage exists.

Furthermore, the Hon. Member can be assured that with reduced petroleum product demand in Quebec, and Quebec's improved access under deregulation to competitively priced offshore product imports, the province is well supplied now and for the foreseeable future. In addition, the deregulation of natural gas and the abundance of electricity in the province of Quebec ensure that Quebec's energy future is secure.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

# HOUSE OF COMMONS

**Wednesday, January 22, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

### FEDERAL-PROVINCIAL RELATIONS

GOVERNMENT ATTITUDE TOWARDS ATLANTIC PROVINCES

**Mr. Fernand Robichaud (Westmorland-Kent):** In 1985, Mr. Speaker, the Conservative Government left the Atlantic Provinces to fend for themselves. This region was not a priority, and the economic policies of this Government did not include the development of the eastern provinces.

Quite recently the Minister of State for Forestry (Mr. Merrithew) bragged about a $30 million New Brunswick development agreement. In 1975, under the previous federal-provincial agreement with New Brunswick, the province received a $30.2 million grant. Not only did New Brunswick not rate an increase in ten years, it even incurred a loss. A comparison with another Canadian province reveals that it received $350 million under a 1985 federal-provincial agreement, or 200 per cent more than it did as a result of the 1975 agreement.

Mr. Speaker, how is it that certain Canadian provinces get 200 per cent more while New Brunswick has to make do with less money? In my opinion, New Brunswick deserved and still deserves a comparable increase. It goes to show that the Government is not overly concerned about the Atlantic Provinces, Mr. Speaker, a sure sign of the fact that New Brunswick's Cabinet representation is very weak and definitely insufficient.

* * *

[*English*]

### ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF SEXUAL HARASSMENT OF WOMEN MEMBERS

**Ms. Margaret Mitchell (Vancouver East):** Last weekend six policewomen anonymously told a Vancouver newspaper about sexual harassment they face within the RCMP. Their stories of propositions and crude jokes shed light on the shocking resignation rate of women officers, which is five times higher than that of their male counterparts. If this reflects macho attitudes within the RCMP, does it also reflect macho attitudes in the day-to-day performance of police duties?

• (1405)

Our 1982 report to Parliament on wife battering recommended special training of police officers to deal more effectively with wife battering and it called for affirmative action to hire more female officers. RCMP officers must be non-sexist and sensitive to women if they are to intervene effectively in situations involving domestic violence and sexual abuse of children.

If women are being driven out of the force by intimidation and macho attitudes of senior officers, that is intolerable. It is not enough that the Solicitor General (Mr. Beatty) has asked for an internal investigation into these complaints. He should ensure that this investigation is objective and that former women officers are interviewed about their reasons for leaving the force. Experienced officers as well as new recruits should receive sensitivity training, with emphasis on women's rights as recommended by the 1982 report. Women should be encouraged to lodge complaints and have fair grievance procedures with no fear of recrimination.

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

* * *

### HISTORIC EVENTS

ANNIVERSARY OF UKRAINE INDEPENDENCE

**Mr. Andrew Witer (Parkdale-High Park):** Mr. Speaker, on January 22, 1918, Ukraine became a sovereign and independent democratic nation. Two days after the proclamation of independence, the Central Rada in Kiev passed a law establishing national and personal autonomy for minority groups—it was a first in modern history.

On January 22, 1919, Ukraine proclaimed the reunification of western and eastern territories into one Ukrainian state. After hundreds of years of injustice under foreign rule, Ukraine, at long last, entered the Commonwealth of Nations and took her rightful place as an equal.

Ukraine's freedom was short-lived, however. After four short years, her people were once again subjugated under the dominant Russian state led by a repressive Communist regime. When at times we take for granted the liberties we enjoy in Canada, we need only recall the adversity and strife suffered by Ukraine to appreciate our good fortune as Canadians.

It was the promise of freedom and justice that brought Ukrainians to Canada. It is the fulfillment of this promise that makes them proud to be Canadians. Let us join with them in

marking this day as one of special significance for all who value freedom and the pursuit of liberty and justice.

* * *

[*Translation*]

## AGRICULTURE

### NEW DAIRY POLICY

**Mr. Jean-Guy Guibault (Drummond):** Mr. Speaker, I would like to tell Canadian milk producers about our Government's commitment concerning the new long-term dairy policy. Under that policy, Canada's industrial milk producers will receive close to $300 million in financial assistance over the next five years.

Lasting stability in the dairy sector will be the result of this policy, and consumers will be able to expect affordable prices and quality dairy products.

The latest statistics indicate that revenues from industrial milk production in Canada amount to $3.2 billion and that more than 40,000 farmers earn their living in the dairy industry. The Government of Canada will continue to pay a $6.03 grant for each hectolitre of industrial milk produced for domestic market consumption and the special export program.

At the trade level we are taking measures to limit Canadian imports of powdered milk, and we will make every effort to restore a better trade balance in cheese products during the forthcoming GATT negotiations. Since 1980, milk producers have been asking the federal Government for long-term guarantees. On behalf of the Government of Canada—

**Mr. Speaker:** I regret to inform the Hon. Member that his allotted time has expired.

* * *

[*English*]

## HUMAN RIGHTS

### LEGACY OF MARTIN LUTHER KING

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, this week Americans and people throughout the world honoured the memory of Dr. Martin Luther King, Jr. From the Montgomery bus boycott in 1955 to the Memphis garbage strike in April, 1968, King galvanized an entire generation into action on civil rights. Interweaving his Christian beliefs with Gandhian tactics of civil disobedience, Martin Luther King challenged the doctrine of separate but equal, in every aspect of American life, from white and black drinking fountains to segregated education.

The dream of racial equality and social justice for which King died is a dream all of humanity must embrace. As King wrote in his famous letter from Birmingham: "Injustice anywhere is a threat to justice everywhere". King's agenda for change and equality remains an unfinished dream in America, in Canada, and throughout the world. It is a dream all of us must continue to pursue.

* * *

● (1410)

## AGRICULTURE

### ANNOUNCEMENT OF FIVE-YEAR DAIRY POLICY

**Mr. Bruce Halliday (Oxford):** Mr. Speaker, today, in Winnipeg, while speaking to the annual meeting of the Dairy Farmers of Canada, the Minister of Agriculture (Mr. Wise) gave the dairy farmers of our country something they have wanted since 1980. He gave them the commitment of the federal Government to a long-term dairy policy. Dairy Farmers in my riding of Oxford, and in every region of Canada, have waited a long time for a five-year Government commitment. At last, with this Government, they have it.

The new policy represents a federal contribution of nearly $300 million for Canadian industrial milk producers in each—I repeat, in each—of the next five years. Supply management, which has worked so well for dairy farmers, will continue to be a basic element of the policy.

The federal Government will continue to provide a subsidy of $6.03 per hectolitre of industrial milk. There are changes in butter marketing costs also. Measures will be taken to improve Canada's balance of trade in cheeses and to curb imports of so-called dry blends.

This Government has acted on nearly every point in the 16-point agriculture policy which we announced during the last election. Today, with the new dairy policy, we are delivering on another promise. Clearly, the farmers of Canada are, and will continue to be, a high priority with this Government.

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## INCOME TAX ACT

### WORDING USED TO DEFINE INCOME

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, Section 4 of the Income Tax Act describing how to calculate one's income reads as follows:

(*a*) a taxpayer's income or loss for a taxation year from an office, employment, business, property or other source, or from sources in a particular place, is the taxpayer's income or loss, as the case may be, computed in accordance with this Act on the assumption that he had during the taxation year no income or loss except from that source or no income or loss except from those sources, as the case may be, and was allowed no deductions in computing his income for the taxation year except such deductions as may reasonably be regarded as wholly applicable to that source or to those—

**Mr. Blackburn (Brant):** That's very clear.

**Mr. Riis:**

—sources, as the case may be, and except such part of any other deductions as may reasonably be regarded as applicable thereto; and

(*b*) where the business carried on by a taxpayer or the duties of the office or employment performed by him was carried on or were performed, as the case

may be, partly in one place and partly in another place, the taxpayer's income or loss for the taxation year from the business carried on by him or the duties performed by him in a particular place is the taxpayer's income or loss, as the case may be, computed in accordance with this Act on the assumption that he had during the taxation year no income or loss except from the part of the business that was carried on in that particular place or no income or loss except from the part of those duties that were performed in that particular place, as the case may be, and was allowed no deductions in computing his income for the taxation year except such deductions as may reasonably be regarded as wholly applicable to that part of the business or to those duties—

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

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## HOUSE OF COMMONS

### MEMBER'S ROLE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, today I would like to share a few thoughts on the role of the Member of Parliament, whom I would define above all as an ambassador sent by his constituents to legislate on their behalf in Ottawa.

Basically, a Member fulfils his role as a legislator when he votes for or against a Bill before you, Mr. Speaker, here in this House.

A Member who speaks out frankly in defence of a principle and who has the courage of his convictions, will make his sincerity and intellectual honesty official by coming to the House to vote. A Member who, in the course of the legislative process, has organized or taken part in petitions and demonstrations would be repudiating his previous actions if he abstained from voting on that legislation.

Mr. Speaker, on January 20, 1986, the House voted on the Family Allowances Bill. The Hon. Member from Montreal-Sainte-Marie (Mr. Malépart) did not vote for or against the Bill. Mr. Speaker, he was absent—

[*English*]

**Mr. Speaker:** Order, please. I cannot permit such comments. The Hon. Member for Hamilton East (Ms. Copps).

* * *

## COINAGE

### OLYMPIC COINS—DEPICTION OF FEMALE ATHLETES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, as we enter 1986 no doubt Albertans, and all Canadians, are looking forward to increased public involvement in preparation for the Winter Olympics two years hence. As a country, and a Government, we will be sending a message to the world about our customs, our values, and our way of life. One of the most tangible ways of supporting our teams is through the purchase of Olympic coins.



Imagine the surprise of one potential purchaser when she wrote for the coin issue and saw another example of the Government's attidue toward women.

Of the ten specially issued coins, only two include female athletes, one of those paired with a male skater. This Government has talked loud and long about equality. Once again we see the reinforcement of the notion that only our men can compete on the world-class level, and only their athletic endeavours are worth minting for posterity and maternity. It is time we became equal partners on the ski slopes and in the skeet shoots. In the same way, we should become equal partners in the economy, earning 100 cents for every dollar earned by men.

• (1415)

I ask the Master of the Mint, and the Prime Minister of the country (Mr. Mulroney), to revoke the Olympic coin proposal and ensure equal status for world-class men and women athletes so that the world may know in Canada we not only talk equality, we deliver.

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# ORAL QUESTION PERIOD

[*Translation*]

## ENERGY

### GASOLINE PRICES HIGHER IN MONTREAL THAN IN BOSTON

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is directed to the Prime Minister. Last March, the Minister promised five times here in the House that Canadian car owners would soon be paying less for gas. Ten months later, her statements fail to stand up against the facts. My question is as follows: Why should people in Montreal pay sixty cents per litre for gas when people in Boston pay only forty cents?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member, as a former Minister of Finance, knows there are different levels of taxation in different provinces. He is comparing apples and oranges in terms of the different tax regimes in different provinces. Yes, the province of Alberta does not levy a road tax. However, the province of Quebec has a higher tax level than any of the other provinces. Surely the Hon. Member, with his rudimentary understanding of arithmetic, would understand that.

**Mr. Turner (Vancouver Quadra):** The Minister has hit the point when he zeros in on taxes because what has happened in the last 12 months under this Government is that the federal taxes on gasoline have been raised 58 per cent and they have

been raised zero per cent in the United States. That is the big difference.

COMPARISON OF CANADIAN AND UNITED STATES PRICES

**Right Hon. John N. Turner (Leader of the Opposition):** Would the Minister of Finance explain, in the absence of his colleague, why it costs $10.84 cents more to fill up a mid-sized Chrysler at a gas station five blocks from Parliament Hill than it costs to fill up the same type of automobile five blocks from the White House?

**Hon. Michael Wilson (Minister of Finance):** I will explain it very clearly, Mr. Speaker.

**An Hon. Member:** The Americans didn't have a Liberal Government.

**Mr. Wilson (Etobicoke Centre):** On September 4, 1984, we were presented with a $38 billion deficit which was growing and growing very quickly. There were a number of elements we took into account in dealing with that problem. One was the most substantial drop in Government spending which any Government has brought in in the history of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** A very large proportion of our policies towards that have been on the spending side, part of which has been in excise taxes. That has had some impact on the price of gasoline. However, let me also add—

**Mr. Speaker:** Order, please. Supplementary question.

**Mr. Gauthier:** We asked a short question; we want a short answer.

FEDERAL TAX

**Right Hon. John N. Turner (Leader of the Opposition):** The Minister of Finance, of course, neglects to remind the House that his colleague, when she signed the so-called Western Accord, promised Canadians that gas prices in this country would go down as oil prices went down, and that has not happened. Why do Canadian motorists pay $5 more federal tax when they fill up a tank than does an American motorist?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member refers to what my colleague, the Minister of Energy, Mines and Resources said. At the time the regulation was changed on June 1 of this past year, there was going to be a new regime which would allow market forces to operate, and they are operating—

**An Hon. Member:** Sure, they are.

**Mr. Wilson (Etobicoke Centre):** There is going to be a significant drop, as the Minister of Energy, Mines and Resources said yesterday, as the drop in the international price works through the system. I would think that the Leader of the Opposition would be congratulating us for having the foresight to bring in this policy which will lead to a reduction in gasoline prices.

• (1420)

REQUEST FOR TAX ROLLBACK

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, it is quite clear to the Minister that market forces are not working. World prices are going down and our prices are going up. That is the reality. In Newfoundland today we are paying a minimum of 63 cents a litre for gasoline. That is because federal taxes have gone up 58 per cent in the last 12 months.

**Mr. Crosbie:** Nonsense.

**Mr. Rompkey:** The Canadian Automobile Association said that tax is unfair, discriminatory, and a rip-off. Will the Minister roll back those taxes and stop that rip-off of discriminatory taxation?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, Canadians are not dumb. During 1980 to 1984 they saw gasoline prices rise more than in any four-year period probably in the history of the country.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** It was the result of the National Energy Program, plus intense regulation, which squeezed out market influences in that particular industry. If the Hon. Member wants to go back and read what the NEP said, it called for a price of gasoline which, had we kept the NEP, would have been quite a bit higher than we have even today.

REQUEST FOR MINISTERIAL ACTION

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, I am talking about the last 12 months where there was a 58 per cent increase in taxes. That was not to pay for the NEP; it was to pay for the capital gains exemption and the bail-out of the banks.

**Some Hon. Members:** Oh, oh!

**Mr. Rompkey:** There are parts of this country where a car is a necessity, not a luxury.

**Mr. Speaker:** Order, please. Just a question, please.

**Mr. Rompkey:** Will the Minister stop this discriminatory taxation and stop syphoning money out of the pockets of Canadian motorists?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, maybe the Hon. Member from Newfoundland is forgetting one thing which has happened this past year, that is, the Newfoundland Accord. If he wants—

**Mr. Rompkey:** How about a consumers' accord?

**Mr. Wilson (Etobicoke Centre):** I think what the people in Newfoundland want are jobs. It is jobs that will be created by the Newfoundland Accord, jobs will be created by the development of that resource, and jobs will be created by the policies of this Government which brought in the Newfoundland Accord, and which will bring the Hibernia oil field onstream.

REQUEST THAT GOVERNMENT INSTRUCT PETRO-CANADA TO REDUCE PRICES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, in the absence of the Minister of Energy my question is also directed to the Minister of Finance. Yesterday his colleague said it will take months for Canadians to experience lower prices for gas which the Americans are now taking for granted. This delay is costing Canadian consumers $8.5 million a day.

My question is this. Petro-Canada was created not to act like Shell, Gulf and Esso simply to maximize its profits. It was created to act in the consumers' interest as well. Will the Government use the authority it has and instruct Petro-Canada to bring down its prices now?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, deregulation, which was brought in by the Minister of Energy six or seven months ago, is designed to take advantage—

**Mr. Marchi:** Where did she go?

**An Hon. Member:** Oh, shut up.

**Mr. Speaker:** Order.

**Mr. Wilson (Etobicoke Centre):** There is a cheap shot from the cheap seats in the back row.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Hon. Member for York West, order, please.

**Some Hon. Members:** Go ahead, Mike.

**Mr. Speaker:** Supplementary question.

CABINET'S AUTHORITY

**Hon. Edward Broadbent (Oshawa):** The Minister chooses not to answer the first question. I will put another, but related, question to him. Section 7(2) of the Act set up to create Petro-Canada gives Cabinet the authority to instruct Petro-Canada how to behave. Therefore, will the Minister of Finance tell the House why Petro-Canada was instructed to maximize its profits instead of acting in consumer interests as well? Will he use that same authority in the Act to tell Petro-Canada to start acting in consumer interests and reduce its prices now?

• (1425)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, Petro-Canada was taking $300 million to $400 million a year from the federal Treasury and we thought that was an excessive amount of money for that company to take. We told it to act as a commercial organization and that is what it is doing now.

I have been hearing from some of my constituents, and maybe the Hon. Member has been hearing the same thing from his constituents, that Petro-Canada is undercutting some of the oil companies in market pricing. Therefore, in some cases Petro-Canada is bringing the prices down, and I think the Hon. Member should be pleased with that.

[*Translation*]

REQUEST FOR EXPLANATION OF PETRO-CANADA ACTIVITIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary is directed to the same Minister, who knows perfectly well that Government instructions were the exact opposite. I want to ask the Minister why the Government asked Petro-Canada to model its activities on those of the multinationals in Canada instead of making decisions in the interests of Canadian consumers.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think the Hon. Member heard the answer to the first question. I will answer it again for his benefit.

**Mr. Broadbent:** I heard it.

**Mr. Wilson (Etobicoke Centre):** I indicated that I have heard from a number of constituents that Petro-Canada has been undercutting the market and leading the price wars. Surely the Hon. Member should be pleased when that sort of activity takes place.

* * *

## TRADE

WATER RESOURCES—ALLEGED STATEMENT BY CANADIAN NEGOTIATOR

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Secretary of State for External Affairs. Mr. Simon Reisman, our chief negotiator with the United States, issued a statement to a *Vancouver Sun* reporter on Monday in which he once again reiterated his support for fresh water exports to the United States. In the statement he said: "I believed in it then, I believe in it now".

Why is Mr. Reisman still issuing public statements of this kind on such a very sensitive issue, knowing the important consequences it has for the discussions with the United States? Does he not believe that it seriously impairs the credibility of Mr. Reisman's role in negotiating a new trade agreement with the Americans?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I am assured by Mr. Reisman's office that no such statement was issued.

REQUEST THAT MINISTER MAKE INQUIRIES

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I am assured by the *Vancouver Sun* reporter who had the statement—

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** Mr. Speaker, I know the Government side has no belief in the veracity of the press, but this reporter said that Mr. Reisman's office issued a statement in which Mr. Reisman reiterated his point of view—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please! I appreciate the Hon. Member's concern. What is his question?

**Mr. Axworthy:** Mr. Speaker, will the Minister determine, from independent sources and not from Mr. Reisman himself, whether Mr. Reisman did in fact make that statement? Will he examine the question of whether continued statements of this kind seriously impair the credibility of Mr. Reisman as a negotiator?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I will ask Tom Axworthy.

**Mr. Axworthy:** There's a stupid answer.

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## PETRO-CANADA

PRICE OF GASOLINE—ROLE OF CORPORATION

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I have a question for the Minister of Finance, who today has obviously succeeded in hiding the Minister of Energy, which is no mean feat.

**Some Hon. Members:** Shame! Shame!

**Mr. Speaker:** Order, please!

**Some Hon. Members:** Shame!

**Mr. Hnatyshyn:** You ought to be ashamed of yourself.

**Mr. Speaker:** Order, please!

**Mr. Blaikie:** It's no worse than what the Prime Minister said about Malépart.

**Mr. Speaker:** Order, please. Will the Hon. Member for Vancouver-Kingsway just ask a question, please.

**Mr. Waddell:** Is the Minister of Finance aware that Petro-Canada has in fact recently tried to stop stations from undercutting prices? Is the Minister aware that as recently as December the Director of Combines pointed out that Petro-Canada has not been acting on behalf of consumers, but has been acting passively like the other oil companies? Why will he not accept these kinds of reports and direct Petro-Canada—

• (1430)

**Mr. Speaker:** Order. This is the third question.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, not being the Minister of Energy, Mines and Resources, I am not aware of that particular report. If he would like to send it to me I will look at it.

MINISTER'S POSITION

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker—

**An Hon. Member:** Stand up.

**Mr. Waddell:** —given that the real issue is to force the oil companies to follow declining world oil prices, as I think the Minister would agree, is he prepared to accept the principle that Petro-Canada must be instructed to do this on behalf of the consumers of Canada who are saying "Enough is enough"? Is he prepared to instruct Petro-Canada to take that lead and in fact make the major oil companies start to reduce prices?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think Petro-Canada has been aggressively trying to expand its market-place in the last little while. I believe it is in its own interest to do what the Hon. Member is asking for. We do not have to instruct Petro-Canada. It has been doing that itself, as I indicated to his Leader in answer to the same question that his Leader put to me twice.

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## FISHERIES

ISSUANCE OF CLAM FISHERY LICENCE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Will the Minister explain why a four-month test licence for a clam fishery was issued to Mother Snow's Fine Foods Ltd. when the vessels it needs may only be available for a two or three week period in April, and may not even be available at all? Why was this licence issued when Mother Snow's may not even have the vessels with which to conduct the test fishery?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the Hon. Member is speaking hypothetically. In fact there is a tremendous economic opportunity and employment potential in developing clam resources off the coast of Nova Scotia and several licences are to be approved to that end.

LETTER ALLEGEDLY SENT FROM MINISTER'S OFFICE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, if this is an economic opportunity, why did Mr. David Wegenast of the Minister's office send a letter to Mr. Robert Van Eyk, President of Mother Snow's, telling him the licence had been approved, thanks to the intervention of the Member for Cumberland-Colchester and the Member for Cape Breton Highlands-Canso?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the facts presented by the Hon. Member are untrue.

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## TRADE

WATER RESOURCES—POSITION OF CANADIAN NEGOTIATOR

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. The Minister made it clear in the House some time ago that the export of Canadian water was not a subject of the free trade negotiations. It is clear that Mr. Reisman has been musing about his favourite subject again. Will he tell Mr. Reisman to either shut up about water exports or resign?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, to repeat to the New Democratic Party what I have said to their representative in the Liberal Party—

**Some Hon. Members:** Hear, hear!

**Mr. Clark (Yellowhead):** —I am advised by Mr. Reisman's office that no statement on that matter has been issued by Mr. Reisman since his appointment as chief negotiator. I and the Minister of the Environment, and others, have made it very clear that we regard the water question as separate from the possibility of negotiations on trade matters with the United States.

GRAND CANAL PROJECT

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, my supplementary question is directed to the Prime Minister. Could he indicate whether he has given up his early enthusiasm for the Grand Canal project and, if so, could he tell the House why we keep paying Mr. Reisman a thousand dollars a day to talk about something which the Government says should not be discussed any more?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Hon. Member is reaching back to statements that were made by Members in the House or persons in the Public Service before they assumed their present responsibilities. I remember, to my great regret, when he used to be a Progressive Conservative.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Saint-Léonard-Anjou.

**Mr. Blaikie:** Privilege, Mr. Speaker. I have been slandered.

* * *

[*Translation*]

## INSURANCE

DIFFICULTIES FACED BY SMALL BUSINESSES IN SECURING LIABILITY COVERAGE

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is directed to the Minister of State for Small Businesses.

Most small businesses are now—

[*English*]

**Mr. Speaker:** Order, please. Perhaps the House will let the Hon. Member have his question heard.

[*Translation*]

**Mr. Gagliano:** Thank you, Mr. Speaker. Most small businesses are in a crisis situation due to a lack of liability insurance.

The Minister of State for Small Businesses has not made a single announcement or statement to the effect that he is going to help small businesses. I am now giving you a chance to explain your position.

Are you going to help small businesses?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, I welcome this opportunity to answer questions I do not often get from my hon. colleague.

Yesterday and the day before, the Minister of State for Finance answered your questions. She gave clear answers and we discussed them together. And the answers she gave you were entirely to the point.

MINISTER'S POSITION

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, since the Minister does not have an answer, I will direct my question to the Minister of State for Finance.

[*English*]

You said in the House on Monday that there is no guarantee for insurance. Will you explain to the House how you could pay over a billion dollars to uninsured depositors in the bank fiasco when you cannot ensure insurance for small business?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, as usual the Hon. Member has his facts wrong. I said that life has no guarantees.

I have been meeting with the industry this week. Throughout the past two weeks we have adopted a very important role in this area and we are developing a long-term policy. We have rolled up our sleeves and helped people because we recognize that the whole purpose of having insurance is to help consumers and small businesses. We have met with small businesses and the industry. We are banging heads in order to get a solution to this problem on behalf of small businesses and consumers.

* * *

## AUTOMOTIVE INDUSTRY

### CHRYSLER CORPORATION'S CAPITAL INVESTMENT PLAN

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Chrysler Corporation has announced a $12 billion capital investment plan, including $3.9 billion in the first year, none of which is going to be invested in Canada. Will the Minister initiate discussions with Chrysler to ensure that Canada will not be the odd one out and there will, in fact, be a fair share of that investment in Canada for the production of jobs and cars here?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, let me assure the House that it is not a question of initiating discussions. We have had discussions with the Chrysler Corporation, including with Mr. Iacocca himself. I can assure you that their attitude with respect to possible investment in Canada is very positive.

**Mr. McCurdy:** That is encouraging.

### WINDSOR ENGINE PLANT

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, in pursuing these discussions I hope the Minister will ensure that the idle engine plant in Windsor, with its one thousand workers, will resume production in Canada in the future, rather than continue the circumstances in which hundreds of thousands of engines are being imported into Canada from Japan, Mexico, and the United States.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I will clearly take the Hon. Member's comments as a representation. Let me assure him that the Canadian automobile industry is doing very well at the present time and it is the Government's intention to ensure that its viability and prosperity will continue for many years to come.

## TRANSPORTATION OF DANGEROUS GOODS

### PCB LEAK AT DIGBY, NOVA SCOTIA

**Mr. Gerald Comeau (South West Nova):** Mr. Speaker, my question is directed to the Minister of Transport. I have learned this moring that there may be another PCB leak at the CP Express yard in Digby, Nova Scotia. Will the Minister inform the House what action the Government is taking in order to ensure the safety of my constituents?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I was informed of the incident to which the Hon. Member has referred. My understanding is that there were some 12 transformers being transported by the Nova Scotia Power Corporation, one of which appears to be leaking. The dangerous goods representative from Transport Canada is *en route* to inspect this accident. As well, the provincial Department of the Environment officials and officials from Nova Scotia Power Corporation are on their way to take samples and determine the percentage level of PCBs.

* * *

• (1440)

## ROYAL CANADIAN MOUNTED POLICE

### ALLEGED SEXUAL HARASSMENT OF WOMEN MEMBERS

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, yesterday I asked the Solicitor General to initiate an independent investigation into allegations of sexual harassment and sexual discrimination in the RCMP. The Solicitor General refused.

Therefore I, on behalf of the Liberal Party, had no alternative but to file an official third party complaint under the Human Rights Act.

Will the Solicitor General co-operate and facilitate this independent investigation by the Human Rights Commission into the very serious allegations of sexual harassment in the RCMP?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I was waiting with interest to see whether the Hon. Member would have the nerve to raise the issue again today in light of his behaviour yesterday.

The House will recall that yesterday the Hon. Member, quite improperly in the House of Commons, used the name of one constable and alleged that she was alleging that she was a victim of sexual harassment.

Unlike the Hon. Member, I have had a chance to speak to that individual who is a well respected member of the Force, who certainly did not give her consent to be used in this way by the Liberal Party.

**Some Hon. Members:** Shame!

**Mr. Beatty:** I want to indicate, and the Hon. Member is free to talk to this constable if he would like to, that the constable

told me today that she has certainly not been a victim of sexual harassment.

I would like to ask the Hon. Member for York South-Weston and the Hon. Member for Hamilton East to withdraw the false allegations they made yesterday.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. A supplementary question. Just a question. The Hon. Member for Hamilton East.

COMMITTEE REPORT

**Ms. Sheila Copps (Hamilton East):** First of all, it is impossible—

**Mr. Mazankowski:** Question.

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** —to withdraw the contents of a document that was tabled before the equality sub-committee and an all-Party committee of this House—

**Mr. Speaker:** Order, please. I appreciate the Hon. Member's dilemma, but just a supplementary question now.

**Ms. Copps:** If the Minister does not choose to believe that letter—

**Some Hon. Members:** Question.

**Ms. Copps:** —which was appended to the report, does he believe a second letter from Constable E. D. Genoway, number 33724, who states:

That female officers problems centred on a theme termed Women Not Wanted. Several pressures are listed, negative comments about women, etc. I have often heard such comments just as I have heard—

**Mr. Clark (Yellowhead):** Question.

**Ms. Copps:**

—derogatory comments about French Canadian members, natives—

**An Hon. Member:** Racist.

**Mr. Andre:** Speech. This is debate.

**Mr. Speaker:** Order, please. The Member has asked a long question now.

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I find it curious that the Hon. Member would raise the issue now. I have had a chance to read the committee report. This report was made by divisional staff representatives. The Hon. Member was there at the time that was done and she did not feel it was sufficiently important even to ask a question.

**Ms. Copps:** I wasn't there.

**Mr. Beatty:** According to the minutes, she was Mr. Speaker.

**Mr. Rossi:** She wasn't even there.



**Ms. Copps:** I wasn't there. Get your facts straight, Boy Wonder.

**Mr. Speaker:** Order, order. Order, please.

**Mr. Beatty:** Mr. Speaker, if the vice-president of the student council would let me finish, I would like to complete my answer.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. This should stop on both sides. Next question. The Hon. Member for Ottawa Centre.

* * *

[*Translation*]

## INDUSTRY

REQUEST FOR COMMITTEE REFERRAL OF POSSIBLE SALE OF CANADAIR

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Prime Minister and concerns Canadair. The Minister of Regional Industrial Expansion has refused to consider our requests for parliamentary consideration of the sale of Canadair because, according to him, it is a hypothetical question. Today, I read in the *Toronto Star* that the Government is now examining six offers for Canadair. Since these are concrete offers and since a decision has been made to sell Canadair, why can't the Government make a concrete decision to put the sale of Canadair before a parliamentary committee?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, once again let me try to convey the facts to the Hon. Member.

**Mr. Broadbent:** That will be a change.

**Mr. Stevens:** We have no offer in hand from a would-be buyer with respect to part or all of Canadair. We have nothing to refer to any committee at the present time. That is where the matter stands.

**Mr. Speaker:** A supplementary question.

**Mr. Cassidy:** This is the same answer which the Minister has given before. I regret the Prime Minister will not answer.

**Some Hon. Members:** Oh, oh!

GOVERNMENT POSITION

**Mr. Mike Cassidy (Ottawa Centre):** I have a supplementary. Since Mr. Marshall of the CDIC says that he is under no special orders to make sure the new order is Canadian, why, having sold de Havilland to a foreign company, is the Govern-

ment letting the other major aircraft manufacturer in this country go out of Canadian hands?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, once again, as I have indicated, we have no firm offer from anybody, Canadian or non-Canadian. The Hon. Member is obviously not well informed.

* * *

## INVESTMENT CANADA

TIMING OF DECISION ON PURCHASE OF PRENTICE-HALL BY GULF WESTERN

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, my question today is directed to the Minister responsible for Investment Canada. It centres around the purchase in December, 1984, of Prentice-Hall Canada by Gulf Western.

As the Hon. Minister knows, Prentice-Hall employs nearly 250 people and pays out over $1 million in royalties. When can Canadians and concerned employees anticipate approval or, heaven forbid, disapproval of that purchase?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Let me asssure the Hon. Member, Mr. Speaker, that it will be sooner rather than later.

* * *

## AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION—INVESTMENT IN CANADA

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. In his discussions with Chrysler, will he remind the company of the role played by the Canadian Government and Canadian workers in ensuring Chrysler's survival and, therefore, of its obligation to spend a fair share here in Canada of its capital budget of $3.4 billion for 1986, and especially to ensure there is a new manufacturing project in Chrysler's former engine plant in Windsor, something that could create as many as 1,6000 new jobs?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as you have already presumably recognized, we are well ahead of the Hon. Member. We have already drawn that to Chrysler's attention.

WINDSOR ENGINE PLANT—REQUEST FOR FEDERAL ASSISTANCE

**Hon. Herb Gray (Windsor West):** Mr. Speaker, will the Minister now commit to give equivalent assistance to Chrysler to re-establish that engine plant as a manufacturing project in Windsor, assistance equivalent to that already committed to Hyundai and Toyota? Will the Minister do at least that to ensure some balance in the development of the Canadian auto industry with jobs for Canadian workers in the southwestern Ontario region?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member refers to assistance to Hyundai and Toyota.

To keep the record straight, any assistance from the federal Government in the case of Hyundai was with respect to the ERDA agreement that now exists with the Province of Quebec.

As far as Toyota is concerned, no assistance was requested and no assistance was given to Toyota.

* * *

## TOURISM

EFFECT OF GASOLINE PRICES

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is for the Minister responsible for Tourism. The now Prime Minister in 1984 acknowledged the effect that the price of gasoline was having on tourism in Canada. His "Tourism Tomorrow" paper points out that we are losing both market share and American automobile tourists.

Will the Minister make the strongest possible representations to his colleague, the Minister of Energy, Mines and Resources, and ask her to exercise her legal power and, in fact, responsibility to the people of Canada by directing Petro-Canada to reduce its prices?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, what we are doing in the area of tourism is to be commended, I think, by all sides of the House. We are setting out to market Canada in a very positive and aggressive fashion. In my opinion that will prove successful.

As far as any marketing approach in the United States is concerned, and the Americans have been asked about the price of gasoline in Canada, price has not had a significant impact on American's intentions to holiday in Canada.

EXPO 86

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, intention is one thing and action is another.

If the Minister is not prepared to try to get a reduction in the price of gasoline, what is he prepared to do for Expo 86 and the tourism industry in British Columbia?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, in the context of Expo 86 in British Columbia, the Government has spent many many millions of dollars not only promoting Expo 86, but in building infrastructure in Vancouver, of which I am sure all Canadians will be proud when they attend Expo 86 and see it.

• (1450)

## CANADIAN BROADCASTING CORPORATION

BROADCASTING OF SONG LAUDING SUICIDE

**Mr. Bob Pennock (Etobicoke North):** My question is directed to the Minister of Communications regarding the song "What's It Like To Be Dead". I understand from talking to phychiatrists this song, under certain circumstances, could encourage a troubled or unstable juvenile to commit suicide, yet the CBC continues to air it. Yesterday I asked Mr. Juneau to accept responsibility and resign. Will the Minister tell the President of the CBC in no uncertain terms that he should improve his judgment immediately? Will the Minister ask the CRTC to determine whether the song should be banned from all airwaves?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, Hon. Members know perfectly well that according to the Broadcasting Act, broadcasters themselves are responsible for program selection and content, subject to the general rules and surveillance of the CRTC. Consequently, responsibility for CBC programming lies entirely with the executive of the corporation and its board of directors. As Minister of Communications, I have no direct power of intervention in such matters. However, Mr. Speaker, I can assure you that I will inform the CBC and CRTC executives of the concerns expressed in the House.

* * *

[*English*]

## UNEMPLOYMENT INSURANCE

REQUEST THAT MINISTER RESCIND REGULATORY CHANGE

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is for the Minister of Employment and Immigration. On January 1, despite many protests, the Minister cut the unemployment insurance benefits for those receiving early retirement pensions. On Monday this week a member of the Forget Commission described that action as premature and insensitive. Will the Minister now withdraw those proposals and refer them to the Forget Commission which is studying the entire unemployment insurance system?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, this question has been asked a number of times in the House of Commons and I have pointed out the regulation change was first announced on November 8, 1984. It was subsequently reannounced when the Government allowed one year's lead time for implementation of the regulation. That gave employers and employees a chance to adjust to this change in regulations before it came into effect on January 1, 1986. That has taken place.

We have also referred the whole question of premiums, who pays premiums, under what circumstances and when, to the Forget Commission, and I look forward to having their report.

PAYMENT OF PREMIUMS

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, nothing the Minister said justifies the proposal, and it has not consulted widely with the people it affects. They are finding out about it now. Since many of these people have to retire early, why is the Minister forcing them to pay premiums if they can never benefit from the program? Why should they pay premiums for unemployment insurance which they can never receive even though they are under 65 years of age and looking for work?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the basic premise of the unemployment insurance system in this country, as enlarged upon by the former administration, was that universality of payment into the unemployment insurance fund is required for practically all paid employees. There are many who pay into that fund who never draw upon it. Indeed it is for that reason that I have asked the Forget Commission to take a specific look at this issue.

* * *

## HEALTH

REQUEST FOR INVESTIGATION OF GAS LEAKS IN STONEY CREEK, ONT.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is for the Minister of National Health and Welfare. Will he act now to co-ordinate with the Minister of Labour and the Minister of the Environment a comprehensive study into the operations of Chipman Chemicals Limited, located in Stoney Creek, Ontario, in particular to determine the effect of three organophosphorus gas leaks in the last ten months on the employees of that plant and the residents in the surrounding area? The last leak took place yesterday and hundreds of people had to evacuate their homes.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the issue that the Hon. Member raises has also been discussed in some detail with the Member in whose riding the plant is located, namely, the Hon. Member for Lincoln. Not only has the Hon. Member taken a very close interest in it but the Hon. Member has also had staff at the site. It does fall somewhat into provincial jurisdiction. We are looking at what other action should be taken, whether the suggestion that he makes is the one that should be followed. Our over-all concern, regardless of jurisdiction, is the safety of the workers and the citizens in the surrounding area. I take his point, as well as the one from the Hon. Member for Lincoln very seriously, and we are following it up.

*Oral Questions*

## CANADIAN PACIFIC RAILWAY

ABOLITION OF PENSIONERS' RAIL PASSES—LABOUR RELATIONS BOARD RULING

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I have a question for the Minister of Labour. As the Minister knows, the Canada Labour Relations Board has ruled that CP Rail broke the law when it arbitrarily abolished rail passenger train passes for its pensioners. In view of this ruling, what action is the Government able to take to make CP Rail comply with its legal and moral obligations to its pensioners?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, the ruling of the Canada Labour Relations Board did not make any recommendation as to actions or remedies toward the company. What the ruling does is that it enables the bargaining unit on behalf of the pensioners to bring that question to the bargaining table. I am sure, knowing the interest of the representatives within the unions and their concern about the pensioners, a concern the Hon. Member has, and I also have, it will be a point of negotiation between the two parties.

PROTECTION OF RAILWAY PENSIONERS

**Mr. Keith Penner (Cochrane-Superior):** The Minister has pointed exactly to the problem. CP Rail argues that the pensioners cannot be represented at the bargaining table. I want to ask the Minister can he suggest what action the Government can take with the support of Parliament to protect the retirement package of those 27,000 CP pensioners who depend on this small privilege as a part of the retirement deal that was negotiated for them in the past.

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, I have already indicated to the Hon. Member that the representatives, through their bargaining unit, and the former employees who were members of that bargaining unit, have been recognized by the Canada Labour Relations Board to be able to have that issue negotiated between the two parties. I do not think it would be incumbent upon the Parliament of Canada to interfere between negotiations that are now legitimate on this point which impacts upon pensioners in Canada.

* * *

## ENERGY

PETRO-CANADA'S GASOLINE PRICING PRACTICES

**Hon. Edward Broadbent (Oshawa):** I have a question directed to the Minister of Finance which relates to an earlier answer he gave to the House. I suggest he misinformed the House—I am not saying deliberately—but I would like him to comment. Considering a report issued by the Restrictive Trade Practices Commission just last month points out the following with reference to the testimony of the Chairman of Petro-Canada: "Even more telling was his frank admission that Petro-Canada, despite becoming the largest refiner-marketer in Canada, would continue to be a passive price follower." In other words, Petro-Canada—

**Mr. Speaker:** Order, please. This is not a lead question. Just a question, please.

**Mr. Broadbent:** Will the Minister tell the House where he gets this information when he says to the people of Canada Petro-Canada is leading the petroleum companies in bringing prices down when this report says the opposite?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if the Hon. Member reads the "blues" he will see I was referring to comments by people in my riding, by service station owners who were complaining about the pricing practices of Petro-Canada. That is the sum and total of the statement that I made in the response to the earlier question.

REQUEST THAT PETRO-CANADA BE INSTRUCTED TO REDUCE PRICES

**Hon. Edward Broadbent (Oshawa):** I have a supplementary directed to the Minister of Energy, Mines and Resources I would like to ask the Minister, since she is given the authority in the Petro-Canada Act to instruct Petro-Canada to bring prices down if it is government policy, will she now act to save Canadian consumers some $8.5 million a day by instructing Petro-Canada to set an example and lower gasoline prices?

• (1500)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, as the Hon. Member knows, we have asked Petro-Canada to act as a commercial operation in the private sector, as he referred to in his report. Petro-Canada is not a leader in gas-pricing policies, it is usually a follower. It would be detrimental to the company's interest on behalf of Canadians, because we own it, to give it that kind of direction.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, January 21, 1986, meet the requirements of the Standing Orders as to form.

Order, please. I am in receipt of notices of a question of privilege and a point of order. I will deal with the question of privilege first.

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## PRIVILEGE

ALLEGED UNPARLIAMENTARY TERM USED IN QUESTION PERIOD

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I realize that many comments are made in the heat of debate. However,

a Member from the government side of the House called me a racist during Question Period. I believe the Hon. Member knows who he is and I would like to give him this opportunity to withdraw that comment.

**Mr. Speaker:** The Hon. Member has put the Chair in some difficulty. First, it is clearly not a question of privilege but a question of language, and I therefore take it the Hon. Member meant to raise a point of order on the matter. The Chair heard nothing along those lines, so if the Hon. Member is making an allegation that a particular Hon. Member said something—

**Ms. Copps:** He stood up and—

**Mr. Speaker:** Order, please. I do not know which Member the Hon. Member is speaking of.

**Mr. Gauthier:** He stood up.

**Mr. Speaker:** Order, please. I have seen no Hon. Members rising on this matter.

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, while the Chair may not have heard the comment clearly, the Hon. Member who has raised the point of order did hear a remark. That remark was unfortunate but it was made in the context of the document from which the Hon. Member was reading and the statement made by a witness rather than directed at the Hon. Member, whose facility in both languages is well understood and commendable.

**Mr. Speaker:** I do not know why it is that I do not feel less confused. Is the Hon. Member saying that he made the remark and is withdrawing it? Is that what he wishes the House to understand?

**Mr. Brisco:** That is correct, Mr. Speaker.

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## POINTS OF ORDER

### INTERJECTION MADE IN PREVIOUS DAY'S DEBATE

**Mr. Sid Fraleigh (Lambton-Middlesex):** Mr. Speaker, I wish to rise on a point of order. Yesterday, as I was attempting to point out some economic flaws contained in a speech delivered by the Hon. Member for Nickel Belt (Mr. Rodriguez), an interjection was made, an interjection which I myself did not hear at the time. However, I think if you will check *Hansard*, Mr. Speaker, you will discover that there was an interjection made by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and that that Hon. Member owes the House an apology. I ask for this apology not for me personally since I have been insulted by experts. I do not need any lessons from him. However, he does owe the House an apology.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, sometimes the Hon. Member makes it difficult for me to withdraw remarks. I will certainly withdraw that which I called him. I must say that there was a lot of motivation behind it.

**An Hon. Member:** What did you say?

**Mr. Waddell:** I will not repeat what I called him. I would like to withdraw that word, and while I am on my feet—

**Mr. Speaker:** Order, please. I do appreciate that the Hon. Member for Vancouver-Kingsway (Mr. Waddell) will sit down and allow me to recognize him on another point of order.

### WITHDRAWAL OF COMMENT RESPECTING MINISTER

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, while we are all being so generous, gentlemanly and womanly, I would like to withdraw a comment I made at the beginning of my question regarding the difficulty in finding the Minister of Energy, Mines and Resources (Miss Carney). I see her in the House now so obviously there is no difficulty. I had just hoped that she would come in at the beginning of the day.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I would like to advise the House and the Hon. Member that the Hon. Member's own Research Office was told that I would be in the House late.

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# ROUTINE PROCEEDINGS

[*English*]

## STRIKING COMMITTEE

### PRESENTATION OF EIGHTEENTH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour to present the eighteenth Report of the Striking Committee.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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[*Translation*]

## PETITIONS

### SITUATION OF FIREFIGHTERS AT VAL-D'OR AIRPORT

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, it is my duty as the Member for Abitibi to table a petition signed by firemen at the Val-d'Or airport, concerning twelve firemen who have been without a contract since July 1984.

[*English*]

### OPPOSITION TO BUDGET PROVISIONS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is a pleasure for me to present two petitions, one from the Kamloops Women's Resources Centre speaking out against a

number of the provisions in the federal Budget that discriminate against women and families, and another signed by a number of women from Kamloops, British Columbia, asking the Government to rescind a number of unfair tax increases in the Budget, particularly those that impact most specifically on women and families.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, a bit belatedly, I would like to present a petition from citizens of my constituency who are protesting against the decision which the House has now taken to deindex family allowances. This petition and many others will stand as monuments to the Government's failure to be responsive in this matter.

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I too have the privilege and honour to present a number of petitions from people from across Canada who, among other things, call upon the Government of Canada not to deindex family allowances and also point out that there is a very real need for tax fairness in this country.

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## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, the following questions will be answered today: Nos. 403 and 410.

[*Text*]

RCMP SUPERANNUATION ACCOUNT

Question No. 403—**Mr. Cassidy:**

1. With reference to the answer to Question No. 4,484 of the 1st Session of the 32nd Parliament, how much of the $209.3 million decrease in liabilities that was experienced by the Royal Canadian Mounted Police Superannuation Account (RCMPSA) for past service by the decision that was taken to carry out an actuarial valuation of the RCMPSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on RCMPSA assets in respect of pensioners and other beneficiaries were committed to reducing past service employer pension costs in respect of current employees?

2. How much of the decrease in employer pension costs from 19.8 per cent to 11.2 per cent of contributory payroll for future service that was experienced by the RCMPSA resulting from the decision that was taken to carry out an actuarial valuation of the RCMPSA under a 3 per cent annual inflation scenario, arose because inflationary interest earnings on RCMPSA assets in respect of pensioners and other beneficiaries were committed to reducing future service employer pension costs in respect of current employees?

3. Were representatives of RCMPSA pensioners consulted on the action taken to commit inflationary interest earnings on RCMPSA assets in respect of pensioners and other beneficiaries towards reducing past and future service employer pension costs in respect of current employees and, if not, for what reason?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** 1 and 2. Before 1974, the actuarial valuations of the RCMPSA were based on a 4 per cent interest assumption. Rates of future salary increases and inflation were not projected.

In the 1974 valuation, the rate of interest was assumed to be 5.6 per cent per annum. Salary increases were assumed to be 5.5 per cent annually. These rates included an implicit assumption of 3 per cent inflation.

If no implicit assumptions for inflation had been used, the other economic assumptions could be regarded as being 3.5 per cent for real interest rates and 2.5 per cent for real salary increases. The effect of using an implicit inflation assumption of 3 per cent, and therefore interest and salary increase assumptions of 6.5 per cent and 5.5 per cent, respectively, instead of 3.5 per cent and 2.5 per cent was to:

(*a*) decrease RCMPSA liabilities by $209 million, which included a decrease in pensioner liabilities of about $163 million; and

(*b*) reduce the full employer annual current service cost that would have been required from 19.8 per cent to 11.2 per cent of contributory payroll. Of the 8.6 per cent of pay decrease, about 6.3 per cent of pay is attributable to using a discount rate of 6.5 per cent interest rather than 3.5 per cent during the retirement period of plan members.

3. Representatives of RCMP pensioners were not consulted about the change in economic assumptions used to value the RCMPS Account. The benefits of pensioners were not affected by the change in these assumptions. The assumptions were changed to enable realistic cost comparisons with private sector plans. Also, pensions are not negotiable with plan members.

EMPLOYER PENSION PLAN CONTRIBUTIONS

Question No. 410—**Mr. Cassidy:**

1. Since 1952 by year, what employer pension plan contributions and other payments, expressed as a percentage of payroll, has the Government made to finance pension plan benefits and their indexing for public servants, members of the Armed Forces and members of the RCMP?

2. For the same years, what proportion of employer-employee pension plan contributions and other payments made to finance pension plan benefits and their indexing for public servants, members of the Armed Forces and members of the RCMP have been made by the Government as the employer?

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):**

1. Employer Pension Plan Contributions and other Payments, as a Percentage of Payroll, made to finance Pension Plan Benefits and Indexing for Public Servants, Members of the Canadian Forces and Members of the RCMP

| Year | Public Service Plan | Canadian Forces Plan | RCMP Plan |
|---|---|---|---|
| 1952-53 | 13.6 | 11.9 | 7.5 |
| 1953-54 | 16.3 | 12.1 | 9.9 |
| 1954-55 | 6.9 | 10.6 | 8.1 |
| 1955-56 | 5.8 | 11.0 | 9.2 |
| 1956-57 | 12.1 | 11.3 | 15.1 |
| 1957-58 | 11.8 | 10.9 | 11.8 |
| 1958-59 | 5.4 | 10.7 | 10.8 |
| 1959-60 | 5.8 | 11.0 | 9.1 |
| 1960-61 | 5.7 | 8.3 | 14.9 |

| Year | Public Service Plan | Canadian Forces Plan | RCMP Plan |
|---|---|---|---|
| 1961-62 | 6.2 | 10.4 | 8.6 |
| 1962-63 | 6.4 | 10.7 | 9.7 |
| 1963-64 | 6.6 | 115.3* | 34.1* |
| 1964-65 | 49.5* | 12.9 | 13.0 |
| 1965-66 | 8.6 | 13.0 | 11.4 |
| 1966-67 | 10.9 | 18.5 | 14.3 |
| 1967-68 | 10.4 | 18.9 | 15.3 |
| 1968-69 | 11.7 | 24.1 | 19.2 |
| 1969-70 | 11.3 | 22.4 | 20.5 |
| **1970-71 | 10.6 | 22.4 | 20.9 |
| 1971-72 | 9.2 | 19.4 | 17.5 |
| 1972-73 | 9.4 | 21.8 | 15.8 |
| 1973-74 | 8.7 | 29.6 | 14.8 |
| 1974-75 | 11.4 | 31.8 | 14.5 |
| 1975-76 | 10.7 | 33.7 | 15.3 |
| 1976-77 | 10.3 | 30.7 | 16.3 |
| 1977-78 | 10.4 | 28.1 | 17.2 |
| 1978-79 | 11.1 | 20.6 | 21.6 |
| 1979-80 | 10.0 | 16.6 | 17.3 |
| 1980-81 | 11.0 | 16.9 | 14.5 |
| 1981-82 | 13.2 | 19.3 | 12.8 |
| 1982-83 | 10.9 | 18.3 | 12.4 |
| 1983-84 | 10.8 | 19.0 | 12.8 |
| 1984-85 | 11.0 | 19.5 | 12.9 |

*In this year all outstanding deferred charges for actuarial deficiency credits were charged to budgetary expenditures. Commencing in 1964-65, actuarial deficiency credits were paid off over five years in equal instalments.

**Indexing Benefits established effective April 1, 1970.

2. Proportion of Employer-Employee Pension Plan Contributions and other Payments made by the Government as the Employer to Finance Pension Plan Benefits and Indexing for Public Servants, Members of the Armed Forces and Members of the RCMP

| Year | Public Service Plan | Canadian Forces Plan | RCMP Plan |
|---|---|---|---|
| 1952-53 | 70.2 | 64.1 | 55.5 |
| 1953-54 | 59.2 | 64.7 | 62.2 |
| 1954-55 | 54.2 | 61.9 | 57.3 |
| 1955-56 | 50.0 | 62.8 | 60.6 |
| 1956-57 | 67.8 | 63.9 | 71.5 |
| 1957-58 | 67.1 | 63.3 | 66.2 |
| 1958-59 | 48.5 | 62.4 | 64.4 |
| 1959-60 | 49.7 | 63.1 | 60.3 |
| 1960-61 | 47.0 | 56.0 | 69.6 |
| 1961-62 | 47.9 | 62.5 | 57.0 |
| 1962-63 | 48.3 | 62.8 | 59.9 |
| 1963-64 | 48.8 | 94.8* | 84.0* |
| 1964-65 | 88.3* | 67.2 | 66.6 |
| 1965-66 | 56.7 | 68.9 | 68.5 |
| 1966-67 | 66.8 | 82.1 | 78.3 |
| 1967-68 | 63.7 | 79.9 | 77.7 |
| 1968-69 | 67.6 | 82.7 | 80.9 |
| 1969-70 | 65.2 | 80.2 | 80.0 |
| **1970-71 | 64.1 | 79.3 | 73.4 |
| 1971-72 | 61.3 | 76.2 | 73.9 |
| 1972-73 | 61.2 | 78.3 | 72.9 |
| 1973-74 | 59.8 | 82.2 | 70.9 |
| 1974-75 | 66.3 | 83.9 | 70.6 |
| 1975-76 | 64.6 | 84.9 | 71.3 |
| 1976-77 | 61.7 | 83.4 | 71.8 |
| 1977-78 | 60.4 | 81.2 | 71.2 |
| 1978-79 | 61.9 | 76.2 | 75.8 |
| 1979-80 | 59.9 | 72.3 | 72.1 |
| 1980-81 | 61.6 | 73.0 | 68.6 |

*Divorce Act*

| Year | Public Service Plan | Canadian Forces Plan | RCMP Plan |
|---|---|---|---|
| 1981-82 | 66.6 | 76.2 | 65.9 |
| 1982-83 | 61.7 | 74.9 | 65.5 |
| 1983-84 | 61.6 | 75.6 | 65.4 |
| 1984-85 | 62.3 | 76.5 | 66.4 |

* In this year all outstanding deferred charges for actuarial deficiency credits were charged to budgetary expenditures. Commencing in 1964-65, actuarial deficiency credits were paid off over five years in equal instalments.

** Indexing Benefits established effective April 1, 1970.

[*Translation*]

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

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

**Some Hon. Members:** Agreed.

* * *

[*English*]

## MOTIONS FOR PAPERS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Speaker:** Is that agreed?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## DIVORCE ACT

MEASURE TO AMEND

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that Bill C-46, an Act to amend the Divorce Act, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

**Mr. Speaker:** When shall the Bill be read a third time, by leave now?

**Mr. Hnatyshyn:** Mr. Speaker, I think there has been an agreement between the Parties with respect to Bills C-46, C-47 and C-48. For the purpose of third reading, we would have all Bills read together. I have no objection to having third reading on this Bill go ahead now, but I think the understanding was that the three Bills would be read together. I have an order to

that effect that I will be presenting later on. I think that third reading should be, by consent, later this day or—

**Mr. Speaker:** That is fine. I understand the intent of the order. Therefore, I take it is intended to defer consideration of third reading of Bill C-46 at least for the moment. There may be consent to introduce it for third reading later today.

* * *

## DIVORCE AND COROLLARY RELIEF ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-47, an Act respecting divorce and corollary relief, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

● (1510)

**Mr. Speaker:** As Hon. Members are aware, on this day's Order Paper, there are 43 report stage motions in amendment to Bill C-47, an Act respecting divorce and corollary relief.

Motions Nos. 1, 3A and 3B should be grouped for debate and voted on as follows:

(*a*) An affirmative vote on Motions No. 1 necessitates the question being put on Motion No. 3B;

(*b*) A negative vote on Motion No. 1 shall apply to Motion No. 3B;

(*c*) Motion No. 3A will be voted on by itself.

Motions Nos. 2 and 3 give the Chair some procedural difficulty in that they appear to make a substantive amendment to the interpretation clause, which cannot be done. In this regard I refer the Hon. Member to a decision of one of my predecessors made on May 21, 1970, which I quote in part:

> Amendments of a substantive or declaratory nature should not be proposed to an interpretation clause;

In addition, Motion No. 3 goes beyond the principle of the Bill as agreed to at the second reading stage.

Motions Nos. 3A and 3B have been dealt with together with Motion No. 1.

Motions Nos. 4, 4A and 5 will be grouped for debate and voted on as follows:

(*a*) An affirmative vote on Motion No. 4 obviates the question being put on Motion No. 4A;

(*b*) A negative vote on Motion No. 4 requires the question to be put on Motion No. 4A;

(*c*) Motion No. 5 will be debated and voted on separately.

[*Translation*]

Motion No. 6 will be debated and voted on separately.

Motions Nos. 7, 11, 11A, 15, 17, 22, 23, 25, 27, 32, 32A, 33 and 33A propose to add new concepts to the Bill which would expand the scope of the Bill beyond that to which the House has agreed in principle on second reading.

Motion No. 8 also proposes to add a new concept to the Bill and, furthermore, impinges on the financial prerogative of the Crown. I refer the Hon. Member to Citation 773(7) of Beauchesne's Fifth Edition.

[*English*]

Motions Nos. 9 and 10 will be grouped for debate. An affirmative vote on Motion No. 9 will dispose of Motion No. 10. A negative vote on Motion No. 9 will necessitate a vote on Motion No. 10.

Perhaps I might interrupt my ruling to indicate that I understand that there may be a change of decision with regard to the motions of the Hon. Member for Mount Royal (Mrs. Finestone). However, that does not change the necessity of making my comments now.

Motions Nos. 11 and 11A have been dealt with previously in conjunction with Motion No. 7.

[*Translation*]

Motions Nos. 12, 13 and 14 will be grouped for debate and voted on as follows:

(*a*) an affirmative vote on Motion No. 12 obviates the question being put on Motions Nos. 13 and 14;

(*b*) a negative vote on Motion No. 12 shall apply to Motion No. 14, and Motion No. 13 will be voted on separately.

Motion No. 15 has been dealt with together with Motion No. 7.

[*English*]

Motion No. 16 causes the Chair some difficulty in understanding its intent. Before making a decision, it would be the Chair's intention to ask the Hon. Member for York South-Weston (Mr. Nunziata), in whose name the motion stands, to explain its purpose and intent. This could be done either when the motion is called in its numerical sequence or later on, should there be some procedural representations, about which I will have something more to say later.

Motion No. 17 was dealt with earlier when considering Motion No. 7.

Motion No. 18 will be debated and voted on separately.

Motions Nos. 19, 20, 21 and 26 will be grouped for debate and voted on as follows:

(*a*) An affirmative vote on Motion No. 19 obviates the question being put on Motions Nos. 20 and 21;

(*b*) A negative vote on Motion No. 19 necessitates the question being put on Motion No. 20;

(*c*) An affirmative vote on Motion No. 20 obviates the question being put on Motion No. 21;

(*d*) A negative vote on Motion No. 20 requires the question being put on Motion No. 21;

(*e*) Motion No. 26 will be voted on separately.

[*Translation*]

I have already dealt with Motions Nos. 22, 23 and 25.

Motion No. 24 will be debated and voted on separately.

Motions Nos. 26 and 27 have already been dealt with.

Motion No. 28 will be debated and voted on separately.

Motions No. 29, 30 and 31 will be debated and voted on separately.

[*English*]

Motion No. 31A seeks to introduce into the Bill provisions to assist in the enforcement of orders made under subsection 2 of Clause 20. It would do this through the activities of a federal agency to be established by way of the acceptance of a motion to be proposed at report stage of another Bill presently before the House. The motion thus anticipates not only the adoption of another Bill before the House, but also the adoption of a motion to be proposed at the report stage of that Bill. This is clearly beyond the scope of the Bill it seeks to amend, namely, Bill C-47, and is therefore out of order. I would refer the Hon. Member to the *Journals,* March 28, 1969, page 863.

Motions Nos. 32, 32A, 33 and 33A have been dealt with previously in conjunction with Motion No. 7.

Motion No. 34 appears to infringe upon the financial initiative of the Crown and, therefore, should not be proposed to the House.

Motion No. 35 will be debated and voted on separately.

Motion No. 36 will be debated and voted on separately.

To summarize, the motions with which the Chair has some difficulty procedurally are Motions Nos. 2, 3, 7, 8, 11, 11A, 15, 17, 22, 23, 25, 27, 31A, 32, 32A, 33, 33A and 34. In addition, the Chair has requested some clarification with regard to the intent of Motion No. 16, either privately or when Members make procedural arguments. It would be my intention to hear the Hon. Member privately or when the Order is called again, or whenever he proposes.

I take it there may be some Members who may wish to make procedural arguments one way or another. I am in a little difficulty as to whether to allow some time for the digestion of these notes and to try to hear procedural arguments later this day, or should the matter come up again, another day, at the earliest time.

I appreciate there may be some understanding about report stage and, therefore, I am prepared to hear arguments now, if Hon. Members are prepared to make them. I am also prepared to hear them later today. In fact, if the critics, the House Leaders or Whips could tell me when would be a convenient time, I am prepared to come back and hear those arguments. If now is appropriate time, then we will hear them now.

**Mr. Hnatyshyn:** Mr. Speaker, if I might, I do not know whether we have had an opportunity to consult with the opposition critics. I have not spoken to the House Leaders about the procedural argument with respect to this matter.

However, I do have an initial difficulty. I read with some interest your preliminary observations with respect to the procedural admissibility of a variety of report stage amendments. Your Honour suggests that we might consider proceeding on Motions Nos. 1, 3 and 3A. The difficulty I have is that I have some objections to Motions Nos. 1 and 3B, I believe it is, and if we are to debate them now we may find in due course that Your Honour has decided to rule them out of order. It might be appropriate to decide on having an early disposition of the procedural discussions and proceed to debate a motion which is acceptable to all Parties.

• (1520)

**Mr. Speaker:** Could I find out whether there is any difficulty with calling in the next group, which is Motions Nos. 4, 4A and 5? If the President of the Privy Council (Mr. Hnatyshyn) wants to make argument with respect to Motions Nos. 1 and 3A or Motions Nos. 1 and 3B, I am prepared to call Motions Nos. 4, 4A and 5, and hold off the argument.

Hon. Members will know that this procedure is an attempt to not to have the Speaker simply rule things out, as he has the right to do. It is an attempt to see if Hon. Members what to make argument. But the debate has to begin. I, therefore, propose to rule Motions Nos. 4, 4A and 5 in order and have them called in group for debate and to indicate, as I earlier indicated, what the effect on those would be and to give some Hon. Members time. Then, I presume, should the debate end on those matters, we might hear procedural argument at that moment. Is that fair?

**Mr. Gauthier:** That's good.

**Mr. Deans:** Mr. Speaker, there were two matters which crossed my mind. First, and I hope it is taken in the spirit in which it is offered, I wonder whether the Chair might consider the possibility in matters such as this, when the rulings are so complex, of trying a system whereby the House Leaders could perhaps be given the ruling in advance, or even a preliminary ruling. One of the problems—and I understand the difficulty from the point of view of the Chair—is that what is going to—

**Mr. Speaker:** With respect, may I simply respond to the Hon. Member by saying that I have no problem with that idea. May I simply explain the technical problem? Obviously, amendments can go on the Order Paper until quite the last minute, in effect, six o'clock the night before. Therefore, the Chair is not in a position to indicate its preliminary view in any way until approximately noon or 12.30 p.m. What happens, therefore, and it happened today, is that as soon as I have concluded a view, it is typed and, as it was today, it is distributed immediately to the House Leaders. I know of no quicker way to get my preliminary view out.

**Mr. Deans:** All right. I appreciate that, Sir. The other point I want to make is that we have agreed among ourselves that we would deal with this legislation and complete all of the deliberations by tomorrow evening. I would plead with my colleagues not to take a lot of time in debating the rulings,

otherwise the time which is necessary for debating the Bill will, out of necessity, be shortened. It may then be very difficult to get everything done.

**Mr. Hnatyshyn:** May I just address that? I could not agree more, Mr. Speaker, with the remarks, but that is not to abrogate the necessity of having brief interventions with respect to the procedural admissibility of the various amendments. I think we can save ourselves even more time. In fact there are, in my submission, a number of these amendments which are, while based on profound and deep reasoning on the part of Hon. Members who put them forward, simply procedurally out of order and, therefore, we might save ourselves some time. Your suggestion, Mr. Speaker, I think, is a very good one. After we finish the first round of debate, we can come in at an agreed time, rise and make our presentations on the balance of the procedural arguments on a brief basis, and then allow the Chair to make a ruling.

**Mr. Speaker:** May I clarify this for everyone? Shall we hear procedural argument at four o'clock?

**Mr. Gauthier:** No.

**Mr. Speaker:** The Hon. Member for Ottawa-Vanier (Mr. Gauthier) does not want to hear procedural argument?

**Mr. Gauthier:** Mr. Speaker, I think it would be appropriate for us to start debate now. My only difficulty is with Motions Nos. 4, 4A and 5, which the Chair has ruled to be in order. They should be debated now, but my difficulty is that the Hon. Member for York South-Weston (Mr. Nunziata) is in committee right now so he cannot move his motion. That would be my only difficulty.

**Mr. Deans:** Someone else can move them. You move them.

**Mr. Gauthier:** No, they have to be moved by the Hon. Member himself.

**Mr. Deans:** By unanimous consent.

**Mr. Gauthier:** Would Hon. Members give me unanimous consent to my moving that motion?

**Mr. Deans:** Sure.

**Mr. Gauthier:** Fine.

**Mr. Speaker:** We are taking the time now which should be put into procedural argument. This is about all the time that should appropriately be allowed it.

**Mrs. Finestone:** Mr. Speaker, I would like to understand. Are we going to debate Motions Nos. 1, 3A and 3B?

**Mr. Speaker:** I received a representation from the President of the Privy Council (Mr. Hnatyshyn) that Motions Nos. 1 and 3B are out of order. The President of the Privy Council wishes to present argument on that matter. I take it, therefore, that there is consent that we should now proceed to calling Motions Nos. 4, 4A and 5 and have them moved by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), with consent, for the Hon. Member for York South-Weston or, at least, that motion which which is in the name of that Hon. Member.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 4.

That Bill C-47, be amended in Clause 8 by striking out lines 38 to 44 at page 5 and lines 1 to 8 at page 6 and substituting the following therefor:

"lished only if the spouses have lived separate and apart for at least one year immediately preceding the determination of the divorce proceeding and were living separate and apart at the commencement of the proceeding."

**Mr. Jean-Robert Gauthier** (for Mr. John Nunziata) moved:

Motion No. 4A

That Bill C-47, be amended in Clause 8 by striking out lines 1 to 8 at page 6.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 5

That Bill C-47, be amended in Clause 8 by adding immediately after line 8 at page 6 the following:

"(3) A court may only grant a divorce on the grounds set out in paragraph (2)(*b*) where breakdown of the marriage cannot be established on the ground set out in paragraph (2)(*a*)."

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I just want to speak very briefly to Motions Nos. 4 and 5. The intent of Motion No. 4 is to make the Divorce Act for Canada one based entirely on marriage breakdown without the accusation of fault by one partner about the other. This was the intent of the earlier legislation and this has been the position of women's organizations across the country. It has been the position of the Canadian Advisory Council on the Status of Women and, indeed, it is the majority position of the Senate Committee which looked at this question. It is, of course, not the situation that there may not be any fault to determine between the couple. Indeed, there may be plenty of fault on one side and not on the other. However, our position for the sake of the children, for the possibility of reconciliation, and for the sake of making suitable arrangements for custody and access, is that it would be far better to have the divorce taken care of on the basis of marriage breakdown, established after a year's separation, and not on the basis of an accusation of a marital offence as it is in the present law.

The intent of Motion No. 5 is that if Motion No. 4 does not pass, in other words, if fault grounds are retained in the legislation, the fault would only be used in situations where there was some emergency or some real reason for proceeding quickly. This, the House will remember, was the argument used for reintroducing the fault concept. It was in cases of assault, child abuse and in cases of very critical breakdown in the marriage so that the couple should not have to wait for a year but should be able to proceed more quickly to the divorce.

Clearly, there is no need to have these fault grounds if the couple has already been living separately and apart for that year. So the intent of Motion No. 5, our amendment, is that if fault is retained, it will only be used for real emergency type divorces and that the normal course of events would be to use the one-year separation arrangement.

**Mr. Speyer:** Mr. Speaker, I did not see the Hon. Member of the Liberal Party standing. Because the amendment is very much the same, I think probably I should let the Hon. Member for Mount Royal (Mrs. Finestone) speak and then I can respond to both Hon. Members.

**Mrs. Sheila Finestone (Mount Royal):** Thank you, Mr. Speaker, and I thank the Parliamentary Secretary. The fundamental principle behind these three motions is to remove fault, in essence, from the divorce Bill. I believe what we have here is a difficult situation because in actual fact it would seem pointless to maintain fault in the present divorce Bill because we are going to have to take into consideration, if we maintain fault, that is, adultery or physical or mental cruelty, all of the actions which would be required to prove there is fault, which will entail hiring lawyers and compiling evidence in order to develop one's case.

As I recall the argument of the Minister of Justice (Mr. Crosbie), he suggested that the reason for fault provisions was to facilitate immediate divorce in the case of anyone on those fault grounds. In today's society, the faulted spouse can go to his or her own province and get immediate relief and he or she can get provisional relief with respect to custody and maintenance. I suggest that this is in essence costly, vindictive and time consuming. There also seems to be a lack of consistency. Although you can go to court on the basis of fault, that is adultery and physical or mental cruelty, you cannot use those facts when it comes to awarding custody or maintenance. In a very small percentage of divorces are those reasons used as grounds. Marriage breakdown and a one-year period of separation would seem to me to be adequate. However, if the Government intends to maintain the fault provisions, I would very much like to support the amendment put forward by the Hon. Member for Burnaby (Mr. Robinson) in Motion No. 5. This would mean that should marriage breakdown take place and it is more than a year before it comes to court, then it should no longer be considered.

• (1530)

**Mr. Speyer:** Mr. Speaker, I have heard the submissions of the Opposition Party's critics and they are really making the same argument. When the Liberals brought in their divorce Bill, one of the fundamental concepts was no-fault divorce. Many people favour that concept. The Government did not choose that approach. It would be wrong to call this Bill a no-fault Bill. It is a hybrid because it contracts the three-year period of separation to one year for marriage breakdown. That is a very sensible social advance for people who do not want to have their private life made public.

On the other hand, this Party recognizes that fault should be retained, both on the grounds of cruelty and adultery. It is our view that marriage is a very special contract. Indeed, within some churches, including the Catholic church, it is a sacrament. Sometimes there is a fundamental breach of that contract and people ought to be allowed to sue on that basis. We have made a policy choice. There is no right or wrong but there is a question of policy preference. We are maintaining fault as grounds for divorce as it pertains to adultery and cruelty so that a person may seek and receive a divorce if those are the circumstances.

**The Acting Speaker (Mr. Charest):** Debate? Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Speyer:** Mr. Speaker, are we going to be posing the questions now or are we going to be doing it at the end?

**Mr. Gauthier:** Now.

**The Acting Speaker (Mr. Charest):** So far as I know the questions will be asked now on motions which are grouped and not contested. If a vote is required, then it will be deferred.

The question is on Motion No. 4 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Charest):** In my opinion, the nays have it.

Motion (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Charest):** The question is now on Motion No. 4A standing in the name of the Hon. Member for York South-Weston (Mr. Nunziata). Is it the pleasure of the House to adopt the motion?

**Mr. Speyer:** Mr. Speaker, with respect to the report stage analysis which the Speaker gave us approximately 15 minutes ago, he made the point that a negative vote on Motion No. 4 required a vote with respect to Motion No. 4A. Is that what the ruling is?

**Mr. Frith:** That is correct.

**The Acting Speaker (Mr. Charest):** That is correct. That is exactly what we are doing. A negative vote on Motion No. 4 requires the question to be put on 4A.

Therefore, is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Charest):** In my opinion the nays have it.

Motion No. 4A (Mr. Nunziata) negatived.

**The Acting Speaker (Mr. Charest):** The question is now on Motion No. 5 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Charest):** In my opinion the nays have it.

**SomeHon. Members:** On division.

Motion No. 5 (Mr. Robinson) negatived.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 6

That Bill C-47, be amended in Clause 9 by striking out lines 36 to 45 at page 6 and substituting the following therefor:

"proceeding to draw the attention of the spouse the provisions of this Act that have as their object the reconciliation of spouses,"

She said: Mr. Speaker, the purpose of this amendment is to relieve the lawyer of the onus of advising the parties as to the existence of mediation facilities. I know there are lots of lawyers here, but I am sure you will understand that for many couples undergoing the trauma of a marriage breakdown there is a potential conflict of interest on the part of their legal counsel. A lawyer's primary duty is to promote the interests of his or her client. That is his legal responsibility. Lawyers are in a conflict of interest situation with the Bar which prohibits them from meeting with both spouses unless each is represented or has been advised by his or her own lawyer. As well, there is no monetary incentive for lawyers to do so.

● (1540)

My proposal is that, instead of putting the onus on a court or an affiliated party, we remove the onus on the affiliated lawyers to advise these parties of all alternatives to litigation. That is why I would like to have a neutral party advise the couple that there are a variety of options available, such as mediation, reconciliation, the appointment of a lawyer where custody is in dispute, the existence of official guardians, family courts, etc. This amendment would, in fact, require the parties to a marriage breakdown to have one meeting. Mr. Speaker, are we on the mandatory clauses, the second part?

**Mr. Speyer:** Mr. Speaker, I rise on a point of order, if I might, to be of assistance to the Hon. Member. Motion No. 6, as she has drafted it, has to be taken in concert with Motion No. 7 which has been ruled out of order on a preliminary basis. In other words, because the Speaker has indicated that mandatory mediation is beyond the scope of the Bill, perhaps Motion No. 6 really does not make sense in this form. I have a few words to say on that. However, I do not think that at this point in time the Hon. Member should be talking about mandatory family conferences for the simple reason that this has been preliminarily ruled out of order.

**The Acting Speaker (Mr. Charest):** As a point of clarification, I will point out that I will allow debate because it has not been ruled out of order.

**Mrs. Finestone:** Mr. Speaker, obviously Motion No. 7 flows from Motion No. 6. It was my intent to indicate a different course of action, that is, one mandatory conciliation meeting, unless the circumstances of the case are of such a nature that it would be clearly inappropriate to do so. In the light of my understanding that the mandatory conferences is not acceptable to the Speaker and has been ruled out, I would, therefore, suggest that it is not consistent to argue Motion No. 6 if I cannot argue for the need for a mandatory conference under Motion No. 7.

**Ms. McDonald:** Mr. Speaker, I share the dilemma of the Hon. Member for Mount Royal (Mrs. Finestone). My Party is certainly prepared to accept the concept of mediation, at least the minimal one meeting. However, it does seem to be quite impossible to proceed with the loss of Motion No. 7.

**Mr. Speyer:** In Motion No. 6 we are talking about the duties which are incumbent upon a lawyer. The effect of Motion No. 6 is to delete the obligation of the lawyer to discuss with the spouse the possibility of reconciliation of the spouses and to inform the spouse of marital counselling or guidance facilities known to him or her that might be able to assist the spouses to achieve reconciliation. Whether or not one believes in mandatory reconciliation, I do not believe it is very much of an obligation to tell a client that there are available counselling and guidance facilities if he or she wishes to entertain thoughts of reconciliation. That is a social obligation which I think a lawyer owes to his or her client. Notwithstanding how anyone feels with respect to mandatory mediation, I do not think that a lawyer should not have that obligation.

I, quite frankly, would hope that the Member for Mount Royal (Mrs. Finestone) would withdraw that motion because I think it is a useful social vehicle for lawyers to make clients

who have just come in aware of the fact that there are guidance and counselling facilities available.

**Mrs. Finestone:** Mr. Speaker, I rise on a point of order. In light of what the Parliamentary Secretary has just said, although I find it extremely regrettable because the cost to the state could be greatly reduced if we had such a mandatory conference, I do understand the impossibility of the situation and, therefore, I withdraw the motion.

**The Acting Speaker (Mr. Charest):** Is there unanimous consent for the withdrawal of the motion?

**Some Hon. Members:** Agreed.

Motion No. 6 (Mrs. Finestone) withdrawn.

**The Acting Speaker (Mr. Charest):** We will then move on to the next grouping which is that of Motions Nos. 9 and 10.

**Mr. Chris Speyer** (for the Minister of Justice) moved:

Motion No. 9

That Bill C-47, be amended in Clause 11 by striking out lines 18 to 24 at page 8 and substituting the following therefor:

"arrangements have been made for the support of any children of the marriage and, if such arrangements have not been made, to stay the granting of the divorce until such arrangements are made; and"

**Mrs. Finestone:** Mr. Speaker, I rise on a point of order. I wish to withdraw Motion No. 10, but I will be bringing in a motion to amend Motion No. 9, if that is in agreement with you.

**The Acting Speaker (Mr. Charest):** Motion No. 10 will then be dropped. Consent is not needed, it not having been moved before the House. I understand that the Member now wishes to move an amendment to Motion No. 9. Is that correct?

**Mrs. Finestone:** Yes, Mr. Speaker.

**The Acting Speaker (Mr. Charest):** Does the Member wish to do it now, or in the course of debate?

**Mrs. Finestone:** I will do it in the course of debate, Mr. Speaker.

**Mr. Speyer:** Mr. Speaker, the thrust of Motion No. 9, as you can see, is that arrangements are to be made for the support of any children of the marriage, and if such arrangements have not been made, to stay the granting of the divorce until such arrangements are made. In other words, in the original Bill there was a provision whereby the courts could dismiss such an application if proper arrangements had not been made. As a result of a prestudy by the Senate, a recommendation was made to the Government dealing only with respect to children that, in those circumstances, as opposed to denying a divorce, it should be stayed.

We think that the Senate is right with respect to this and, as a result, the motion which was then presented to the House was one which had been approved and recommended by the Senate. The Government accepts the reasoning behind the Senate's proposal, in other words, the ability of the court to stay an action as opposed to dismissing it. I think that is eminently sensible.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I appreciate the acceptance by the Minister of Justice (Mr. Crosbie) of the recommendation from the Senate. I understand the importance of the ability to stay the proceedings, but I do not think it should be only in the interest of the children. In a marriage breakdown my concern is for the spouses as well as for the children of the marriage. I think we must protect all the parties in a marriage breakdown while upholding the responsibility of those spouses. In order to ensure that a court will make an equitable and fair decision with regard to all, I think a variety of factors must be considered by the courts before rendering that decision. It may only be the time delay in which a pension comes due or the splitting of a pension.

● (1550)

There are a number of considerations. There is the consideration of the age of the spouse and the length of the marriage as well as the life-style and employment potential. Each spouse has a right to a dignified life-style after marriage breakdown and such a marriage breakdown should not relegate a spouse to penury. The life-style of both the spouse and of any child or children should continue, where judged possible, at a level similar to that enjoyed during that marriage.

It has been found that fathers in a marriage are rarely accorded many of the access benefits. I believe we must consider both spouses in our deliberations. It has also been found that the feminization of poverty often takes place after divorce. Therefore, we must be very careful to look at the financial support mechanisms before we move toward granting that divorce.

It has been found that after divorce the male standard of living has increased by 72 per cent while the female standard of living has decreased by 43 per cent. One must consider the implications for the spouse as well as the children when 43 per cent of single-parent families headed by women are living below the poverty line. The decision on support impacts both on the spouse and the child.

I cannot understand why we would allow the court to consider only the child and not the parent in this particular instance. I do not think it can be done in isolation. Therefore, I move:

That Bill C-47, an Act respecting divorce and corollary relief, be amended in Clause 11 by adding immediately after the word "of" in the first line of the motion, the words

"either spouse and".

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I am pleased to support this amendment. It deals with an extremely important issue. I believe the Government has been unnecessarily insensitive to the economic plight of divorced women and the difficulties they face in collecting maintenance and getting adequate settlements.

The proposed changes in the law mean that one final protection that divorcing wives previously had, the possibility

of the divorce not being granted at all on account of inadequate provisions, is being lost with the new legislation.

We know that Canadian women have had all too little protection in their economic circumstances. It is the wife in the average family in Canada who stays home to look after the children. It is the wife who gives up the economic opportunities for training advancement. It is the wife who has suddenly to find a job as a result of divorce. It is the wife whose standard of living drops a considerable 42 per cent while the husband's standard of living, a year after divorce, increases by an average of 73 per cent. These facts show an enormous disadvantage to Canadian women on divorce.

Some friends have said that I should not advertise the fact that there is a financial advantage for husbands because more husbands might take advantage of knowing how good divorce might be for their standard of living.

The sad fact is that divorce has been extremely difficult financially, apart from all the other problems that both spouses and children have to endure. The loss of living standards suffered by Canadian wives is quite unconscionable. I will be speaking on further motions to give Canadian women more protection.

This is a eminently sensible motion which recommends that a delay be considered on grounds of support for children. Obviously the wording of the motion is non-sexist because it is normally the wife who will have the children. In most cases it would be the disadvantaged wife who needs the protection, and it seems to be eminently reasonable and fair that spouses be included in the consideration for the delay of a decree of divorce to ensure that reasonable and fair economic arrangements have been made.

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I have listened with great interest to both representations that have been made. They have been somewhat compelling in some circumstances but the whole spirit of the Act is that divorce was not to be granted or refused on any economic basis. That is how we began.

The only other consideration we have been taking into account is the Senate's recommendation dealing with children and our international obligations with respect to the International Covenant on Civil and Political Rights which states that parties to the present Covenant shall take appropriate steps to ensure equality of rights and responsibility of spouses to marriage during marriage and its dissolution and, in particular in the case of dissolution, provisions shall be made for the necessary protection of any children.

The representations that have been made have given me some cause for concern, but the whole spirit of the Act is that we cannot deny or grant a divorce on the basis of whether a person is rich or poor. Accordingly, the Government will not support the amendment to the motion.

[*Translation*]

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I would like to support this motion because, as I heard one of my colleagues say a moment ago, whether a person is rich or poor should not even be a consideration in a divorce case. I agree that it is not a criterion for granting a divorce. However we do know that after a divorce one of the parents often faces financial hardships, and it happens to be the woman in most instances.

That is why I would suggest we must give more serious consideration to what is going to happen to either spouse rather than be concerned only with the children's welfare. The children's welfare must have priority, granted, but we simply must consider the future of one of the parents, the woman more often than not. As someone pointed out earlier, poverty seems to be the lot of women and, after divorce proceedings, women are definitely poorer and often find themselves in a very precarious financial situation.

Therefore I strongly support this motion.

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** The question is on the subamendment standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour of the subamendment please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Charest):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Charest):** Pursuant to Standing Order 81(11) the recorded division on the proposed motion stands deferred.

We now move to the next grouping.

[*Translation*]

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 12

That Bill C-47, be amended in Clause 15

(a) by adding immediately after line 22 at page 11 the following:

"(b) the ages of the spouses;"

(b) by striking out lines 42 and 43 at page 11 and substituting the following therefor:

"spouses arising from the marriage or its breakdown; and"

(c) by striking out line 46 at page 11 and substituting the following therefor:

"within a reasonable period of time, as determined by the responsibilities of each spouse for any child of the marriage, by the reasonable expectations of each spouse with respect to employment, and by economic conditions."

• (1600)

[*English*]

**Ms. Lynn McDonald** (for Mr. Robinson) moved:

Motion No. 13

That Bill C-47, be amended in Clause 15 by striking out lines 31 to 46 at page 11 and substituting the following therefor:

(7) an order made under this Section that provides for the support of a spouse shall be directed to one or more of the following objectives:

(a) subject to paragraphs (b), (c), and (d) to promote the economic self-sufficiency of each spouse within a reasonable period of time;

(b) to recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown and to relieve any economic hardship of the spouses arising from the marriage or its breakdown;

(c) where the marriage is of long duration and where one spouse worked full-time in the home and was financially dependent on the other spouse during the marriage, to provide support for the dependent spouse throughout his or her lifetime and to equalize the standards of living of the spouse awarded support and the supporting spouse;

(d) where there is a child of the marriage and the spouses had agreed before divorce proceedings were commenced, that one spouse should stay at home full-time to care for the child, to fullfil the terms of that agreement insofar as it is economically practicable.

[*Translation*]

**Ms. Lynn McDonald** (for Mr. Robinson) moved:

Motion No. 14

That Bill C-47, be amended in Clause 15 by striking out lines 42 and 43 at page 11 and substituting the following therefor:

"spouses arising from the marriage or its breakdown; and"

[*English*]

**Mrs. Finestone:** Mr. Speaker, I am pleased to see that the Speaker has grouped these amendments together because that is where they belong. We in Canadian society recognize equality as a concept, which I fully support. It infers shared rights and shared responsibilities, the need to move toward economic independence of all persons in our society, but nonetheless there are certain factors in the structure of a marriage that must be considered. When you enter into a marriage there are certain consequences on your economic independence. There are choices that a couple makes on the roles they will play within that marriage. Those are choices in today's society and I think we should keep them, but they do have economic impact and they do determine the economic independence of each spouse. Upon separation and divorce, these factors lead to economic readjustment and they need to be very carefully weighed.

The age of a spouse should be included as a criterion. Age should be a consideration before the courts in these deliberations. I suggest that time at both ends of the spectrum should be considered, not only the length of time of cohabitation, which should be a factor, but age of spouse as well should be indicated.

The older woman who has never worked outside of her home will need ongoing protection for an indefinite period of time under the law. The time limited orders for younger women could fail to recognize their potential for self-sufficiency. It is not only based on the goodwill of the partner but it is dependent also on the external forces of the market-place and the economy.

Retraining and education may be required, which may take longer than anticipated. The sickness of a child may interrupt the length of retraining and education. These factors must be carefully considered.

I would strongly submit that a balance must be struck between the need to protect the older woman and the need to ensure that the younger woman has enough time for education and retraining, and has access to the market-place. It depends on the economy. There is also the need to allow the other spouse to get on with his or her life and to continue without a heavy financial burden if the potential for economic self-sufficiency is there. This way there is no injustice to either spouse. I think the key, Mr. Speaker, is to find balance with no injustice to either spouse.

Motion No. 12 recognizes, in Clause 15(5)(a), that a spouse may have subjugated his or her own earning capacity for the other spouse during the course of the marriage and thus would be dependent on the other spouse. This subclause would recognize the situation of those spouses and ensure that the courts take into consideration their dependent financial position during the marriage as well as after the marriage breakdown.

Men and women in the 40 to 49 year age group are four times more likely to divorce than younger people in the 18 to 29 year age group. In an American study, it was found and quoted by the Department of Justice in its fact book that women below the poverty line were less likely to have child support payments than those above the poverty line. Forty per cent of single women with children below the poverty line are awarded child support compared to 60 per cent of women above the poverty line.

The main purpose of adding age in this motion and that marriage be a condition of consideration is to provide a directive to the court that these factors be taken into consideration and not left as a discretionary factor to be considered by the court.

I am suggesting that we give clarity in our directions to the court and that the criteria of age and marriage are inclusive.

Let us try to be more clear and more concise. It is for that reason that I ask in the motion for the addition of those factors, and I ask for support for the motion.

**Ms. McDonald:** Mr. Speaker, I would like to address first the issue of Motion No. 12 and then spend a bit more time on our own Motion No. 13. I think the Hon. Member in proposing Motion No. 12 and dwelling on the issue of age is obviously getting at the crucial problem. I do not think her motion gets to it as well as the motion we have proposed.

Age is certainly a factor. It is particularly because of the situation of the older spouse, especially the homemaker spouse, that we have put forward Motion No. 13. Age is a matter which is more flexible, and it is the criterion itself that we have to go into not the fact of age. I do not think there is any particular age at which economic dependence happens, does

not happen or can be overcome. We have to look at what is really happening in the situation of marriage breakdown for the spouse who has been in the marriage for a long time, particularly the homemaker spouse.

If we look back to the divorce Bill of the previous Government, the concept of economic self-sufficiency was so important in the Bill that it would have caused untold hardship to Canadian women. It said that a wife on being divorced would have to become economically self-sufficient. If she did not, tough luck. If she became economically self-sufficient at any level, that was her obligation. What about the homemaker spouse married, say, 30 years to a doctor, who has been full-time in the home, raised children, and done voluntary work or work that will not get her a good job in the market or a decent pension or any of those things? Let us be very clear that this divorce law will now make divorce possible after one year even for homemaker spouses or anybody else who does not want a divorce. It means the 50, 60 or 65 year old woman who has been married all her life and in the home, making a contribution to the community, can be divorced after a year of separation contrary to her will.

She is supposed to become economically self-sufficient. Perhaps she can do so. Perhaps she can get a job as a retail sales clerk, as a domestic, or as a waitress. These jobs will be tough for an older woman who has had many years of doing other kinds of activities, and will mean a serious decline in her standard of living. Why, for this abstract concept of economic self-sufficiency, should a woman suddenly have to endure that loss in her living standard? It is simply not fair. Her expectations are built up, the couple has worked together, and she has enjoyed a standard of living which her husband has been able to provide. Therefore, in Motion No. 13 let me direct you to a crucial part in paragraph (*c*) which reads:

● (1610)

—where the marriage is of long duration and where one spouse worked full-time in the home and was financially dependent on the other spouse during the marriage, to provide support for the dependent spouse throughout his or her lifetime and to equalize the standards of living of the spouse awarded support and the supporting spouse;

You see, it is possible for the dependent spouse to become economically self-sufficient at a much lower standard of living. Let me quote again the fact of life that in marriage the standard of living for men goes up and after divorce the standard of living for the wife goes down.

There is nothing in the present legislation which, if left unamended, would pay any heed to the necessity for justice and fairness between the spouses, and would recongize the contribution made by the homemaker spouse and his expectations.

The Canadian Advisory Council on the Status of Women was very clear on this in its brief to the committee and that criteria beset out. Yes, there are criteria, but there is no priority given, and it does not say "equalize". A judge could simply say, "Well, the criterion of economic self-sufficiency is here, so I award the most minimal support for, say, one or two years to permit the dependent spouse to become economically self-sufficient". That would be perfectly legal under the law as proposed by this Government. However, it would be absolutely contrary to our understanding of justice.

Let us look at paragrpah (*d*). It reads:

—where there is a child of the marriage and the spouses had agreed before divorce proceedings were commenced, that one spouse should stay at home full-time to care for the child, to fulfil the terms of that agreement in so far as it is economically practicable.

Now, for many couples the arrangement is made that the husband will go out and earn the living for the family and that the wife will stay home and look after the children. On divorce the awards of maintenance are so low, on average, that the wife has to go out and get a job to support herself and her child because awards are not adequate. Now, with this amendment it would say that where it is practicable—and obviously in some cases this might not be—the original plans of the couple to have a homemaker spouse would be continued. It seems that that is only reasonable. It has certainly been a very important concern of the women's movement of Canada that the possibility of the woman making the choice to stay home and look after her own children should be there.

A Government that makes a big thing about the family, about the desirability of a parent being able to stay home full time to look after the children so as to give the family the priority and support that all of us would like to see it have, should live up to its own rhetoric and respect that by making it possible, on divorce, for the homemaker spouse to maintain those plans that the couple had made.

If this amendment does not go through, Mr. Speaker, we are going to put Canadian women in a worse situation than they already are, because the legislation puts emphasis on economic self-sufficiency to a greater extent than do our current laws. If we are going to add this requirement, this new responsibility of economic self-sufficiency, we have to take care of the people for whom this is not practicable, and that is, the older homemaker spouse.

For very young couples this is not going to be at issue. A marriage breaks up and the homemaker spouse, if there was one at all, has not been out of the labour force for a long time, so that is not a case of hardship. We do know that there are older spouses who are divorced and their situation is tragic. It is only elementary justice that we see that these amendments get through which give that protection to the older homemaker spouse.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I appreciate the opportunity to speak to this particular piece of legislation. I was a member of the committee that considered this legislation, and at the committee level I indicated my perspective with respect to certain provisions of the Act. I spoke at the time specifically with respect to Clause 15. I want to commend my colleague, the Hon. Member for Mount Royal (Mrs. Finestone), for taking the initiative in sponsoring Motion No. 12, which is a motion to amend Clause 15 of Bill C-47, which is before us here today.

The fact that this Government refuses to adopt this eminently reasonable recommendation is reflective of the attitude of the Government to women. We saw today that the Solicitor General of Canada (Mr. Beatty) refused to undertake an independent review of allegations of sexual harassment with respect to women in the RCMP. The Government refused to conduct that independent external review, which would suggest that it simply does not understand the problems that exist within the RCMP with respect to women, and the sexual harassment and discrimination which exist within the Force. The fact that the Government is refusing this reasonable and good amendment that would support the plight of women who are divorcing is further evidence of this Government's attitude towards women.

What is wrong with Motion No. 12? I would like to indicate the purpose behind Motion No. 12. It amends or suggests that Clause 15 should be amended. Clause 15 of Bill C-47 deals with corollary relief. A court that is dealing with a divorce has the jurisdiction under divorce legislation to give corollary relief. What is corollary relief? It deals with support for the spouse and/or children and deals with custody and access. This clause that we are attempting to amend speaks specifically of maintenance. What the Hon. Member from Mount Royal is suggesting is that the clause be amended by adding immediately after line 22 on page 11 the following, the ages of the spouses. What does she intend to do? Section 15(5) says:

In making an order under this Section—

That is when a court is making an award for corollary relief with respect to maintenance.

—the court shall—

And I underscore and emphasize the word "shall", mandatory, the word "must".

—take into consideration the condition, means, needs and other circumstances of each spouse . . . and of any child of the marriage for whom support is sought—

What the section is saying is that the court, when making an award for alimony, should take into consideration certain conditions. Then it goes on to specify the factors that the court must take into consideration when making an award. The Act, as it stands, says that the court must take into consideration the length of time the spouses cohabited. Great stuff. It is important that the courts take that into consideration in determining the quantum of support for a particular spouse. The reasons for that are obvious.

If, for example, a couple is married for a short period of time and one spouse is not dependent, or has not developed a dependency on the other spouse, one could not argue very forcefully the support or maintenance should be a higher amount or for a longer period of time. On the other hand, if a couple has been married for a long, long period of time, let us use the example of a 20-year marriage, then the court should take into consideration the length of time the spouses cohabited to the benefit of the spouse who was rendered dependent as a result of the length of the marriage. It is good to look at the length of time the two individual cohabited.

• (1620)

The amendment put forward by the Hon. Member for Mount Royal indicates that not only should the court look at the length of cohabitation but it should also be instructed, under the Divorce Act, to look at the ages of the spouses. One might ask why that is important, but I think it is quite obvious why it is important for a court to take into account the age of the spouses in determining the amount of maintenance or alimony that should be awarded to a particular spouse.

Let us say that a spouse is a 50 or 55 year old woman who has remained in the home and raised children for a long period of time. Obviously it will be much more difficult for a 50 or 55 year old woman to find employment, particularly in these difficult economic times, than it would be for a spouse who is 20 or 21 years of age. It is clear that the more elderly one becomes, the less employable one becomes. I would submit that opportunities for employment diminish with age. Of course, under a particular age, one's opportunity for employment may not even exist. However, there is a prime period of employment for individuals, and after that period of time passes, it becomes more difficult for males and females alike to become employed. Therefore, it is important that when a court deals with support for spouses, it be instructed to take into consideration the age of the spouses. I would suggest that in the case of a spouse who is 50 or 55 years old, an award should be greater since there has been a long period of dependency and the spouse is less employable than another spouse who is much younger.

I think the amendment we are discussing is a good amendment. It is a forward looking amendment and it is one that shows understanding for the plight of divorced women in society. It is an amendment that will assist women who are subjected, during the course of a marriage and after, to considerable pain and anxiety. However, the Government has refused to insert into the legislation something that will he elderly women who are divorcing men, who are generally in a stronger position and have more bargaining chips when the time comes to divide up family assets and determine how much support should go to one spouse or another.

I would invite the Minister who is present today to rise in the House to tell Canadians and Canadian women specifically why he is discriminating against the women of Canada in this particular clause of the Bill.

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I will respond very briefly to some of the criticisms contained in the motions and the oral representations made by Hon. Members. Clause 15 does deal with corollary relief and with questions of support. Different objectives have been stated within the Bill itself and everyone can read the Bill. However, I would like to emphasize a few things.

First, a number of Hon. Members spoke of self-sufficiency. Self-sufficiency has certain limitations, one of them being that, in so far as practicable, the Bill will promote the economic self-sufficiency of each spouse within a reasonable period of time. Also, within the same clause, there has to be a recogni-

tion of any economic advantages or disadvantages to the spouses arising from the marriage. There has to be an apportionment between the spouses of any financial consequences arising from the care of any child of the marriage and any obligation apportioned betwen them. Of course, most important, there is the relief of any economic hardship of the spouses arising from the breakdown of the marriage.

Dealing with one of the factual situations illustrated by the Hon. Member for York South-Weston (Mr. Nunziata), when a women and a man have been married for a long period of time, we want to relieve economic hardship, but surely the crucial question is the duration of the marriage and the functions performed by each spouse. Let me illustrate. Suppose a young man of 25 who is a dentist gets married. The wife becomes a housewife and the marriage last 35 years. It would be wrong for a court to expect that there should be a limited order like the one which is specifically designed for young people whose marriages without children might last for a period of a year or two. If a marriage lasts 30 or 40 years, it is not the age of the spouses about which we are concerned but the duration of the marriage and the apparent inability of a person to return to the workforce after being out of it for 40 years. Age *per se* means nothing. It is the duration of the marriage and all of the circumstances that is the important factor.

Similarly, with respect to the amendment, there is no hardship arising out of a marriage. There is a hardship arising out of the breakdown of a marriage. The only hardship within a marriage might be adultery, but that cannot be considered any longer with respect to the awards of maintenance as provided by the Bill.

The final representation I would like to make on behalf of the Government deals with the NDP assertion that we are trying to equalize everything. That is not our intention. Specifically, it is a policy difference. We do not try to equalize but, in a given set of circumstances, try to make things fair.

**Mr. Speaker:** Is it the pleasure to the House to adopt the motion?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it.

Motion No. 12 (Mrs. Finestone) negatived.

**Mr. Speaker:** That takes care of Motion No. 14 as well.

Motion No. 14 (Mr. Robinson) negatived.

**Mr. Speaker:** The next question is on Motion No. 13 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it.

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

I am given to understand that the House is now ready to present some arguments. Is that correct?

**Mr. Hnatyshyn:** Mr. Speaker, I appreciate the opportunity of making what I hope will be a very brief and pointed intervention with respect to the procedural admissibility of the motions on the basis of your tentative ruling. In reviewing the motions on the Order Paper, I discovered that the objections I had intended to raise in relation to Motion No. 1 related to Motion No. 2, which, you have cogently argued, is out of order. Therefore, I will move to Motion No. 3B.

Motion No. 3B standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone), seems to achieve the same purposes as Motion No. 1, and that is, the extension of the definition of a child of a marriage to children up to age 18. This will extend the Bill's provisions well beyond the scope of the Bill as agreed to in principle at second reading stage. It seems to me that on strict procedural grounds this amendment, being beyond the scope of the Bill, ought not to be put to the House. I think Your Honour will find that Citation 773(1) applies to this amendment, and I quote:

● (1630)

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

With respect to Motion No. 8 which stands in the name of the Hon. Member for Calgary East (Mr. Kindy), it appears to import an entirely new concept into the Bill, namely, compulsory mediation. I know that Your Honour has addressed this matter. While the Bill provides for conciliation to be suggested to the parties prior to a divorce proceeding commencing, the conciliation is voluntary. Compulsory mediation, on the other hand, goes well beyond this provision to require the parties to participate in a process of mediation. As well, there are financial and jurisdictional applications, financial inasmuch as expenditures would be necessary for the implementation of this procedure, and provincially inasmuch as there are elements outside the jurisdiction of the federal authority and within

provincial jurisdiction. I think this must be considered to be beyond the scope of the Bill and, therefore, irregular.

I might add in passing that this motion would appear to imply, as I indicated earlier, a change to the Consolidated Revenue Fund to pay for the mediator. I believe this is something Your Honour mentioned in your ruling.

With the complexity of this procedure, my recollection with respect to Your Honour's ruling is that I am reminded, and rightly so, that Your Honour pointed out the financial initiative of the Crown argument contrary to Citation 773(7) of Beauchesne's Fifth Edition.

With respect to Motion No. 2, the fundamental principle upon which the custody provisions in the Bill are founded are a determination of what is in the best interests of the child.

**Mr. Gauthier:** That has been ruled out of order.

**Mr. Hnatyshyn:** I understand that has been ruled out of order, Mr. Speaker. I will move along, then.

Since Motions Nos. 7, 15, 17 and 27 are consequential to the adoption of Motion No. 2, as they refer to shared parenting without defining it, and are thus dependent upon such an amendment, the interpretation clause containing Motion No.—

**Mr. Gauthier:** They have been ruled out, too.

**Mr. Hnatyshyn:** I believe they have been ruled out of order, too.

**Mr. Speaker:** Yes.

**Mr. Hnatyshyn:** Motion No. 3 which stands in the name of the Hon. Member for Burnaby (Mr. Robinson)—

**Mr. Speaker:** Could I ask the Hon. President of the Privy Council (Mr. Hnatyshyn) to give me approximately two seconds. There is so much paper at the moment that I think I have Monday's Order Paper which does not include Motion No. 3B. I want to follow the Hon. Member's argument. I wish to make sure I have the right Order Paper. Please continue.

**Mr. Hnatyshyn:** Motion No. 3 which stands in the name of the Hon. Member for Burnaby attempts to eliminate the grounds for divorce established in the Bill as agreed to at second reading stage. The effect of the adoption of this motion would be to eliminate any ground of divorce other than separation during a period of one year. The result would be that no one could be divorced prior to the end—

**Mr. Gauthier:** That has been ruled out of order.

**Mr. Hnatyshyn:** Have Motions Nos. 11, 11A, 32 and 33 been ruled out of order as well, Mr. Speaker?

**Mr. Gauthier:** Motion No. 7 has been ruled out.

**Mr. Speaker:** Order, please. I appreciate that the President of the Privy Council has come with a prepared argument. I know he is well briefed. I take it he prepared these arguments prior to the matter being dealt with preliminarily.

**Mr. Hnatyshyn:** I have dealt with the ones on which you have asked for comments.

**Mr. Speaker:** I think that the President of the Privy Council will find that, for instance, with respect to Motions Nos. 11, 11A, 33, and so forth, I have indicated in a preliminary manner that I intend to rule them out of order.

**Mr. Hnatyshyn:** What was Your Honour's decision with respect to Motion No. 25?

**Mr. Speaker:** The same preliminary decision.

**Mr. Hnatyshyn:** What is the status of Motion No. 31A?

**Mr. Speaker:** Motion No. 31A, if I remember correctly, I proposed to rule out of order because it went beyond the scope of the Bill.

**Mr. Hnatyshyn:** I wish to thank Your Honour for the opportunity of speaking on these important matters.

**Mr. Speaker:** I will now here from the Hon. Member for Mount Royal (Mrs. Finestone) and then from the Hon. Member for York South-Weston (Mr. Nunziata) on Motion No. 16, I take it.

**Mrs. Finestone:** Mr. Speaker, I would like some indication from the Chair with respect to the groupings of the motions to be debated. Could Your Honour indicate which motions are acceptable for debate among the Motions numbered 1 through 10? If I am allowed, I would like to bring to the attention of the Chair that I am not dealing with a matter of substance, I am dealing with a matter of interpretation, for example, with respect to Motion No. 3. I do not know if Your Honour has ruled it in or out of order.

**Mr. Speaker:** I indicated that in my view it is a matter dealing with an interpretation section and, therefore, out of order. I indicated that in my preliminary view. If the Hon. Member wishes to argue that it should be procedurally admitted, then I am perfectly happy to hear the Hon. Member's argument. I understand that this is somewhat of a new procedure. Whenever I deal with a matter of this type my intention has been to indicate at least my preliminary views as a result of my review of the Order Paper, and give Hon. Members a chance to try to persuade me that the Chair is wrong in doing so.

To reiterate my comments, I indicated to the House that I feel that Motions Nos. 1, 3A and 3B, at least on their face, should be admitted. The Hon. President of the Privy Council argues that Motion No. 3B should be ruled out of order. I indicated, at least procedurally, that Motions Nos. 2 and 3 should not be admitted. We have dealt with Motions Nos. 4, 4A and 5.

I take it that possibly answers the question of the Hon. Member. I take it she now wants to make representations with respect to Motion No. 3.

**Mrs. Finestone:** Mr. Speaker, in essence what we are saying is that this is a change in terminology. It is not a change in substance. It is not a change in any of the matters which I think would place it outside of the consideration of the law. I am suggesting that the words I have presented to you are words which have been used elsewhere in the Act and that I am not derogating, abridging or taking out words which are presently in the Act, such as the words "custody" and "access". I am suggesting a side bar effect. I think it is a shame that these words, which are humanizing words, have disallowed me the right to argue in the interests of fathers, grandparents, and of parents. I would have appreciated the opportunity to have argued in the—

**Mr. Speaker:** Order, please. I would like to make a distinction for the Hon. Member so that we do not become confused. The Hon. Member is now entering into the merits of the argument she wishes to put if the motion is ruled admissible. I know she does not mean to do that. I take it she is now making a procedural argument to the effect that there is not a substantive amendment to the interpretation clause. If that is her argument, I am prepared to consider it.

I will now hear from the Hon. Member for York South-Weston (Mr. Nunziata) on Motion No. 2. I hope he will also have something to say with respect to Motion No. 16.

**Mr. Nunziata:** Yes, Mr. Speaker. I will address Motion No. 16.

As I understand the procedure, Your Honour has indicated a preliminary opinion with respect to the admissibility of some of the motions. Your Honour has yet to render his final decision. In effect, by so doing, Your Honour has invited Hon. Members to present arguments with respect to either the admissibility or inadmissibility of all the motions which appear on the Order Paper and which the Opposition intends to raise. It is my respectful submission that in order for members of the Opposition to effectively deal with Your Honour's preliminary ruling, we must have sufficient time in order to prepare argument for—

● (1640)

**Mr. Speaker:** Order, please. Does the Hon. Member wish to make a procedural argument with regard to Motion No. 3 or does he wish to make a submission? If he wishes to make a representation about procedure, he can do that somewhere else. The Hon. Member may not know it but the Chair has every authority and right—in fact he has an obligation—to come in here at three o'clock and tell the House which matters are in fact in order and which are not.

It has been my practice to try to develop a courtesy in consulting to the degree possible. Therefore, it is precisely the issue of what is the representation the Hon. Member wishes to make which we are now hearing. I, therefore, suggest that he restrict his comments to the procedural argument.

**Mr. Nunziata:** Well, as I understood it, Mr. Speaker, you had not rendered a final ruling with respect to admissibility, but you appear by what you have stated, I take it, to—

**Mr. Speaker:** Please. I have invited the Hon. Member to make procedural argument about Motion No. 3. If he wishes to make an argument about the procedure of the decisions of the Speaker, that is for another time and place.

**Mr. Nunziata:** Mr. Speaker, I am being asked—and I will, because I am being asked at this point—to make argument on the spot as to the admissibility of Motion No. 2, and I intend to do that.

**Mr. Gauthier:** No, Motion No. 3.

**Mr. Nunziata:** Motion No. 2, first. You have indicated, Mr. Speaker, in your preliminary decision, which I have before me, entitled "Draft No. 3"—I take it I am referring to the correct document—that Motions Nos. 2 and 3 give to the Chair some procedural difficulty and that they appear to make a subtantive amendment to the interpretation clause, which cannot be done. In this regard, I refer the Chair to a decision made by one of its predecessors on May 21, 1970. It reads in part: "Amendments of a substantive or declaratory nature should not be proposed to an interpretation clause".

I take it from what I have before me, Mr. Speaker, that you are ruling this particular section or motion—

**An Hon. Member:** No.

**Mr. Speaker:** I invite the Hon. Member to come immediately to a procedural argument on a motion and not to pursue what appears to be a further discussion about the procedures of the consultation. The Hon. Member is—

**Mr. Nunziata:** I am addressing the merits of the—

**Mr. Speaker:** Soon, please.

**Mr. Nunziata:** All right. The question becomes, what is substantive and what is declaratory because one is relying on the fact that the amendment put in Motion No. 2 is either substantive or declaratory. It would be my submission that it is not a substantive amendment to the interpretation clause.

What Motion No. 2, which was moved by the Hon. Member for Mount Royal (Mrs. Finestone), does is attempt to amend the definition of the "child of a marriage". The child of a marriage is defined in Clause 2 of Bill C-47 as follows:

"child of the marriage" means a child of two spouses or former spouses who, at the material time,

(*a*) is under the age of sixteen years, or

(*b*) is sixteen years of age or over and under their charge but unable, by reason of illness, disability or other cause, to withdraw from their charge or to provide himself with necessaries of life;

What the Hon. Member is moving is that that Clause be amended to define a child as being someone who is under the age of 18 years in both situations.

That is not, in my respectful submission, Mr. Speaker, a substantive amendment in that it does not, for example, redefine or eliminate the definition of a child to include, for example, a male child or a female child. It simply extends the definition in terms of age which is different from a substantive amendment which refers to a child by height or weight or whatever. This refers to a child by age and by simply defining "child" as 18 years of age rather than 16, one is simply expanding the definition of "child".

The purpose behind the amendment is to enable the courts to provide support for 16 and 17 year olds, children under the age of 18 years. Under the proposed legislation the court can only deal with children who are 16 years of age.

**Mrs. Finestone:** Under 16.

**Mr. Nunziata:** Under 16 years of age, yes. What we in the Official Opposition want is to raise the age because we believe that a child of 17 years is a child of the marriage.

**Mr. Speaker:** Now the Hon. Member is making a procedural argument. So that I am clear, I take it the Hon. Member is trying to tell me that an increase in the age is not, in his view, a substantive amendment. Is that what the Hon. Member is trying to say?

**Mr. Nunziata:** Yes.

**Mr. Speaker:** Thank you. I will be glad to consider that argument. Does the Hon. Member have something to say on Motion No. 16? It is entirely unclear to me.

**Mr. Nunziata:** It is unclear, Mr. Speaker.

**Mr. Speaker:** I cannot tell what is its purpose and intent.

**Mr. Nunziata:** It is also unclear to me because there appears to be an error in the printing of the text of the motion. I will tell you why, Mr. Speaker. The motion reads, and I quote:

—(*a*) by striking out line 41 at page 12—

And if one turns to page 12, one finds there is no line 41. That is the problem.

**Mr. Speaker:** That is part of it.

**Mr. Nunziata:** Therefore, Mr. Speaker, I do not know what it means.

**Mr. Speaker:** The motion is in your name.

**Mr. Nunziata:** It is, but it talks about striking out a line which does not exist. So there is an error.

**Mr. Speaker:** For clarification, is the Hon. Member saying that this Motion should not be here?

**Mr. Nunziata:** The Motion as it was printed is incomprehensible, Mr. Speaker. The author of the incomprehensibility is not this Hon. Member. It happened when the motion was printed. If the Chair could set the matter down, I will try to determine what those who did the printing were intending or what motion of mine they were addressing.

**Mr. Speaker:** I thank the Hon. Member. I am prepared to stand Motion No. 16 down, get a copy of the notice of Motion which was actually submitted to the Table and try to figure it out from there.

If there are no further procedural arguments, as Hon. Members would expect, I want to think about the words which have been put to me with regard to Motions Nos. 2, 3 and 3B. They appear, with the exception of the reservation with regard to Motion No. 16, to be the only motions about which Hon. Members have some concern. I, therefore, intend to confirm the ruling which was given earlier, with the exception of Motions Nos. 2, 3 and 3B, and Motion No. 16 is still reserved, while I review the words which have been said. I cannot call Motions Nos. 1, 3A and 3B because 3B is subject to representation by the President of the Privy Council (Mr. Hnatyshyn). Therefore, I propose to call Motion No. 18.

Is that understood?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved:

Motion No. 18

That Bill C-47, be amended in Clause 16 by striking out lines 15 and 16 at page 13 and substituting the following therefor:

"Section (6), the court may include in an order under this section a term requiring any person who has custody of a child of the".

**Mr. Speyer:** Mr. Speaker, this is a very simple motion. It was brought to our attention during the course of the prestudy by the Senate. As many Hon. Members who were at the Justice Committee will remember, it was the general consensus that some type of notice ought to be given when one parent was going to change residence. The Canadian Bar Association brought to the attention of the Senate that the amendment which was made at committee stage was ambiguous. As drafted, this could be interpreted as only allowing the court to make such an order where the custodial parent intends to change the child's residence at the time that custody is granted. That was not what was intended. It may very well be that a court would refuse to interpret the section that way but, as legislators, we want to make sure that there is no ambiguity.

What we want to do is to amend Section (6) to make it absolutely clear that the courts have jurisdiction when the intention to change a child's residence is formed at any time after custody is granted. This is nothing more than a clarification suggested by the Canadian Bar Association so that at any time after custody notification has been given, as well as at the time the custody order is made.

• (1650)

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

**Some Hon. Members:** Question.

*Divorce Act*

**Mr. Deputy Speaker:** The question is on Motion No. 18 standing in the name of the Minister of Justice (Mr. Crosbie). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion No. 18 (Mr. Crosbie) agreed to.

**Mr. Deputy Speaker:** The next question is on Motion No. 19 standing in the name of the Hon. Member for Burnaby (Mr. Robinson).

**Ms. McDonald:** Mr. Speaker, we would like to withdraw this motion.

**Mr. Deputy Speaker:** Is there unanimous consent that the motion be withdrawn?

**Some Hon. Members:** Agreed.

Motion No. 19 (Mr. Robinson) withdrawn.

**Ms. Lynn McDonald (Broadview-Greenwood)** (for Mr. Robinson) moved:

Motion No. 20

That Bill C-47, be amended in Clause 16 by striking out line 30 at page 13 and substituting the following therefor:

"child and shall not take into consideration the sexual orientation of the parent."

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 21

That Bill C-47, be amended in Clause 16 by striking out line 30 at page 13 and substituting the following thereof:

"child including;

(*a*) the love, affection and emotional ties between the child and,

(i) each person making an application under section 16(1),

(ii) other members of the child's family who resides with the child; and

(iii) persons involved in the care and upbringing of the child.

(*b*) the views and preferences of the child, where such views and preferences can reasonably be ascertained;

(*c*) the length of time the child has lived in a stable home environment;

(*d*) the ability and willingness of each person making an application under section 16(1) to provide the child with guidance and education, the necessaries of life and any special needs of the child;

(*e*) the permanence and stability of the family unit(*s*) with which it is proposed that the child will live; and

(*f*) any indications of physical and mental abuse on the part of one spouse toward the other spouse, or as between a parent toward the child."

Motion No. 26

That Bill C-47, be amended in Clause 16 by adding immediately after line 44 at page 13 the following:

"(11) In making an order under this section, the sex of the parent or the age and sex of the child(ren) of the marriage are not relevant to a determination of an application made under this section."

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I would like to address Motion No. 20 which says that the court shall not take into consideration the sexual orientation of the parent in making decisions about custody. It is our position tht the welfare of the child should be the criterion on which the court makes these decisions. There should be no arbitrary discrimination including that of sexual orientation. The court has already developed perfectly adequate criteria by which it can decide which is the more suitable parent for custody. We want to make it very clear that sexual orientation should not be a bar to custody. Certainly there have been cases where this has been argued. However, we think in a country which has made decisions about non-discrimination, where we have very clear criteria which our courts are already working with, that the welfare of the child should be the paramount consideration, that this is perfectly adequate.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I would like to address Motion No. 21. Awarding custody to either parent is a matter requiring very serious consideration. There are a number of elements which need to be considered. What I have attempted to do here is to enunciate a series of considerations which the court should take into account as a guide or tool in making its decision. It is not an exclusive list. The Parliamentary Secretary and I, as well as Members of the committee concerned, had an exchange on this particular issue. What I have been saying from the very beginning is that it is very important that the court, counsel and those parents who decide to read the law, understand exactly what the intent is.

I find the argument concerning the "tender years" doctrine, a very important doctrine, to be a mild argument and not enough to remove the other things which I think have to be considered.

I have indicated in my motion that the factors which should be taken into account when making an order for custody are the following: The love, affection and emotional ties between the child and either the father, mother, the grandparents, paternal or maternal, should be considered. Each person making the application for custody has to be examined very closely, their motives, what they can do for the child and what are the best interests of the child. This includes other members of the child's family who reside with the child and persons involved in the care and upbringing of the child.

I have also suggested that the views and preferences of the child, where such views and preferences can reasonably be ascertained, should be considered. That is a fundamental principle. Children in today's society, perhaps even in previous societies, but particularly in this wide open world of communications, know what they think and they should be allowed to express their preference. It should be defined in the law. It should not be based on practise or precedent. It should be clear and easily readable. If we want a humanized approach then we want a law which is readable and comprehensible, not only for counsel but for those upon whose lives it will impact.

The length of time the child has lived in a stable home environment is also a rather key issue. The ability and willingness of each person making an application under this clause to provide the child with guidance and education, the necessities of life and any special needs should be examined and that makes good sense. Parents who sit down with mediators or family counsellors can use this as a check list to further the discussion. The permanence and stability of the family unit with which it is proposed that the child will live is very

important as well. Any indications of physical and mental abuse on the part of one spouse toward the other spouse, or by a parent toward the child, would of course have an influence on the decision made. We have a serious concern about family violence in our society. It is a well known fact that, although officially one in ten women are battered, the unofficial statistics indicate that it is closer to one out of every five. Therefore, point (*f*) would be of key importance in the consideration.

• (1700)

I strongly recommend that the motion be considered as a guide to the court, although not exhaustive, indicative of a checklist for fathers, mothers, and grandparents.

**Mr. Speyer:** Mr. Speaker, I will be very brief. I want to point out to Members of the House that traditionally, as incorporated in this legislation and through judicial decisions, there is only one factor that really determines custody, and that is the best interests of the child, taking into consideration the means, needs, conditions, and other circumstances.

I would like to make a comment with respect to an amendment proposed by the Member for Burnaby (Mr. Robinson) in committee, but withdrawn today. It is now incorporated in Motion No. 26 moved by the Member for Mount Royal (Mrs. Finestone). It is that the age of a child not be considered in the awarding of custody. It seems to me that in the best interests of a child its age and relationship with its mother are very important factors. It may not be the determining factor, but is an important factor in a given set of circumstances.

The Member for Mount Royal and I disagree in that I do not want a checklist, to use her words, in drafting legislation. I want to follow the principle that the courts will do what is in the best interests of the child. I believe in the courts, and I believe in an appellate system when the courts are wrong. I do not want to have a whole list of things enumerated. I do want to give the courts the latitude to examine a given set of circumstances and make a determination. If they are wrong, God knows we have enough appellate courts to reverse them.

**Ms. McDonald:** Mr. Speaker, I would like to correct the misimpression that the Member for Burnaby (Mr. Robinson) had proposed a motion which involved the age of the child. That is not the case. That is the motion of the Hon. Member for Mount Royal (Mrs. Finestone).

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the Hon. Member for Broadview-Greenwood (Ms. McDonald) who, I believe, has already spoken. Is there unanimous consent to allow the Member to speak again?

**Some Hon. Members:** Agreed.

**Ms. McDonald:** Mr. Speaker, I rise on a point of order. I have spoken only on Motion No. 20. I spoke very briefly and I would like to make a few very brief remarks on Motions Nos. 21 and 26.

**Mr. Deputy Speaker:** The Member is correct in what she has said. However, the Speaker has said that these motions have been grouped for debate. In any event, the House has given unanimous consent for the Member to speak. The Member may speak.

**Ms. McDonald:** Thank you, Mr. Speaker. I will be very brief indeed.

I do want to point out one difficulty with Motion No. 21. I think that most of the points raised by the Hon. Member are perfectly reasonable, whether one believes in a checklist or not. However, point (*d*) refers to the ability and willingness of each person to provide the child with guidance and education. This also includes the necessaries of life and any special needs of the child.

This has, in fact, been used in court cases to argue against custody being given to women because the economic circumstances of women are so much less favourable than those of men. There are instances in which it has been argued by the husband that his financial advantages would be such that the child should be given to him for purposes of custody. We think it would be very wrong that the ability of a husband to earn more money than a wife, as a result of all kinds of discrimination, should be a criterion in making these decisions.

Similarly, one worries about the reference in Motion No. 26 to the sex of the parent. I think that the welfare of the child is perfectly clear as it is, and we do not want an additional qualification. Adding the sex of the parent seems to imply that the courts have been making mistakes about this and need to be given additional guidance. I do not think that is the case.

**Mrs. Finestone:** Mr. Speaker, I rise on a point of order. Section 15 of our Charter of Rights and Freedoms with regard to equality indicates that one may not discriminate on the basis of sex. That is the reason it is in there.

**Mr. Speaker:** Order. I think the Hon. Member is using a point of order to try to speak again on the Bill. Members may speak only once on a matter.

**Ms. Copps:** Mr. Speaker, I rise on a different point of order. I think the Chamber agreed to hear the Member for Broadview-Greenwood (Ms. McDonald) a second time because of the grouping of the amendments and the confusion about which amendments were being discussed. I believe that the Member for Mount Royal (Mrs. Finestone), whose amendment is being attacked, did not have a chance to address that in her comments. Perhaps, with the unanimous consent of the House, we could allow the Member for Mount Royal to address the grouped amendments with particular attention to the amendment which she did not have a chance to address in her initial remarks.

**Mr. Speaker:** I take it the Hon. Member for Hamilton East (Ms. Copps) is suggesting that she wishes that the House consider whether it wants to hear the Hon. Member for Mount Royal (Mrs. Finestone) by unanimous consent a second time. Does the House wish to do so?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House agrees to hear the Hon. Member for Mount Royal a second time.

**Mrs. Finestone:** Thank you very much, Mr. Speaker. I will be very brief. I was trying to point out that in my view it is illegal to draft the Bill in this way. I feel that this motion reflects the spirit of the Charter of Rights and Freedoms and it is in the spirit of equality for all to prevent discrimination based on sex. The particular sex of the parent or the child should not be brought into consideration when the court is giving effect to any separation or parenting order. My concern is that the best interests of the child be served. The sex of the parent is not the consideration; it is the child who is the consideration. That was the whole point, Mr. Speaker.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I, too, would like to take a few moments to speak in defence of the amendment prosposed by the Hon. Member for Mount Royal (Mrs. Finestone). Although the Member for Cambridge (Mr. Speyer) claims that these issues are decided by the courts and that the courts should be directed only by their own judgments, I believe that the message which should go out from this House with respect to divorce legislation is that the best interests of the child are, above all, paramount, but at the same time there should not be discrimination on the basis of sex. The Member for Cambridge addressed the age issue implying that if the child were young perhaps the mother-child relationship would be stronger than the father-child relationship, thus giving the potential of custody being awarded to the mother.

I perhaps speak only from anecdotal evidence but, just as in a number of economic questions we women have been discriminated against on a regular basis, in the area of custody the courts have tended, in many cases, to discriminate against men who have made applications in a *bona fide* way. I am sure that many of us often hear stories of great difficulties faced by fathers who are really interested in the best interests of their children and who do not have the opportunity to seek custody because the overwhelming number of court judgments are biased in favour of women. Perhaps socio-economic custom is the reason for that.

However, the intention of this particular amendment, which was discussed at length in the context of our social policy group in the Liberal caucus, was to say that as a Parliament we feel that custody judgments should not be decided on the basis of who earns the best income. At the same time, they should not be decided on the basis of gender.

If we are truly committed to the notion that men and women should share an equal responsibility in parenting and nurturing, that responsibility should transfer itself into rights in a court of law. At the moment I believe that in many instances the court is still ruling in an unfair way, denying the men of our population the right of equal opportunity for shared or complete custody of their children.

The Member for Broadview-Greenwood says that we should let the courts decide. In fact, one reason why we set up a committee on equality to travel across the country was so that Parliament could decide that in matters of legal jurisdiction we do not want discrimination on the basis of gender. Past court judgments have shown that discrimination still exists on the basis of gender. This is an attempt to address that question. I believe it is a sound amendment in keeping with the Charter.

• (1710)

Rather than forcing parents into lengthy legal battles which are not in the best interest of their children in the long run, why can Parliament not send a direction to the courts saying that in 1986, if we believe in shared parenting and shared responsibility and joy of raising our children, surely that position should translate itself into court judgments.

The message we are sending to the courts is that the current system continues to be discriminatory, and one way to address that problem is by taking the gender out of the decision-making process in the courts. Obviously, many other factors must be considered, but I would argue that many Members have probably seen cases where men have been discriminated against in custody battles in court. Just as I would fight for financial equality for women, it is fair to fight for a movement toward equality for men in the issue of custody.

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The first question is on Motion No. 20 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion, the nays have it. I declare the motion lost.

Motion No. 20 (Mr. Robinson) negatived.

**Mr. Speaker:** The next question is on Motion No. 21 standing in the name of the Hon. Member for Mount Royal (Ms. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion, the nays have it. I declare the motion lost.

Motion No. 21 (Mrs. Finestone) negatived.

**Mr. Speaker:** The next question is on Motion No. 26 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it. I declare the motion lost.

Motion No. 26 (Mrs. Finestone) negatived.

**Mr. Speaker:** I have reviewed the arguments made by the Hon. Member for Mount Royal (Mrs. Finestone), the Hon. Member for York South-Weston (Mr. Nunziata) and the President of the Privy Council (Mr. Hnatyshyn). I have re-examined Motion Nos. 2 and 3, the Bill itself and Motion No. 3B.

The argument made with regard to Motion No. 2 is that it was not a substantive amendment to the Bill but one that simply changed the age 16 to a higher age. I must find that it is in fact a substantive amendment. A change in the number is a substantive amendment, as a matter of consequence. Because it is increasing the number, clearly it enlarges the scope of the definitions and, therefore, its application to the Bill. On either of those counts it would have to be ruled out. Therefore, I must rule Motion No. 2 out of order.

I have similar difficulty with Motion No. 3 standing in the name of the Hon. Member for Mount Royal. It adds definitions to the interpretation clause, which is normally regarded as out of order. Unless I misread the intent of the amendments, they were definitions that were introduced to have an effect on later amendments. In other words, the change is clearly a substantive change in the interpretation clause whose purpose was to relate to other amendments which themselves have been ruled out of order. Therefore, I suggest to the Hon. Member that the change in the interpretation clause must be procedurally regarded as inadmissible.

With respect to Motion No. 3B, I indicated that my preliminary view was that the proposal was to change the definition within the Section only, if I recall, to introduce a concept of age. It is not at all clear that that would enlarge the scope of the application to the Bill. As I read it, it would suggest a change within that one Section. In that context I am prepared to give the benefit of the doubt and allow the Member to have her motion put.

As I indicated previously, I would expect it to be grouped with Motions Nos. 1 and 3A and that a vote on Motion No. 1 would dispose of Motion No. 3B. Therefore, I propose to turn to Motion Nos. 1, 3A and 3B.

**Mr. Speyer:** Mr. Speaker, I rise on a point of order just for clarification. In light of the ruling on Motion No. 2, that a change from 16 to 18 is not in order, is that not absolutely inconsistent with your ruling—

**Mr. Speaker:** Order, please. The Hon. Parliamentary Secretary knows much better.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 1

That Bill C-47, be amended in Clause 2

(*a*) by striking out lines 11 to 19 at page 1.

(*b*) by striking out lines 39 and 40 at page 2 and lines 1 to 7 at page 3.

Motion No. 3A

That Bill C-47, be amended in Clause 2 by striking out line 17 at page 1 and substituting the following therefor:

"of education, illness, disability or other cause, to".

Motion No. 3B

That Bill C-47, be amended in Clause 6 by striking out line 46 at page 4 and substituting the following therefor:

"opposed and the child of the marriage, hereinafter to be interpreted for the purposes of this Act to mean a child of two spouses or former spouses who, at the material time,

(*a*) is under eighteen years of age and who has not yet withdrawn from the charge of his or her parents, or

(*b*) is eighteen years of age or over and under their charge but unable, by reason of illness, disability or other cause, to withdraw from their charge or to obtain the necessaries of life, in".

She said: Mr. Speaker, I am pleased with what you just said and I hope that I understand its intent. It allows me to express some very serious concerns. In Motion No. 1, I am seeking to strike out lines 11 to 19 at page 1 of the Bill which provides the definition of "child of the marriage". It reads:

"Child of the marriage" means a child of two spouses or former spouses who, at the material time,

(*a*) is under the age of sixteen years, or

(*b*) is sixteen years of age or over and under their charge but unable, by reason of illness, disability or other cause, to withdraw from their charge or to provide himself with necessaries of life;

I also seek to strike out lines 39 and 40 at page 2 and lines 1 to 7 at page 3 of Clause 2(2) of the Bill which states:

For the purposes of the definition "child of the marriage" in subsection (1), a child of two spouses or former spouses includes

(*a*) any person for whom they both stand in the place of parents; and

(*b*) any person of whom one is the parent and for whom the other stands in the place of a parent.

Before I deal with Motion No. 3A, let me deal with Motion No. 3B. My purpose in striking out those lines contained in Motion No. 1 is so that I could address, under Clause 6, the

reason why I believe that one should have a different definition of "child of the marriage".

• (1720)

Clause 6 is to be amended by striking out line 46 at page 4. It should then read "When an application for an order under Section 16"—that is the custody section—"is made in a divorce proceeding to a court in a province and is opposed and the child of the marriage hereinafter to be interpreted for the purpose of this Act to mean a child of two spouses or former spouses who at the material time is under 18 years of age and who has not yet withdrawn from the charge of his or her parents or is 18 years of age or over and under their charge but unable by reason of illness, disability or other causes to withdraw from their charge or to obtain the necessaries of life".

The key here is that in today's society one can ill-conceive of a child just at the age of 16 having to go back to the court to be considered as a third party, or requiring unclear reasons to allow him or her to go back to school or to stay in school.

The whole spirit of my motion involves the need for consideration of youths age 16 and 17 who are at an extremely vulnerable age and at a very serious stage in their life. I think the assurance of support and maintenance is key to the stability, both mental and physical, of these young people. We should not terminate support at age 16. Very often children are still in school at that age. If not, they encounter very great difficulties in trying to find a job.

It should be noted that in the 1981 census Canada had over half a million single parent families headed by women, and almost 43 per cent of those single parent families had incomes below the poverty line. Their median income was $13,928 compared to the median income of $27,838 for all Canadian families. Interestingly enough, the median income for single parent families headed by men was $24,813.

With that many single parents with children under the age of 18 who need to have education and to be brought up well nourished so they can become active members in our society I think we need to consider including 16 and 17 year olds in our Bill.

It costs $1 billion to our treasury every year for welfare because we do not do a proper support job for single parents, particularly for women. There is a cost out of the Canada Insurance Plan for which the Government pays 50 per cent. When you are talking of a billion dollars, I think there should be room to extend the Bill, if that is what is necessary. It is up to parliamentarians to have the right to make those decisions.

In this respect, we have all kinds of federal legislation today which indicates 18 as the proper age for consideration. The argument that it is at the provincial level does not hold any water, because both at the provincial and the federal level the Elections Act, the Young Offenders Act and the Criminal Code, all use the age of 18. I see no reason not to apply that yeardstick in this instance which goes to the very core of our society and which impacts on children in homes. Whether the single parent is male or female, the important issue is that the child up to the age of 18 be supported.

Those remarks were with respect to Motion No. 1. and Motion No. 3B.

With respect to Motion 3A, that is a fall-back position. In the event this amendment is ruled out of order or the House does not accept it, at least make it clear to the courts that if you are only to protect children up to the age or 16 and if over the age of 16 there has to be illness, disability or some other reason, which is certainly not clearly defined, one should at least adds the words in the amendment that I proposed in Motion No. 3A, namely, in Clause 2 striking out line 17 at page 1, substituting that the child of the marriage would include one who is 16 years of age and over and is under their charge but unable by reason of education, illness, disability or other causes to withdraw from their charge and to obtain the necessaries of life.

I think this is a very small cost to protect the youth, the future of our country, and to allow them to dream dreams instead of having the nightmare of going to the courts. I strongly suggest that one of these amendments be accepted.

**Mr. Nunziata:** Mr. Speaker, I rise on a point of order. I refrained from interrupting my hon. colleague from Mount Royal—

**Mr. Speaker:** Is this an argument on Motion No. 1?

**Mr. Nunziata:** No, Mr. Speaker. I have some confusion in my mind. You have indicated that Motion No. 1 is in order. Is that correct?

**Mr. Speaker:** Yes.

**Mr. Nunziata:** If I may, Mr. Speaker, I would ask that you reconsider.

**Mr. Speaker:** Order, please. Is the the Hon. Member now making a comment on the ruling?

**Mr. Nunziata:** No.

**Mr. Speaker:** What is the Hon. Member trying to do, immediately, please, on his point of order?

**Mr. Nunziata:** Motion No. 1. strikes lines 11 to 19.

**Mr. Speaker:** With great respect what is the point of order, please?

**Mr. Nunziata:** The effect of Motion No. 1 is to strike something—

**Mr. Speaker:** What is the point of order?

**Mr. Nunziata:** —and to replace it with nothing.

**Mr. Speyer:** That is what I was saying.

**Mr. Nunziata:** The Parliamentary Secretary to the Minister of Justice (Mr. Speyer) agrees with me. I would suggest, on a

point of order, that you cannot simply eliminate something and not replace it with something because you will not have a definition of a child.

**Mr. Speaker:** A motion to delete is always in order. The Hon. Member, with great respect, has made a comment on a ruling. Order. With great respect, if the Hon. Member tries that again—

**Mr. Skelly:** What is going to happen?

**Mr. Speaker:** I am going to hit him on the wrist with my rubber pencil.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Broadview-Greenwood (Ms. McDonald).

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I wish to speak against Motion No. 1 and to make a few brief remarks on Motion Nos. 3A and 3B. It seems to me Motions Nos. 3A and 3B are eminently supportable. They are reasonable motions in the light of Canadian society at the present time where young people are still an expense at ages 16 and 17. We have a society that requires more and more education in order that young people get jobs. It seems quite reasonable that young people at the age of 16 and 17 be considered as children of the family for the purpose of this Act.

I support also the specific proposal of Motion No. 3A to add education to the list as one of the criteria for which support should be considered. I would urge adoption of Motions Nos. 3A and 3B.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I appreciate the opportunity to speak to Motion No. 1. The effect of Motion No. 1 is to strike out lines 11 to 19 at page 1 and to strike out lines 39 and 40 at page 2. First, by striking out lines 11 to 19 at page 1 it strikes out the definition of a child.

**Mr. Speyer:** Right.

**Mr. Nunziata:** The definition of a child as defined under the Act is that a child of a marriage means a child of two spouses or former spouses who at the material time (*a*) is under the age of 16 or (*b*) is 16 years of age or over and under their charge but unable, by reason of illness, disability or other cause, to withdraw from their charge to obtain the necessaries of life. The effect of Motion No. 1 is to delete it. Now you have to go to another motion. If you are going to delete it, what are you going to replace it with? I am sure all Hon. Members will agree that we must have a definition of a child.

• (1730)

We, in the Official Opposition, have made a recommendation. We have moved that the age, or the definition of a child be changed to define a child as being someone under the age of 18, or over the age of 18 and under the charge and care of the parent. I indicated previously in other submissions the reasons why we wanted to increase the age regarding the definition of a child.

Because you have ruled Motion No. 2 out of order we are left with Motion No. 3B to speak to. It says that we are changing the definition of a child to increase the age to 18 years. If Clause 1 carries then Motion No. 3B has to replace Motion No. 1, which would be a good result. We believe that there is not much difference between a child who is 17 and a child who is 16. Generally speaking, children are in high school until the age of 18 or 19, and we are saying that this Act, as is presented, discriminates against children who are 16 and 17 years of age, because the Act defines the child as someone under the age of 16. So a 16-year-old could not be the subject of an order by the court with respect to access or custody because you are defining a child as someone under the age of 16.

I would ask any Member in this House to say to me that a child who is 16 years of age is not a child and should not be subject to a court order. In the Province of Ontario a parent continues to have control over a child until the age of 16. It seems inconsistent to have provincial legislation that defines a child in one particular way, and federal legislation to define it in another. This definition appears under the present Act. If you allow this to carry the court would have no jurisdiction to order a husband to pay support for a 16-year-old child because the definition would not include a child that is 16.

The Parliamentary Secretary will argue, however, under Clause (*b*) if the person is 16 years of age or over and under their charge, but unable by reason of illness, disability or other cause, to withdraw from their charge or to obtain the necessities of life, then that would encompass a 16-year-old child. Why leave that discretion to the court? If I was a spouse and I wanted to argue that I should not pay support to a 16-year-old child I would argue that that particular 16-year-old child could fend for him herself and should go out and find a job.

The point we are trying to make is that the definition of a child should define a child as being someone 18 years of age or younger, because in modern day society when we speak of children that is whom we are speaking of. In Ontario you have to be 18 in order to enter into contracts; you have to be 18 in Canada to vote. Under other legislation have defined an adult to be someone 18 years of age and older. Therefore, should we define a child as being someone 18 years of age and under? There is an inconsistency. I point that out to the Parliamentary Secretary and I am very curious to hear his submissions with respect to the definition of a child.

**Mr. Speyer:** Mr. Speaker, with respect to the submissions that have been made by the Liberal Party, it seems to me they are trying to do indirectly what they cannot to directly as a result of your ruling. Let me try to explain this.

The definition of a child, for the purposes of this Act and the amendment that was proposed, was to be done by way of Motion 2. That motion was ruled to be out of order. What they have done is taken some solace in putting it with respect

to Section 6 of the Divorce Act, which only applies to the transfer of divorce proceedings where there is a custody application, and where the essence of it is whether or not the child is substantially connected to one province or another. What you have is a hiatus, which I think the Hon. Member for York South-Weston (Mr. Nunziata) was alluding to, in these situations. You would not have, in light of the ruling that was made—quite proper in my view—

**Mr. Speaker:** Could I invite the Parliamentary Secretary, and all others, even when they have nice things to say about the Speaker's rulings to just say nothing.

**Mr. Nunziata:** Quit stroking, we can see right through you.

**Mr. Speyer:** Mr. Speaker, the factual situation is that in light of the ruling that has been made there would be no definition of a child whatsoever. This is totally inadequate. By putting it under Section 6, which only deals with the transfer of divorce proceedings, under which the child comes within provincial jurisdiction, it makes absolutely no sense. I am not even going to deal with the merits, except to say this with respect to moving it form 16 to 18. We have heard from the Canadian Bar Association, the Quebec Bar Association, and both women's and men's associations, and not once has this ever been a problem to anybody. Over the whole range of the Act we have had numerous difficulties and policy choices. Until it was brought to the attention of the House by the Hon. Member, who I know feels very sincerely, it has never been a practical problem. If there is nothing wrong, what do we have to fix?

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

**Some Hon. Members:** Questions.

**Mr. Speaker:** The question is on Motion No. 1 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

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

Motion No. 1 (Mrs. Finestone) negatived.

**Mr. Speaker:** That obviates the question on Motion No. 3B.

Therefore, the remaining question is on Motion No. 3A standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

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

The question is on Motion No. 24 standing in the name of the Hon. Member for Calgary East (Mr. Kindy).

Mr. Kindy is not here. Does anybody seek consent of the House to move the motion in Mr. Kindy's name?

I cannot call the motion.

Motion No. 28.

**Mr. Nunziata:** On that point, I know that Mr. Kindy, who happens to be a member of the governing Party—he is a Conservative Member and with respect—

• (1740)

**Mr. Speaker:** Order, please.

**Mr. Nunziata:** I would ask that his motion—

**Mr. Speaker:** Order, please. Is the Hon. Member seeking to present the motion in his name for the Hon. Member for Calgary East (Mr. Kindy)?

**Mr. Nunziata:** Yes.

**Mr. Speaker:** The Hon. Member for York South-Weston (Mr. Nunziata) is seeking unanimous consent for the right to present the motion in the name of the Hon. Member for Calgary East. Is there such unanimous consent?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

**Mr. Speaker:** There is not such unanimous consent. Therefore, we will go on to Motion No. 28.

**Ms. Copps:** You won't even stand up for your own Members.

**Mr. Nunziata:** You won't even wait until tomorrow so he can argue his own motion. That's how you treat your own Members. What about enhancement of the private Member?

**Mr. Speaker:** Would the Hon. Member for York-South Weston (Mr. Nunziata) please come to order?

**Mr. Nunziata:** Thank you. I think I have made my point.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 28

That Bill C-47, be amended in Clause 16 by adding immediately after line 44 at page 13 the following:

"(11)(*a*) Where one person is granted sole care and control of the child(ren) of the marriage under this section and manifests an unwillingness to comply in whole or in substantial part with the terms of an order respecting maximum contact with the child made under this section, or where reasonable grounds to

believe that the person granted sole care and control will manifest unwillingness to comply in whole or in substantial part with such an order, the court may order that the parent granted sole care and control submit to the court a plan describing how maximum contact is to be arranged.

(*b*) the plan referred to in paragraph (*a*) is to be in a form determined by a competent authority pursuant to section 25."

She said: Mr. Speaker, what I have recommended for consideration is to add to Clause 16 after line 44 on page 13 an additional consideration which I feel is of great importance in the consideration of custody as provided by this Bill. Where one parent has been granted the sole custody of a child and has not been respectful of custody orders, great turmoil and difficulty exists for the children of the marriage. There is enough difficulty and turmoil involved in parental conflict and divorce proceedings already. I think it only makes it much more stressful for the child if one parent is absent, and particularly if that parent is absent not of his own free will but because there has been mischief on the part of the custodial parent who has not allowed access of the parent who has been given that right under the laws of the land by a court decision.

My amendment reads as follows:

Where one person is granted sole care and control of the child(ren) of the marriage under this section and manifests an unwillingness to comply in whole or in substantial part with the terms of an order respecting maximum contact with the child made under this section, or where reasonable grounds to believe that the person granted sole care and control will manifest unwillingness to comply in whole or in substantial part with such an order, the court may order that the parent granted sole care and control submit to the court a plan describing how maximum contact is to be arranged.

It would seem to me that it is only logical that, if we are to have a human and just approach to this, we must be respectful of the rights of the accessing parent and the children to see each other following a marriage breakdown.

As the Equality Committee travelled across the land heard from the Fathers of Equality, Fathers Fighting Back and *L'Association des hommes séparés ou divorcés de Montréal.* All these organizations made submissions to the Equality Committee indicating that fathers are frequently denied access to their children. Just recently there were a number of demonstrations on Parliament Hill. We have received petitions regarding this matter, and a young man has been fasting and has subsequently been joined in his fast by other men across the country.

On January 15 I made a statement, pursuant to Standing Order 22, regarding the sad case of Ricardo DiDone and his son, and the fact that there are those who are trying to remove his legal right to see the child and to remove his name from the child. I find this to be absolutely unacceptable. This is only one example of why it is important that a proper plan of action be deposited with a court, in order to show goodwill and respect for the accessing parent's rights on the part of the custodial parent. This kind of plan should be deposited with the court where there has been wilful lack of observance of a particular order of the court.

As we all know, many parents default on maintenance or support payments. Perhaps this is because many men are not given access to their children, or because the courts have awarded access to them on the most restrictive of options. In the particular instance of which I am thinking, this kind of access allows a father to see his child every second Christmas, every second Easter and once each summer. That is not sufficient. Often a father is only allowed to see his children every second weekend. That is not sufficient either. People who become Big Brothers or Big Sisters in Canada undertake to have four hours' of contact per week with the children for whom they are going to be substitute parents. Here we have willing parents who wish to have access to their children but for nefarious reasons are being blocked. This amendment would see to it that if there is a complaint brought by the accessing spouse to the court, the custodial spouse must submit to the court a plan of contact outlining how the court order will be respected.

We know that 85 per cent of custody awards made by Canadian courts are in favour of the female parent. I would suggest that this is a form of systemic discrimination against me. This fosters feelings of injustice and creates the high level of payment delinquency, almost 60 per cent on the part of divorced fathers. How can we expect fathers to pay much attention to their children if they are being blocked consistently over a long period of time? I think it is about time we added to this particular Bill a clause which will allow the accessing parent the right to visit with his child, and will provide, where he is not allowed to do so, a means to correct the situation. I believe this amendment will speak to that problem and will fill the gap that exists in the present Bill.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I am pleased to rise to speak in support of the amendment put forward by the Hon. Member for Mount Royal (Mrs. Finestone) in Motion No. 28.

As the Hon. Member indicated, in its deliberations on these three divorce Bills, the Justice Committee as well as the Subcommittee of the Justice Committee on Equality Rights heard extensive evidence from those fathers who felt that following their divorces they were being denied full access to their children. They wanted to continue to be able to play a role in the upbringing of their children and they felt that they were being denied that right through a variety of means. A variety of proposals were put forward in committee and indeed in the House as a means of resolving that concern. We also heard from women who indicated that in many circumstances, they wished fathers would play a greater role in the ongoing custody of children. We heard from people with a variety of perspectives.

As I understand it, the purpose of this amendment is to ensure that in those circumstances in which one parent is granted sole custody of the child or children of the marriage and that parent seems to be unreasonable in affording access or seems to be unprepared to comply with the terms of the access order, the individual can be ordered by the court to submit a plan describing how maximum contact is to be arranged.

● (1750)

I see this amendment as an additional means of ensuring that those fathers who want to maintain ongoing contact with their children and who want to ensure that access is a reality have to appear before the court in order to facilitate that process. I note that the amendment refers to care and control. Of course, the concept of care and control is one which is not found elsewhere in this legislation, since Your Honour has ruled out the amendment which made reference to it. So the concept of care and control, as opposed to custody, as I understand it, is one which is found only in this proposed amendment.

We agree with the thrust of the amendment. We are certainly sympathetic to the concerns of those fathers who genuinely feel that they have been denied the right to play a full role in the upbringing of their children. A number of other amendments which were adopted by the committee go some distance in meeting their concerns. Certainly, a number of the proposals which they made, in particular the proposal for a presumption of joint custody, were rejected by the Committee.

To the extent that this particular amendment facilitates access and contact between fathers and their children, we support the amendment.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I too rise in support of Motion No. 28. The intent of this motion is to confer greater rights to non-custodial parents. As the Hon. Member for Mount Royal (Mrs. Finestone) has pointed out, at the committee level we heard from a great many interest groups on the question of custody and access. Perhaps the group which was most moving was a group representing single, non-custodial fathers. We were told with considerable sincerity, integrity and honesty by non-custodial fathers that they are being short-changed in light of the present legislation. I submit that if this particular piece of legislation passes they will continue to be short-changed with respect to custody and access. Because of the statute law which exists, and because of the jurisprudence which has developed around that statute law, non-custodial parents are shut out from the care and upbringing of a child. That is unfair and inequitable.

The individuals who came forward on this particular subject convinced us that it was time to insert into the legislation a presumption of co-parenting. That topic met with considerable discussion and debate in our caucus and at the committee stage. There was no unanimity achieved with respect to the subject of the presumption of co-parenting.

In your wisdom, Mr. Speaker, you have ruled that our motion with respect to co-parenting is out of order. I do not intend to challenge Your Honour's ruling. However, as a result of that ruling Your Honour has allowed debate on Motion No. 28, which only goes part way with respect to the question of co-parenting. It is my belief that it is in the best interests of a child—any child—to have the love, affection and input of both parents. That is just not happening under the present legislation.

Under the present legislation one parent is given *de facto* custody of a child and the other parent, generally speaking, the father, is given access once every weekend, or once every second weekend, for a couple of hours. In my view, that is not in the best interests of a child or children of a marriage or, for that matter, for children born of a commonlaw relationship. Of course, we are not dealing with commonlaw relationships here; we are dealing with the children of a marriage.

It is in the best interests of a child to have both parents participate in the upbringing of that particular child. When I speak of participation I am not talking about the non-custodial parent simply having access once a week or once every two weeks. What I am suggesting is that the non-custodial parent should, in the best interests of the child, have some say in the upbringing of that child. He or she should have some say in the religious upbringing of the child and some input as to the type and quality of education the child should receive.

I suggest that if non-custodial parents were given more input in the upbringing of a child, more court awards with respect to support for children would be honoured. I say this because we were told that there are a great many non-custodial parents, generally speaking fathers, who have been ordered by the courts to pay support for their child or children. They have said: "Why should I pay support for a child who I cannot be involved with in terms of their upbriging? Why should I have to pay support simply to see my child or children once every two weeks for an hour on a Sunday afternoon?" So fathers have decided to disobey court orders. We were told by fathers' organizations that if fathers are given more say then they might start honouring their court orders for maintenance and support of children. I use the example of non-custodial fathers; but it could apply equally to non-custodial mothers as well. Generally speaking, however, in our society we are dealing with non-custodial fathers.

I was convinced, as were a number of other members of my caucus—not all, but a significant number—that we should support a move toward a presumption of co-parenting in the legislation. When one speaks of a presumption of co-parenting it does not mean that a child is with one parent for one week and another for the next. We are not speaking of *de facto* physical custody of a child. When we speak of the presumption of co-parenting what we are saying is that a court—I believe Your Honour is motioning that my time has almost elapsed.

**Mr. Speaker:** I am more worried about the question of relevancy, since the Hon. Member seems to be speaking at great length about a concept which interests him but which is not the concept of the amendment.

**Mr. Nunziata:** We were denied by the Government—

**Mr. Speaker:** Order, please. I think the Hon. Member might bring himself to the question of relevancy.

**Mr. Nunziata:** Motion No. 28 states:

Where one person is granted sole care and control the child(ren) of the marriage under this section and manifests an unwillingness to comply in whole or in substantial part with the terms of an order respecting maximum contact

with the child made under this section, or where reasonable grounds to believe that the person granted sole care and control will manifest unwillingness to comply—

What we are saying is that where a parent manifests or exhibits a willingness to allow more participation by the other spouse, then that should be taken into consideration by the court. However, if a parent who is about to be awarded sole custody of a child says: "I am not going to facilitate access to the non-custodial parent", then the court should take that into consideration and require the custodial parent to submit to the court a plan describing how maximum contact is to be arranged. What we are saying is that if a person says that they are going to make it difficult for the non-custodial parent to have access, then the court should order that person to submit a plan. That plan would detail how that person would take care of the children.

It is obvious that the motion will not carry—

**Mr. Speaker:** Order, please.

It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

# HOUSE OF COMMONS

**Thursday, January 23, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### DIVORCE AND COROLLARY RELIEF ACT

MEASURE TO AMEND

The House resumed from Wednesday, January 22, consideration of Bill C-47, an Act respecting divorce and corollary relief, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and Motion No. 28 (Mrs. Finestone) (p. 10064).

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I will be very brief with respect to the submissions that have been made regarding this motion. No one can disagree with the sentiments that are contained within the motion. As I understand it, if there is a demonstration by the custodial spouse of an unwillingness to comply with an order, then the motion provides that there will be some type of court plan with respect to access rights.

As the Hon. Member for Burnaby (Mr. Robinson) pointed out, the Hon. Member for Mount Royal (Mrs. Finestone) anticipated that there would be some amendments dealing with care and control. As Your Honour knows, the Divorce Act deals with custody and access. To date, it does not deal with the notion of care and control. Therefore, from a technical point of view, this amendment would be the only place within the Bill where there would be the new notion of care and control.

More important than that, when there is a question of custody, the issue is which spouse will have custody of the child and under what circumstances. As we indicated yesterday, the sole criterion is the best interests of the child. In that case, one of the factors incorporated into the Bill, one which I think is a very major advance, is that the non-custodial parent should have maximum contact. If one of the spouses is unwilling to give maximum contact, that may be taken into consideration in the awarding of custody.

It seems to me from reading her amendment that the Hon. Member for Mount Royal anticipates that when one party is granted sole care and control of the children of the marriage and manifests an unwillingness to comply in whole or in substantial part with the terms of the order, this Bill can deal with that but that will only occur after the award of custody. In other words, it will not be the focus of the debate at the custody trial. These are circumstances which may or may not exist after the trial and may provoke an application to review the Order.

Although we totally agree with the sentiments expressed by the amendment that would have the court issue some type of plan if the non-custodial spouse so applies, it will in fact happen that if an application is made as a result of what one spouse believes is a violation of his rights, by provincial laws of evidence some plan will in all likelihood be asserted by the court if the custodial spouse is to remain the custodial spouse. I would like to compliment the Hon. Member on her sentiments. In light of the legislation and for the technical reasons that I have stated, however, I do not think that the amendment is necessary.

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 28 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion, the nays have it. I declare the motion lost.

Motion No. 28 (Mrs. Finestone) negatived.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 29

That Bill C-47, be amended in Clause 17 by striking out line 2 at page 14 and substituting the following therefor:

"may, on application by a former spouse or with leave of the court, by a child of the marriage make an order varying, rescinding or".

He said: Mr. Speaker, the purpose of this amendment is to ensure that in circumstances in which a child of the marriage is receiving support and the child's custodial parent dies, the child will continue to be able to receive that support. Indeed, the child would be able to apply for an order of variation on that.

● (1110)

The circumstances in which this amendment would be necessary would, hopefully, not occur too frequently. Nevertheless, it is an important amendment. The Lesser decision on this point left open the question of whether or not a child in circumstances such as this could apply independently for variation of the support order. To make the illustration clear, what we are talking about in terms of this amendment is a child who is, perhaps, disabled, and is 24 or 25 years of age, unable to look after himself or herself and is living with a parent who has been divorced. In this illustration, the parent dies. The question which must be resolved is: What is the status of the child with respect to bringing an application for support or for variation of the support order? As members of the Justice Committee will recall, this point was raised by a lawyer from Toronto, Linda Silver-Dranoff. The purpose of the amendment is to make very clear the status of that child to seek an application for variation in the courts even though the parent with whom the child had been residing may have died.

It was suggested in committee by counsel to the committee that, in fact, the Bill would not change the *status quo*. In other words, that standing would be granted to the estate of the custodial parent to continue a support application which was already in progress. The decision in the Lesser case left open the question as to whether or not the application could be made independently, as opposed to just continued by the estate, if the application had been originally made.

As I have said, the purpose of the amendment is to make clear that children, such as those who are disabled, as well as other children, are entitled to apply in their own right for variation of support orders. If, in fact, it is the intention of the Government that this Bill should be interpreted in such a way as to ensure that that would be the case, I hope that the Parliamentary Secretary will make the intention clear.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I support the motion of my colleague, the Hon. Member for Burnaby (Mr. Robinson). Notwithstanding Section 10, which indicates that a solution to the matter might be found therein, I think Hon. Members would agree that there is some lack of clarity as to what will happen to young people between the ages of 16 and 17 who are not protected by this Bill, and also to those who are disabled or, as suggested by the Hon. Member for Burnaby, those who make a separate application for variation in respect of a court order. The Lesser case brought this matter to the attention of the committee and we had lengthy discussions with respect to it. The case involved a youth aged 23 whose custodial parent had died and who required a variation order. It is a good thing that the matter went before the court in order that a decision could be made which would allow for support by the non-custodial parent.

I think it makes not only good, sensible public policy but it is humane that if the non-custodial parent can pay for support of his or her child of the marriage prior to the death of his or her spouse then, instead of becoming wards of the state, the non-custodial parent should continue to pay maintenance. I think there has to be some serious consideration given to this matter. I hope the Parliamentary Secretary will indicate to us that the Government will give the broadest possible interpretation to this measure so that we are not faced with children becoming wards of the state merely based on their ages when a parent is lost or the child is disabled.

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, although I understand the sentiments behind the amendment, we are unable to agree with it for a number of practical reasons. First, the Divorce Act deals with people who are attempting to dissolve a marriage. That is the essence of divorce. When it comes to children, some questions which arise are the following. At what age might a child make this application? What if a child wanted to come under the custody of another parent and that other parent did not want to assume the responsibility, then who will pay for the legal representations of the child? In our view, such a scheme would not be very practical. It would bring the child right into the midst of conflicting parents. I do not believe it is a real problem. As the Hon. Member for Burnaby (Mr. Robinson) accurately states, I believe the Department of Justice lawyers at the time of the hearings gave adequate answers with respect to the remedy for which a child in those circumstances could apply.

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 29 standing in the name of the Hon. Member for Burnaby. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

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

**Some Hon. Members:** On division.

Motion No. 29 (Mr. Robinson) negatived.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 30

That Bill C-47, be amended in Clause 17 by striking out lines 17 to 28 at page 14 and substituting the following therefor:

"(4) Before the court makes a variation order in respect of a support order the court shall satisfy itself

(*a*) that there has been a change in the condition, means, needs or other circumstances of either former spouse or of any child of the marriage for whom support is or was sought occurring since the making of the support order or the last variation order made in respect of that order as the case may be, or

(*b*) that a change in the condition, means, needs or other circumstances of either former spouse or of any child of the marriage for whom support is or was sought, that was anticipated at the date referred to in paragraph (*a*) has not occurred."

He said: Mr. Speaker, I am pleased to rise in support of the amendment which is now before the House as Motion No. 30. I wish to indicate that this motion and the amendment go to the core of the philosophy which underlies the Divorce Act. Without any doubt, the change proposed in the amendment is absolutely essential if we are to ensure that the criteria for maintenance do not, in effect, seriously discriminate against older women.

First, I wish to indicate specifically and clearly what the purpose of this amendment is. As the divorce legislation is now worded, where a time-limited order for maintenance is made by the courts, an application to vary that order after the expiry of the time can only be made if the individual who is receiving maintenance can show that there has been a change in her circumstances, a change which is related to the marriage. In a number of cases, at the time of making a maintenance order, the judge is in the position of looking ahead to the future to try to determine whether or not, based on his or her best assessment of all the evidence, the individual in question will be in a position of being self-sufficient, financially independent, at the end of the fixed term, whether it be two years, three years, or whatever. I will speak about women in this case because the vast majority of cases deal with women. At that point in time the judge will have to make a prediction. He or she will have to determine whether or not this woman will be able to obtain retraining, for example and, if she is able to obtain it, whether she will be able to find a job during that period of time. The Supreme Court of Canada in *Messier v. Delage* made it clear beyond any doubt that the courts must not be permanently bound by those predictions. In other words, it should always be open to the woman to return to the courts and say: "Look, I have made an effort. I tried to find work but I was unsuccessful and I need to continue this maintenance; or I need a variation of the maintenance order".

● (1120)

We certainly all know that women continue to be the victims of discrimination in the workplace, and on average continue to receive wages which are 60 per cent or 62 per cent of the wages of men. As well, in these harsh economic times, it is even more difficult for women to find work. We are not just speaking of any women, we are speaking, in many cases, of women 50 or 55 years of age who have worked in the home for many years and who suddenly find themselves on their own and are told that they have to become self-sufficient within a fixed period of time.

The purpose of this amendment would be to change the criteria now contained in the Divorce Act to ensure that where the judge looked to the future and anticipated there would be a change in the circumstances of the woman, and that change did not take place, the woman in question would be entitled to say: "Look. You cannot cut me off. You cannot leave me high and dry at the end of two or three years without any support whatsoever". In many cases they have to go directly onto the welfare rolls and certainly, in many of our provinces, including my own, the amount one receives on welfare is well below the poverty level. That is what we are condemning women to in these circumstances.

My amendment, Motion No. 30, reads in part that where the judge anticipated a change in the condition, means, needs or other circumstances of either former spouse or any child of the marriage and that change did not occur, the individual in question would be free to return to the court and seek an extension of that order. In the Committee on Justice and Legal Affairs that amendment was rejected despite the very strong support of the National Action Committee on the Status of Women, the National Association of Women and the Law, and the Canadian Advisory Council on the Status of Women, all of which wre profoundly concerned that there was a great potential for serious injustice in this legislation.

I might say as well that what many of these national women's organizations and myself found particularly surprising and disturbing is that the amendment was rejected not only by members of the Government, the Conservative Members of the committee, but this fundamental and important amendment was rejected by a Liberal member of the committee. This amendment is essential to ensure that older women are not discriminated against in the provisions of the Divorce Act. At a time when we should be enhancing the protection of older women from economic hardship, the Government moves in the opposite direction. The representative of the Liberal Party said that she was really quite pleased to have cast her vote with the Government. She said: "I am voting against Mr. Robinson's amendment because I do believe that equal opportunity brings equal responsibility. If we want to promote equal opportunity for women and for men, then we have to also support the aspect of responsibility for self".

That is an extraordinary position to take by the Liberal Party on an amendment as vital and as fundamental to the concerns of literally hundreds of thousands of Canadian women, particularly older women. I hope that having reviewed this matter carefully and having heard the very eloquent representations made by the National Association of Women and the Law and the National Action Committee on the Status of Women, the representative of the Liberal Pary will stand in her place today and acknowledge that the Liberal Party made a mistake and that now, having seen the light, it is going to change its position and support this amendment which is of such vital importance to Canadian women.

I could do no better in concluding my remarks on this important amendment than to quote from a submission which was made to the committee by Dr. Eila Lamb, from Swan River, Manitoba. She is a professional woman who wrote to the committee on the subject of time-limited maintenance wards. She said, and I quote:

Time-limited maintenance awards, which are supposed to encourage women to become financially self-sufficient, have inherent drawbacks. One of the greatest is that the factors which will keep her relatively poor in terms of ability to earn a decent wage or salary lie largely outside her control: lack of appropriate counselling retraining that could lead to good employment; sufficient money for

both training and maintenance; long, costly, arduous training required for hope of access to the better-paying jobs; economic and other factors which will limit her access to these jobs providing greater remuneration and which hold the promise of advancement.

I might add to that as well, Mr. Speaker, that the lack of access to proper child care facilities is another barrier to women in the employment arena. Dr. Lamb went on to say:

For a woman like myself, not having an extended family to offer at the least psychological support in her struggles, the odds against her succeeding are far greater than for the general male population.

And she said finally:

For a judge to be accurate in predicting future employment opportunities and future remuneration is ludicrous. Government, with access to a greater range of skill sand resources than one mere mortal, in this instance a judge, failed to predict future employment opportunities accurately. To place the onus on the woman to correct a too-brief time limit is not only unfair but also Machiavellian, as my experience indicates.

It is essential that this amendment be adopted if we are to ensure that women are treated fairly in the divorce courts of this country. This Bill, as it is now worded, would effectively encourage the practice of jettisoning older housewives without any financial support whatsoever. It is the "sink or swim" philosophy; if they do not make it within two or three years, forget it, they will go right on to the welfare rolls. That makes no sense whatsoever.

I know that my colleagues want to speak as well on this amendment so I will conclude by saying that I hope that the Government, having reconsidered, will support this amendment. I would particularly hope that the Liberal Party will finally recognize the grave error it has made on this Bill and that those Hon. Members will stand in their place and say they are prepared to support older women and the amendment of the New Democratic Party.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I do not think it is necessaray for me to receive a lecture from the Hon. Member for Burnaby (Mr. Robinson).

**Mr. Gauthier:** Hear, hear!

**Mrs. Finestone:** I think my credibility with women and women's movements is well known throughout Canada, particularly in Quebec.

[*Translation*]

I was president of the *Fédération des femmes du Québec*—150,000 women making up 48 groups—and those Canadian women supported me by appointing me president, and I have defended the cause of women for a number of years. Mr. Speaker, I had very good reasons not to endorse the amendments proposed by the Hon. Member for Burnaby (Mr. Robinson): the fact was that I had already proposed amendments which, in my judgment, would bridge the gap in this Bill. I would point out to the Hon. Member for Burnaby that he did not support my recommendation, instead he wanted to push his own motion No. 13 rather than support my motion No. 12. But with respect to this, Mr. Speaker, I suggested to the Government which was making amendments concerning the age of the spouses that the marriage or its failure would be a case to bring before the court, and I proposed striking out line 46 at page 11 and substituting the following therefor:

"within a reasonable period of time, as determined by the responsibilities of each spouse for any child of the marriage, by the reasonable expectations of each spouse with respect to employment, and by economic conditions."

I am sorry, Mr. Speaker, but playing politics with the Divorce Act is something I find unacceptable.

That being so, Mr. Speaker, I would like to say that I support this motion, not because of the Hon. Member for Burnaby, but because I had some difficulty in attempting to promote my views in this session, first and foremost in the best interest of children, and then in the interest of older women, women half way through their working lives who made a decision to stay at home and raise their children instead of rejoining the labour market. The minute those women concluded that their marriage was on the rocks and decided to apply for divorce, with the best of intentions they wanted to rejoin the labour force and be financially independent, but they were unable to fulfil their wishes and become self-supporting because the labour market did not give them a chance to show what they could accomplish and do something in their own best interest.

• (1130)

[*English*]

Had the amendments I just referred to been accepted by the Government I would not be standing here supporting the Hon. Member. However, I do so because I have a very serious concern. The Government has assured us that the problem of economic deprivation affecting older women who want to go back to work and their inability to meet their financial commitments is covered in Clause 10. I do not think this is a one-sided society. It is a partnership society. Men and women should have the right to continue their lives or start new lives when their marriage breaks down. Therefore, we must find a way to address the economic deprivation in which women find themselves when this happens. Because economic self-sufficiency is so important, and because the gap between rich and poor has become so pronounced, we must look directly at the face of poverty in our society today. What is the face of poverty today? I tell the Parliamentary Secretary that the face of poverty today is that of women. Poverty has been feminized. A major reason for that is the impact of divorce and the resulting maintenance and support payments which are not met. Sometimes they are not met for good reason. The courts do not have a mechanism for ensuring these payments. At the same time, the requirements for access to the child by the non-custodial parent are sometimes also not met. In most cases this involves the father. These fathers were also loving parents. Perhaps they were in the delivery room during the child's birth. They looked forward to their future relationship with their child. However, when the marriage broke down, and even though they wished to maintain their relationship with their children, they had a problem gaining access to their children.

As a result, they did not pay their support money, indeed they would sometimes run away and it is difficult to find them. The end result of all this is poverty for women, particularly single mothers. Statistics show this to be true.

It was for that reason that my friend, Sidney Cutler, a well-known Montreal lawyer, brought the Messier-Delage case to my attention. He pleaded this case and did so with intelligence. It concerns an application to set aside an alimentary pension paid to the ex-wife. In this decison the court said:

> The mechanism provided by the *Divorce Act* to take into account the conduct of the parties and changes in the condition, means or other circumstances of either of them is their right to apply to the court each time a change which is regarded as fundamental occurs. The judge must arrive at his decision on each occasion having regard to the actual circumstances, not in accordance with events which may or may not occur. Accordingly, the Court of Appeal properly intervened in the case at bar. The Superior Court erred in disregarding the actual factors submitted for its consideration, and hypothesizing as to the unknown future, which cannot be foreseen at this time. There was no reason to cancel respondent's pension eight months in advance on the assumption that she would no longer need or be entitled to it. If the situation arises, it can be dealt with.

What is important here is that we must leave an opening for the court to look at each individual case. We as a society believe in individual rights. None of us are soothsayers; we cannot foretell the future. Therefore, I support the amendment, notwithstanding the unnecessary politicization by my hon. friend.

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I want to speak to Motion No. 30 because it is an extremely important matter. Since the Liberal Party is now supporting the NDP motion, I will direct my remarks to the hard-hearted Parliamentary Secretary, who is going to be, I hope, susceptible to an appeal on grounds of justice and reason.

The National Action Committee on the Status of Women is the largest women's organization in the country. It has made very strong representations on this issue and I think it is important to listen to them. The NAC brief pointed out that the subclause as currently worded in this very misguided part of the Bill:

> —would severely limit the right of an ex-spouse to obtain an extension of her or his time-limited support order after the original time limit specified in it had expired. In our view, this sub-section is by far the most objectionable feature of Bill C-47; its potential to do harm to divorced long-term homemakers is so great that we could not support the passage of this bill unless sub-section 17(8) were eliminated.
>
> The problem with sub-section 17(8) is that it would make it impossible to obtain an extension of a time-limited support order, on an application made after the expiration of the period specified—

—when there has not been a change in circumstances. The brief continues to read:

> This is totally unacceptable to us because it would make extensions impossible in the cases when it is most needed, which is when a court had judged, on the basis of scanty evidence concerning the capacities of a divorcing wife and the state of the labour market, that she should be able to become self-supporting within a given period of time and should therefore be awarded support only for that limited period. Should the ex-wife, who could be a 50-year-old woman who had been a lifelong homemaker, then find herself unable in spite of reasonable efforts to become self-supporting in the time limit prescribed, she would be unable to obtain an extension in her support payments because she could not demonstrate that her situation had changed.

This is a classic catch-22 situation since the very problem that created her need for support is precisely the fact that nothing has changed in her situation, that she was unable to find employment during the period of time specified.

What the Bill as presently worded would require is for judges to make these decisions. Of course, the Government has already rejected an extremely important amendment to give criteria to judges to make sure that those orders are adequate. So judges will be making decisions, but how do they know what the labour market is going to be like two years, three years or five years hence? They do not know. We do know, however, that unemployment among women has now gone above that of men. There were some improvements but it is getting worse. Judges have always erred on the low side in making their awards. An Ontario study shows that the average award for maintenance for the spouse and children counts for but 20 per cent of the income-earning spouse's after-tax income. I think this is extremely relevant. We are talking about awards which are not very large at all. We now have new legislation which is going to emphasize self-sufficiency and make women go out and get jobs, perhaps after a very long period of time at home. There are no guarantees in the legislation that equality of living standards will be an explicit criterion, and it will be up to a judge, 95 per cent of whom are men, to decide that equality of living circumstances should be a criterion at all. We must be extremely concerned about the Government's failure to take into account the serious plight of the homemaker spouse, particularly the older homemaker spouse.

• (1140)

I would also like to make a few remarks about the mistaken impression of the Hon. Member for Mount Royal (Mrs. Finestone) on the situation of nonpayment of maintenance. She suggests that it is the fault of wives by not providing access to children which accounts for nonpayment. I think this is most unacceptable thing to say.

**Mrs. Finestone:** That is one of the reasons.

**Ms. McDonald:** She says that it is only one of the reasons, but it is certainly not borne out by any analysis of the situation. The Province of Manitoba, with the wisdom of an NDP Government, has instituted an excellent maintenance collection system. It is now collecting 85 per cent of maintenance orders. Does this suggest that wives and husbands in Manitoba are that much more civilized than those in other provinces? Are people really that much different? Do Canadians change their behaviour across provincial boundaries? I do not think so. This certainly shows that a good system for collection is possible. I do not think we should slur Canadian women and make them responsible for their own victimization by the nonpayment of maintenance orders. We know that 75 per cent of them are not paid, and this is extremely unacceptable. Maintenance is a very serious problem.

This Bill has gone further than the previous Bill. The Government has taken the advice of the women's movement,

has accepted representations, and has made some improvements in it. This is an extremely important motion and I would urge the Government to make the extension of time limited maintenance orders possible by accepting our motion.

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I am somewhat reluctant to enter into the obvious division of opinion between the opposition Parties. In committee I gave the fullest reasons why the Government rejected the amendment proposed by the Member for Burnaby (Mr. Robinson). The Government's position goes even further than either the Canadian Bar Association or the Quebec Bar Association recommended. The new statutory provisions in this Bill call for a fixed time order in certain circumstances. Prior to that, awards for support went on for an indeterminate period of time until there was a change of circumstances. With more young people becoming separated or divorced it was thought that, using the analogy used by the Member for Burnaby, a man might pay an increased amount over a fixed period of time so that he can, to use the words of the Member for Mount Royal (Mrs. Finestone), see the light at the end of the tunnel. He would be finished with his obligations with respect to support.

That is a good initiative of the Government. It has been recommended by everyone and is not objected to by the other side. What does one expect when a person gets married at the age of 22 and gets divorced at the age of 25, as so often happens today? The Canadian Bar Association said that in those circumstances, especially dealing with young people, once the separation agreement has been made it cannot be reopened. We said that there may be some circumstances in which it should be reopened. To that extent we differ from the Quebec and the Canadian Bar Associations.

The representations made by the Member for Burnaby are absolute poppycock. Marriages of a duration of 30 or 40 years will not be the subject matter of time limited orders. The whole purpose of the orders are for young or older people involved in marriages of short duration. As an example, it may very well be unreasonable to expect the wife of a dentist, after having been married for 25 years, to get into the workforce, keeping in mind the functions she performed during the marriage. Such a case would not be the subject matter of a time limited order. These orders have a specific design.

We have put two qualifications on the time limited orders. A variation is necessary to relieve economic hardship from a change described in Section 4, which is the change of circumstances related to the marriage, and the changes, had they existed at the time of the making of the support order, would likely have resulted in a different order. It is pretty simple. This is our philosophy. We certainly go further than the Bar recommended, and there is absolutely no injustice whatsoever.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I really did not intend to rise to speak. As Members probably know, I have not been our Party's representative on this committee. However, as the critic for the status of women, and being concerned about social issues, I was extremely concerned with the response of the Parliamentary Secretary. It did not seem to me that he provided a guarantee for older women who are in desperate situations. There is no question about it. We had a task force on older women several years ago and talked to women all across Canada. The divorce and separation rate has gone up considerably since then. It is almost to be expected that 30, 40, or 50 per cent of women will find themselves on their own and in poverty in the years after their children are raised, and the maintenance arrangements related to divorce are not sufficiently flexible to provide for their circumstances.

I, therefore, wholeheartedly agree with my colleagues who prepared this amendment. I cannot, for the life of me, see why the Government would not support it if, as it says, it is concerned about older women and poverty as it relates to them. The remarks of the Parliamentary Secretary did not at all convince me that older women are protected in this regard.

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 30 standing in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 31

That Bill C-47, be amended in Clause 17 by adding immediately after line 10 at page 16 the following:

"(11) for greater certainty, an application made before the period or specified event referred to in subsection (8) but heard after that period or specified event is not an application made after the expiration of a definite period or the happening of a specified event pursuant to subsection (8)."

She said: Mr. Speaker, I would like to move Motion No. 31 which is a technical amendment which would serve to tighten up the legislation for greater certainty and clarity in its application. The amendment adds:

For greater certainty, an application made before the period or specified event referred to in subsection (8) but heard after that period or specified event is not an application made after the expiration of a definite period or the happening of a specified event pursuant to subsection (8).

I will not go through all the arguments that I have used prior to this. However, I feel that it is very important, when

considering an order varying a support order that provides for the support of a child of the marriage, to recognize that the former spouses have a joint financial obligation to maintain the child and to apportion that obligation between the former spouses according to their relative abilities to contribute to the performance of that obligation. The purpose of the amendment is to ensure that the law is clear with respect to term orders. It is to ensure that a variation for a term order can take place if an application is made before the term order is up but the court hearing has not been held before the term order expires.

• (1150)

I think the Parliamentary Secretary can appreciate that the courts are frequently jammed and a case cannot be heard before the deadline date. I want to be assured that all cases that have had a prior application will be heard subsequently, including the provision that one can vary at any time, not only at a given point within the course of the time accorded for varying a term order.

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, perhaps I can alleviate some of the anxiety which the Hon. Member may have. The original draft of the Bill used the word "made" during the course of a fixed order. In other words, the apprehension was that an action may be instituted during that period of time but not heard, and therefore the person would be out of court. During the committee stage we changed the word "made" to "instituted" so that as long as the action is instituted within the fixed period of time there is no problem. It was cured at committee.

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

**Mrs. Finestone:** Mr. Speaker, I rise on a point of order. I thank the Parliamentary Secretary for that explanation and for bringing it to my attention. I would be pleased to withdraw that amendment.

**Mr. Speaker:** Does the Hon. Member have the unanimous consent of the House to withdraw Motion No. 31?

**Some Hon. Members:** Agreed.

Motion No. 31 (Mrs. Finestone) withdrawn.

**Hon. Perrin Beatty** (for the Minister of Justice) moved:

Motion No. 35

That Bill C-47, be amended in Clause 26

(*a*) by striking out lines 26 to 29 at page 23 and substituting the following therefor:

"ing, may make regulations

(*a*) respecting the establishment and operation of a central registry of divorce proceedings in Canada; and

(*b*) providing for uniformity in the rules made pursuant to section 25."

(*b*) by striking out, in the English version, line 31 at page 23 and substituting the following therefor:

"section (1) to provide the uniformity in the rules".

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, this is the third amendment that has been agreed to by the Government as a result of the pre-study by the Senate. This amendment is proposed to meet certain concerns with the sufficiency of authority of the Governor in Council to create and maintain a central divorce registry.

The divorce regulations provide for the creation of a central divorce registry located in Ottawa, require court officers to make certain returns in relation to divorce proceedings and define the duties of officers of a central divorce registry. Doubts were expressed as to whether the existing legislation grants sufficient authority for the establishment of the registry.

The Government believes that Clause 26 of the Bill, contrary to Section 19(2) of the existing legislation, would allow the making of regulations for carrying out of the purposes and provisions of this Act. It is the view of the Minister that in this respect, the new regulation is more explicit and will provide sufficient authority for regulations under the Divorce Act.

The Government is not willing to accept or propose an amendment that would provide in the Bill itself for the establishment of a registry and the duties of its officers, but it does agree as a compromise that the regulations-making power, Clause 26 of the Bill, be amended so as to expressly allow the making of regulations for this purpose. It is proposed that Clause 26 be amended to give the Governor in Council the power to make regulations respecting the establishmment and operation of a central divorce registry. Such an amendment will, without being necessary, put the divorce regulations on a firm and clear statutory footing.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I am quite pleased. I spoke to this issue because it was of great concern to me from the outset. During the course of the hearings there did not seem to be any indication that we would be able to move in this direction due to finances. I am pleased that the Minister of Justice (Mr. Crosbie) has agreed to a report that was submitted to him and included this particular motion which, incidentally, followed my motion.

The Senate Standing Committee on Constitutional and Legal Affairs brought this to his attention and the Standing Committee on Regulations and Statutory Instruments also recommended its inclusion.

The House only needs to refer to Motion No. 34 to see that I had requested that we make such an amendment which would establish a central registry. I understand the dilemma involved with the certain costs that were ascribed. However, the aim to ensure uniformity in the rules, to have a central collection and clearing house, and the fact that one will be able to can determine where and how the cases should be heard will let us take great steps toward enabling eventual national enforcement and maintenance proceedings that I believe are vital.

This will include not only information responsibilities but action responsibilities as well. In other words, the decision of the court will be put into application. If they are not applied, there can be a potential for no recourse by the spouse who therefore will not be so well served as he should have been,

based on what the court had said. Therefore, it is with much pleasure that I support the motion of the Minister of Justice.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, we in the New Democratic Party are in support of this amendment, particularly given the fact that it originated with the very distinguished Member for Mount Royal (Mrs. Finestone).

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 35 standing in the name of the Hon. Minister of Justice (Mr. Crosbie). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion No. 35 (Mr. Crosbie) agreed to.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 36

That Bill C-47, be amended by adding immediately after line 43 at page 23 the following:

"28. Not later than five years after this Act is proclaimed into force, such committee of the House of Commons as may be designated or established for the purposes of this section shall

(*a*) review the provisions of this Act relating to reconciliation and support orders; and

(*b*) within a year after the review is undertaken or within such time as the House of Commons may authorize, submit a report to the House thereon, including a statement of any changes the committee would recommend."

She said: Mr. Speaker, "not later than five years" means that at any propitious time one can use this clause which I am recommending in Motion No. 36. Motion No. 36 reads:

Not later than five years after this Act is proclaimed into force, such committee of the House of Commons as may be designated or established for the purpose of this section shall

(*a*) review the provisions of this Act relating to reconciliation and support orders; and

(*b*) within a year after the review is undertaken or within such time as the House of Commons may authorize, submit a report to the House thereon, including a statement of any changes the committee would recommend.

During the course of debate, some issues were not totally resolved around the table in the Standing Committee on Justice and Legal Affairs. One of the issues concerned the Jewish Get. It relates to Jewish women who have problems with respect to the determination of their right to remarry because of a blockage at a religious level.

Certain issues need to be addressed, and I would not like to see a problem develop with the reopening of this Bill. There are certain matters concerning mediation. The Minister of Justice (Mr. Crosbie) gave us a very interesting report and we heard from people who indicated that very good mediation statistics are being developed. There are some very good mediation services that are being evaluated.

At this time the cost to society is $1 billion and is shared federally and provincially through the CAP programs. These costs could be pared down significantly if we consider the results of mediation as they have been found in the United States. In the United States there is less impact on social costs because people fall onto welfare rolls, resulting in these families facing poverty.

• (1200)

What is important in this instance is that legislation, in fact all legislation not just this Bill, should be reflective of the times, particularly a Bill like this which touches the lives of so many.

We have, as an example, the Fathers for Equality who have spoken about what they perceive to be an injustice. I think that injustice will in short order see some remedial action in the courts as they become more sensitized and more aware of the roles fathers wish to play, can play and should play in the lives of their children.

If we do the studies, which I understand from the Minister of Justice are being undertaken, and we see that the decisions of the court with respect to access are not being respected in a significant measure, perhaps we will want to reopen this Bill sooner rather than later. All those decisions are being examined under the mediation study being undertaken by the Minister of Justice. I commend him and the Ministry for that study.

In a sense, as this Bill touches so many of our lives and is key and fundamental to all of us, I would like to see the sunset clause accepted by Government for it has a built-in review mechanism. It fulfils the need to establish a review at any time within the next five years, one which will be mandatory by the end of five years, by any committee of the House of Commons. We hope all those issues, such as mandatory conference, mediation and father's rights, will be reconsidered.

I just remembered that where we have fault as grounds for divorce, if those grounds have fallen into disuse—they are used in only 9 per cent of the cases now—then we could change this Bill to a strictly no-fault marriage breakdown Bill and remove the fault clauses.

I would respectfully suggest that we accept this amendment in good faith, as it is meant, for the men and women and particularly the children it touches. It will be in the best interests of our total society.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I am pleased to rise in support of the amendment proposed by the Hon. Member for Mount Royal (Mrs. Finestone). The amendment would suggest that not later than five years after the Act is proclaimed and in force there should be a comprehensive review.

I do note, however, that the amendment would call for a comprehensive review of the provisions of the Act relating to reconciliation and to support orders, but it appears to be silent on a review of the provisions relating to custody. I find it somewhat curious that the Hon. Member is suggesting that we should not review the provisions of this Act with respect to custody. It is the provisions with respect to custody in many cases that raised serious questions during the course of our committee proceedings.

The five year review process is one that is important. Perhaps five years is an excessively long period of time, but there are a number of issues which I believe should be carefully studied. In some cases they should be reviewed well before the five year period.

The Hon. Member for Mount Royal made reference to the question of the Get, the requirement within the Jewish community that for a divorce to be finalized the partners to the divorce must observe a traditional religious requirement of obtaining what is known as a Get. We had representations with respect to this requirement during the hearings of the Justice Committee on the Divorce Act and amendments were proposed at report stage. They were, however, ruled out of order.

I want to make it very clear that we in this Party are prepared to support in principle the thrust of those amendments as my colleagues at the provincial level in Ontario supported similar amendments. While it has been suggested by the Member for Mount Royal that this might be one of the subjects of this five year review, I would hope that the Justice Committee would be prepared to hold hearings on this question much earlier than five years from now in order that the various views on this question might be given a proper and full hearing by the committee.

I suggest as well that there are a number of issues which should be reviewed by the House, if not during the course of the five year review, then well before then.

One of the regrets I have about the process of this Bill is that there was no national conference on custody and divorce such as was recommended by a number of groups. This would have brought together a wide range of individuals and organizations concerned about questions, such as joint custody, shared parenting and so on in order that they might have an opportunity to make submissions in an atmosphere of cooperation at a conference of that nature. This amendment, which proposes a five year review of a number of issues, should take that into consideration among other concerns.

We should look as well at the importance of mediation. Suggestions were made during the course of committee proceedings for mandatory mediation or a mandatory conference. Those suggestions were ruled out of order, Mr. Speaker. I suggest again that that is one of the areas that should be looked at seriously. If we can impose a scheme of mandatory mediation and if there are sufficient resources in our communities for that scheme to be effective, we may very well want to look at that.

I suggest that this five year process is an excellent opportunity for us to obtain statistics with respect to a number of the more important issues arising from the passage of this Divorce Act.

One of the suggestions the committee heard that could be reviewed during the course of this five year review is the tendency of courts to discriminate against fathers in the granting of access. We do not as yet have the statistics.

It has been pointed out that 85 per cent of custody awards are made to mothers. As a committee we did not have the statistics in terms of the number of fathers who have actually applied for custody and been denied, as opposed to the number of mothers. I suggest this is one of the areas that should be reviewed during the course of the five year period, if not beforehand.

I support the amendment of the Hon. Member. I hope she might consider broadening it to include a review of custody provisions as well as provisions for reconciliation and support orders. If there is one outstanding area, one area that still remains of considerable concern to those who made representations on this Bill, it is the area of custody and the questions raised by suggestions of joint custody, shared parenting and the fact that fathers do not divorce their children, they divorce their spouses. Fathers do not divorce their children. We want to ensure that there are mechanisms for maintaining that contact and relationship between fathers and their children. To the extent this review process will facilitate that, we welcome and support the amendment.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I will not take much time. I have been sitting here for the last two days listening to this interesting debate. Since we have a common ground here, I would like to make an amendment to the motion to deal with the problem of custody orders and possibly add that in terms of the five year review.

Before I move that amendment, I would like to say a few words. All of us have had many constituents and people coming with personal problems regarding the very important and difficult subject of divorce. I had a letter this morning dealing with the problem of access from a father who feels very disturbed about this whole question. Our critic told me that the five year review which the Government will be doing would probably help to solve some of these problems concerning access and custody orders.

My letter comes from a Mr. Royal L. Gauthier, No. 231-1965 Playfair Drive, Ottawa. He told me that he is divorced and has access to his child, but his child is now living with his former wife somewhere in Germany and she is giving him difficulty regarding access. I take it that the Government, in reviewing this whole question, will accept the amendment made by the Hon. Member for Mount Royal (Mrs. Finestone), which is supported by the Hon. Member for Burnaby (Mr. Robinson) and his Party. We could amend Motion No. 36 (a) which reads:

—review the provisions of this Act relating to reconciliation and support orders; and

By adding the words "and custody orders".

• (1210)

It would read as follows:

(a) review the provisions of this Act relating to reconciliation, support and custody orders; and

**Mrs. Pépin:** I so move.

**The Acting Speaker (Mr. Charest):** The House has heard the terms of the amendment. The amendment is in order, and debate on it will proceed now.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my original testimony as to why I felt that it was very important to include this amendment speaks for itself. I am pleased that the Hon. Member for Burnaby (Mr. Robinson) brought to my attention the omission of the words "custody orders", because it was meant to have been submitted in that way. When one talks about reconciliation and support orders, it is obvious that one hopes there will be a reconciliation within the family, that is, within the relationship between the father and the child or the mother and the child, depending upon the situation, and that would be reviewed very carefully. I should like to add to that a perspective which we sometimes forget. Very key to family relationships is the extended family. There are maternal and paternal grandparents; there are aunts and uncles on both sides; and there are cousins. The blocking of access to that lovely family relationship is of serious concern as well.

I heartily support the amendment. I thank all those who brought that absence to my attention. I hope Hon. Members of the House will take seriously their responsibility as legislators. Regardless, perhaps, of considerations by the Ministry, let us take the lead and indicate that we are serious legislators who want to improve wherever possible the content of the Bill. I hope we will allow for this kind of motion which will allow us to make changes at any time but with an obligation to do so within five years.

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, I should simply like to add my words to those of the Hon. Member for Mount Royal (Mrs. Finestone) and urge that together we in the House look upon this amendment as a friendly one designed to alleviate suffering, to create harmony and, especially for children, to create a situation which will improve the atmosphere in their homes and will provide them with the best access to their parents and the advantages of that. I hope the Hon. Parliamentary Secretary and his caucus will also look upon the amendment as a friendly one worthy of support.

[*Translation*]

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I rise in support of this motion. I am a critic on the status of women and I think it is very important—naturally, women seek equality—to assume the responsibilities we must face. Most of the time nowadays the wife and mother gets to keep the children. If we take a closer look at divorce, when a father loses child custody, very often the children become a bargaining factor. That is why I fully agree with this amendment, and I hope the Government will support it because it is very important for a father to see his children regularly.

As we know, and this was mentioned earlier today, a man gets a divorce from his wife, not from his children. One of the problems in any divorce case is that children are involved. The law sees to it that they are financially protected, but I think that emotions do come into the picture; they are just as important and perhaps more so, and in that respect the legislation may have been lacking. I think this amendment would protect our children against emotional upsets for it is very important that children get to see their father regularly. Bargaining does take place now and again because a father may forget about alimony payments or quite simply refuse to make them altogether. More often than not they are his wife's only source of income, so she will say: If you want to see your children, well it is too bad but alimony payments must be made first.

An effort has to be made, and if both spouses could agree and realize that they both have the right to see the children they would be able to avoid that problem and think only of the well-being of the children. If the children's well-being is to come first, then we must find a way to make sure that a father can indeed get to see his children. Therefore I hope that the Government will accept this amendment which, in my opinion, is absolutely essential if we want to live in a stable society and have well-balanced children. They must be able to see both parents.

[*English*]

**Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, very briefly, I think Hon. Members on all sides of the House are trying to lay down within this Act principles of decency in dealing with children and the dissolution of marriage. There is no doubt that the Bill is not the final say in respect of legislation which will be coming before the House.

As a general policy matter, the Department of Justice is continually reviewing the Divorce Act. Certainly we will be monitoring the new provisions and their effect on society. The Whip of the Official Opposition read a letter from his constituent, and I should like to indicate that we all receive many letters on personal matters. It is a live issue on which people want some type of initiative. I suspect that before five years have elapsed there will be a reopening of this Act on a number of matters.

I will give an example which was raised by the Hon. Member for Burnaby (Mr. Robinson) and the Hon. Member for Mount Royal (Mrs. Finestone). It concerns the very serious difficulty which people within the Jewish community are undergoing in respect of what is known as a Get. It is a very substantial problem. It was brought to our attention on October 4. There were no hearings with regard to the solution which was proposed. However, I can tell the House that it is fraught with some constitutional difficulties and some family law and divorce policy issues which have to be resolved. I have met with members of the Jewish community in respect of this matter. The Minister of Justice (Mr. Crosbie) instructed his officials to establish an expeditious process of consultation with representatives of various interests in order to resolve outstanding issues. I confirm that discussions on this issue have already started. The Minister has indicated that the Government will give careful and sympathetic consideration to this

issue. We intend to find an equitable solution. The point I am making is that issues such as this one will not be put on the back burner. There will be a reopening of the Act. It may very well be that the Justice Committee will convene to deal with this issue and other issues as well.

● (1220)

Although I reject a legislative commitment to a review, I certainly know as a practical matter that the Act will be monitored by Justice officials, and indeed I think we will find future legislation to deal with some matters that are not included in this particular legislation. I sympathize with the sentiments that have been expressed but I do think we have made a very good start.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** The question is on the amendment to Motion No. 36 standing in the name of the Hon. Member for Outremont (Mrs. Pépin). Is it the pleasure of the House to adopt the amendment?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Charest):** In my opinion the nays have it.

Amendment (Mrs. Pépin) to Motion No. 36 negatived.

**The Acting Speaker (Mr. Charest):** The next question is on Motion No. 36 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Charest):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Charest):** All those opposed please say nay.

**Some Hon. Members:** Nay.



**The Acting Speaker (Mr. Charest):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Charest):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

Motion No. 16 was to have been disposed of or dropped as the Speaker had indicated.

[*Translation*]

The House will now proceed with the recorded divisions deferred at the report stage of Bill C-47, an Act respecting divorce and corollary relief.

Call in the Members.

*And the division bells having rung:*

[*English*]

**Mr. Speaker:** The first question is on Motion No. 3A. Mrs. Finestone, seconded by Mr. Gauthier, moved:

Motion No. 3A

That Bill C-47, be amended in Clause 2 by striking out line 17 at page 1 and substituting the following therefor:

"of education, illness, disability or other cause, to".

The House divided on the motion (Mrs. Finestone) which was negatived on the following division:

(*Division No. 182*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gauthier | Murphy |
| Althouse | Gray (Windsor West) | Nicholson (Trinity) |
| Angus | Guilbault (Saint-Jacques) | Nunziata |
| Axworthy | Heap | Nystrom |
| Berger | Hopkins | Orlikow |
| Blackburn (Brant) | Hovdebo | Parry |
| Blaikie | Jewett | Pépin |
| Boudria | Kaplan | Prud'homme |
| Caccia | Marchi | Riis |
| Copps | McCurdy | Robichaud |
| Deans | McDonald (Broadview-Greenwood) | Robinson |
| de Corneille | Mitchell | Rodriguez |
| Finestone | | Rompkey |
| Foster | | Skelly |
| Gagliano | | Waddell—42. |

NAYS

Members

| | | |
|---|---|---|
| Andre | Clark (Brandon-Souris) | Dorin |
| Attewell | Collins | Edwards |
| Beatty | Comeau | Epp (Provencher) |
| Bertrand | Cooper | Fennell |
| Blenkarn | Corbett | Ferland |
| Boyer | Crosbie (St. John's West) | Fontaine |
| Brightwell | Crosby (Halifax West) | Forrestall |
| Brisco | Crouse | Fraleigh |
| Browes | Darling | Fretz |
| Cadieux | Daubney | Friesen |
| Caldwell | Della Noce | Gagnon |
| Cardiff | Desjardins | Gass |
| Champagne (Saint-Hyacinthe-Bagot) | Dick | Gervais |
| Clark (Yellowhead) | | Gormley |
| | | Graham |

Members

Greenaway
Grisé
Gurbin
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Hudon
James
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kempling
Kilgour
Landry
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Martin
Masse
Mayer
Mazankowski
McDermid
McGrath
McInnes
McKinnon
McKnight
McLean
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Peterson
Pietz
Plamondon
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Weiner
Wilson
(Swift Current-Maple Creek)
Witer—121.

● (1250)

**Mr. Speaker:** I declare the motion lost.

**Mr. Gray (Windsor West):** Mr. Speaker, with the unanimous consent of the House, I propose that the vote just taken be applied and recorded as such to the amendment to Motion No. 9 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone), Motion No. 13 standing in the name of the Hon. Member for Burnaby (Mr. Robinson), and Motion No. 36.

**Mr. Hnatyshyn:** 30 and 36.

**Mr. Gray (Windsor West):** 30 and 36? I think we will have to have a separate vote on the main motion, No. 9.

**Mr. Speaker:** Do I sense agreement to that?

**Mr. Hnatyshyn:** Mr. Speaker, I am not quite clear as to whether consultations on the opposition side have taken place. However, one possibility is to reverse the vote on the main motion, No. 9, standing in the name of the Minister of Justice (Mr. Crosbie). If the Opposition is voting on the main motion on the assumption it is defeated, then it will not be necessary for us to take another vote. I would simply ask the Opposition if it is agreeable to that proposition so that we can save ourselves another vote.

**Mr. Speaker:** I have a feeling that the matter will be decided by the voice vote on the main motion. Therefore, the next question is on the amendment to Motion No. 9.

I take it that it is understood we are dealing with the amendment to the motion of the Minister of Justice (Mr. Crosbie) standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone), and that it should be negatived on the same recorded vote that was just taken on Motion No. 3A?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Mrs. Finestone, seconded by Mr. Gauthier, moved:

That Bill C-47, an Act respecting divorce and corollary relief, be amended in Clause 11 by adding immediately after the word "of" in the first line of the motion, the words

"either spouse and".

The House divided on the motion (Mrs. Finestone) which was negatived on the following division:

*(Division No. 183)*

YEAS

Members

Allmand
Althouse
Angus
Axworthy
Berger
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett
Kaplan
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Parry
Pépin
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Skelly
Waddell—42.

NAYS

Members

Andre
Attewell
Beatty
Bertrand
Blenkarn
Boyer
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Collins
Comeau
Cooper
Corbett
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Edwards
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Graham
Greenaway
Grisé
Gurbin
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Hudon
James
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kempling
Kilgour
Landry
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Martin
Masse
Mayer
Mazankowski
McDermid
McGrath
McInnes
McKinnon
McKnight
McLean
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Peterson
Pietz
Plamondon
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Weiner
Wilson
(Swift Current-Maple Creek)
Witer—121.

**Mr. Speaker:** I declare the motion lost.

Therefore, the next question before the House is on Motion No. 9 standing in the name of the Minister of Justice (Mr. Crosbie). Mr. Crosbie, seconded by Mr. Hnatyshyn moved:

Motion No. 9

That Bill C-47, be amended in Clause 11 by striking out lines 18 to 24 at page 8 and substituting the following therefor:

"arrangements have been made for the support of any children of the marriage and, if such arrangements have not been made, to stay the granting of the divorce until such arrangements are made; and"

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion No. 9 (Mr. Crosbie) agreed to.

**Mr. Speaker:** The next motion before the House is Motion No. 13. I take it that it is the pleasure of the House to adopt the same recorded vote on that motion as was adopted on Motion No. 3A and the amendment to Motion No. 9?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Mr. Robinson, seconded by Ms. McDonald, moved:

Motion No. 13

That Bill C-47, be amended in Clause 15 by striking out lines 31 to 46 at page 11 and substituting the following therefor:

(7) an order made under this Section that provides for the support of a spouse shall be directed to one or more of the following objectives:

(*a*) subject to paragraphs (*b*), (*c*), and (*d*) to promote the economic self-sufficiency of each spouse within a reasonable period of time;

(*b*) to recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown and to relieve any economic hardship of the spouses arising from the marriage or its breakdown;

(*c*) where the marriage is of long duration and where one spouse worked full-time in the home and was financially dependent on the other spouse during the marriage, to provide support for the dependent spouse throughout his or her lifetime and to equalize the standards of living of the spouse awarded support and the supporting spouse;

(*d*) where there is a child of the marriage and the spouses had agreed before divorce proceedings were commenced, that one spouse should stay at home full-time to care for the child, to fulfil the terms of that agreement insofar as it is economically practicable.

The House divided on the motion (Mr. Robinson) which was negatived on the following division:

(*Division No. 184*)

YEAS

Members

Allmand
Althouse
Angus
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett
Kaplan
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Parry
Pépin
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Skelly
Waddell—42.

NAYS

Members

Andre
Attewell
Beatty
Bertrand
Blenkarn
Boyer
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Clark (Yellowhead)
Clark (Brandon-Souris)
Collins
Comeau
Cooper
Corbett
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Edwards
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Graham
Greenaway
Grisé
Gurbin
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Hudon
James
Jelinek
Johnson (Bonavista-Trinity-Conception)
Kempling
Kilgour
Landry
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Martin
Masse
Mayer
Mazankowski
McDermid
McGrath
McInnes
McKinnon
McKnight
McLean
Minaker
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Peterson
Pietz
Plamondon
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Weiner
Wilson (Swift Current-Maple Creek)
Witer—121.

**Mr. Speaker:** I declare the motion lost.

The next question is on Motion No. 30 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). I take it the same recorded vote would be applied as was applied earlier?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Mr. Robinson, seconded by Ms. McDonald, moved:

Motion No. 30

That Bill C-47, be amended in Clause 17 by striking out lines 17 to 28 at page 14 and substituting the following therefor:

"(4) Before the court makes a variation order in respect of a support order the court shall satisfy itself

(*a*) that there has been a change in the condition, means, needs or other circumstances of either former spouse or of any child of the marriage for whom support is or was sought occurring since the making of the support

order or the last variation order made in respect of that order as the case may be, or

(*b*) that a change in the condition, means, needs or other circumstances of either former spouse or of any child of the marriage for whom support is or was sought, that was anticipated at the date referred to in paragraph (*a*) has not occurred."

The House divided on the motion (Mr. Robinson) which was negatived on the following division:

(*Division No. 185*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gauthier | Murphy |
| Althouse | Gray (Windsor West) | Nicholson (Trinity) |
| Angus | Guilbault (Saint-Jacques) | Nunziata |
| Axworthy | Heap | Nystrom |
| Berger | Hopkins | Orlikow |
| Blackburn (Brant) | Hovdebo | Parry |
| Blaikie | Jewett | Pépin |
| Boudria | Kaplan | Prud'homme |
| Caccia | Marchi | Riis |
| Copps | McCurdy | Robichaud |
| Deans | McDonald (Broadview-Greenwood) | Robinson |
| de Corneille | Mitchell | Rodriguez |
| Finestone | | Rompkey |
| Foster | | Skelly |
| Gagliano | | Waddell—42. |

NAYS

Members

| | | |
|---|---|---|
| Andre | Graham | Nicholson (Niagara Falls) |
| Attewell | Greenaway | Nickerson |
| Beatty | Grisé | Nielsen |
| Bertrand | Gurbin | Nowlan |
| Blenkarn | Hamelin | Oberle |
| Boyer | Hamilton | O'Neil |
| Brightwell | Hardey | Paproski |
| Brisco | Hawkes | Peterson |
| Browes | Hees | Pietz |
| Cadieux | Hicks | Plamondon |
| Caldwell | Hnatyshyn | Porter |
| Cardiff | Holtmann | Price |
| Champagne (Saint-Hyacinthe-Bagot) | Hudon | Ravis |
| Clark (Yellowhead) | James | Redway |
| Clark (Brandon-Souris) | Jelinek | Reid |
| Collins | Johnson (Bonavista-Trinity-Conception) | Ricard |
| Comeau | Kempling | St. Germain |
| Cooper | Kilgour | St-Julien |
| Corbett | Landry | Schellenberg (Nanaimo-Alberni) |
| Crosbie (St. John's West) | La Salle | Scowen |
| Crosby (Halifax West) | Lawrence | Siddon |
| Crouse | Layton | Sparrow |
| Darling | Leblanc | Speyer |
| Daubney | Lesick | Stackhouse |
| Della Noce | Lewis | Stevens |
| Desjardins | MacDonald (Kingston and the Islands) | Stewart |
| Dick | MacDougall (Timiskaming) | Tardif (Charlesbourg) |
| Dorin | MacKay | Taylor |
| Edwards | Mailly | Thacker |
| Epp (Provencher) | Martin | Towers |
| Fennell | Masse | Tremblay (Québec-Est) |
| Ferland | Mayer | Tremblay (Lotbinière) |
| Fontaine | Mazankowski | Tupper |
| Forrestall | McDermid | Turner (Ottawa-Carleton) |
| Fraleigh | McGrath | Vankoughnet |
| Fretz | McInnes | Weiner |
| Friesen | McKinnon | Wilson (Swift Current-Maple Creek) |
| Gagnon | McKnight | Witer—121. |
| Gass | McLean | |
| Gervais | Minaker | |
| Gormley | Moore | |
| | Murta | |

**Mr. Speaker:** I declare the motion lost.

The next question before the House is on Motion No. 36 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the intention of the House to apply the same recorded vote to that motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Mrs. Finestone, seconded by Mr. Gauthier, moved:

Motion No. 36

That Bill C-47, be amended by adding immediately after line 43 at page 23 the following:

"28. Not later than five years after this Act is proclaimed into force, such committee of the House of Commons as may be designated or established for the purposes of this section shall

(*a*) review the provisions of this Act relating to reconciliation and support orders; and

(*b*) within a year after the review is undertaken or within such time as the House of Commons may authorize, submit a report to the House thereon, including a statement of any changes the committee would recommend."

The House divided on the motion (Mrs. Finestone) which was negatived on the following division:

(*Division No. 186*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gauthier | Murphy |
| Althouse | Gray (Windsor West) | Nicholson (Trinity) |
| Angus | Guilbault (Saint-Jacques) | Nunziata |
| Axworthy | Heap | Nystrom |
| Berger | Hopkins | Orlikow |
| Blackburn (Brant) | Hovdebo | Parry |
| Blaikie | Jewett | Pépin |
| Boudria | Kaplan | Prud'homme |
| Caccia | Marchi | Riis |
| Copps | McCurdy | Robichaud |
| Deans | McDonald (Broadview-Greenwood) | Robinson |
| de Corneille | Mitchell | Rodriguez |
| Finestone | | Rompkey |
| Foster | | Skelly |
| Gagliano | | Waddell—42. |

NAYS

Members

| | | |
|---|---|---|
| Andre | Cooper | Fraleigh |
| Attewell | Corbett | Fretz |
| Beatty | Crosbie (St. John's West) | Friesen |
| Bertrand | Crosby (Halifax West) | Gagnon |
| Blenkarn | Crouse | Gass |
| Boyer | Darling | Gervais |
| Brightwell | Daubney | Gormley |
| Brisco | Della Noce | Graham |
| Browes | Desjardins | Greenaway |
| Cadieux | Dick | Grisé |
| Caldwell | Dorin | Gurbin |
| Cardiff | Edwards | Hamelin |
| Champagne (Saint-Hyacinthe-Bagot) | Epp (Provencher) | Hamilton |
| Clark (Yellowhead) | Fennell | Hardey |
| Clark (Brandon-Souris) | Ferland | Hawkes |
| Collins | Fontaine | Hees |
| Comeau | Forrestall | Hicks |
| | | Hnatyshyn |
| | | Holtmann |
| | | Hudon |

Members

James
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kempling
Kilgour
Landry
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Martin
Masse
Mayer
Mazankowski
McDermid
McGrath
McInnes
McKinnon
McKnight
McLean
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Peterson
Pietz
Plamondon
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Weiner
Wilson
(Swift Current-Maple Creek)
Witer—121.

**Mr. Speaker:** I declare the motion lost.

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that the Bill, as amended, be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to.

**Mr. Speaker:** When shall the Bill be read a third time? At the next sitting of the House?

**Mr. Hnatyshyn:** Mr. Speaker, there have been consultations between the Parties. I think you will find there is unanimous consent to proceed with third reading. I have a draft order which I have given to opposition Members and I think you will find a disposition to accept this order as well concerning third reading. It reads as follows:

That, notwithstanding any Standing or Special Order of this House, when the Order for the third reading of Bill C-46, an Act to amend the Divorce Act is called, the orders for third reading of Bill C-47, an Act respecting divorce and corollary relief, and Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada, respectively, shall be deemed to have been called at the same time.

**Mr. Speaker:** Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent necessary for his motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.



**Mr. Speaker:** Therefore, third reading of Bill C-47 stands deferred until third reading of Bill C-46.

* * *

## FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

**Mr. Speaker:** There are two report stage motions on the Notice Paper in amendment to Bill C-48. Motion No. 1 standing in the name of the Hon. Member for York Centre (Mr. Kaplan) seeks to create a National Maintenance and Custody Orders Enforcement Agency. The creation of such an agency would entail the expenditure of moneys from the Consolidated Revenue Fund, which would require a Royal Recommendation signed by Her Excellency. I would draw the Hon. Member's attention to Citation 773 of Beauchesne's Fifth Edition, which reads in part:

(7) An amendment is out of order if it imposes a charge upon the Public Treasury—

In addition, the motion goes beyond the scope of the clause it seeks to amend. In this regard I would refer the Hon. Member to a ruling made by Mr. Speaker Lamoureux on March 28, 1969, *Journals* pages 862 and 863. For those reasons I must rule the motion out of order.

Motion No. 2 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone) also seeks to create an agency which would oversee the enforcement of maintenance and custody orders. However, its members would serve without remuneration. While this would circumvent the problem of infringement on the financial initiative of the Crown, the motion does present the Chair with other problems. As with Motion No. 1, it goes beyond the scope of the clause it seeks to amend. I must therefore rule it out of order.

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that the Bill, be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

**Mr. Speaker:** Pursuant to the order adopted earlier today, Bill C-48 will be read the third time when third reading is called on Bill C-46, which may be later this day.

*S.O. 22*

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

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## TRADE

WATER RESOURCES—STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) misinformed the House yesterday when he denied that Simon Reisman's office had issued a statement on water. According to Don Whitely of the *Vancouver Sun*, Mr. Reisman said: "In my judgment water will be the most critical area of Canada-U.S. relations over the next hundred years", and, regarding water export: "My views on water were developed when I was a private citizen. I believe in it then, and I believe in it now".

The chief negotiator for Canada in announcing his personal views on water and implying that water might be a main factor in up-coming trade negotiations, thus obliquely putting on the table an item that should never be dealt with as a tradeable commodity by Canada.

Who authorized Mr. Reisman to make such a statement? Can he be an independent thinker on water matters, if, in the past, he did business with the Grand Canal Company interested in water diversions and exports? Should Canada's negotiator be someone with former ties to such an enterprise? In view of his self-proclaimed interest in water exports to the U.S., what credibility does he have in the eyes of Canadians? Should Canada's negotiator engage in making public statements about the possible content of the negotiating process without authority from his Government?

If trade negotiations are to proceed, Mr. Speaker, the Government should replace Mr. Reisman with a Canadian who understands that water and sovereignty are two sides of the same coin.

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

## CANADA POST CORPORATION

LACK OF SERVICE IN URBAN AREAS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have been informed by both Canada Post and the Letter Carriers' Union in Winnipeg that there are more than 700 homes and businesses in the urban part of my constituency which lack door-to-door letter carrier service. This number is constantly growing as new housing is constructed, and residents are justifiably angry that they cannot receive the mail service that they previously enjoyed. This same anger is felt in most urban areas across the country. These residents had always been led to believe that the green mailboxes they must use were temporary, but now we learn that Canada Post is proposing "community mailboxes" which are intended to be permanent.

Canada Post is clearly wrong in telling urban dwellers that there will be two classes of residents and two classes of mail delivery in our cities. Thousands of petitions have been signed protesting this discriminatory treatment. The Marchment Commission found that Canadians are willing to pay in order that daily home delivery service in urban areas be maintained. Clearly, Canada Post must maintain its service and expand its revenue producing activities if it is to gain the confidence of the Canadian public.

Canada Post must realize that better service brings with it more use of the mails and more jobs. The alternative of service cut-backs makes huge rate increases as inevitable as all the Canadians who are angry about the postal service they are not getting. I call on the Government to direct Canada Post to provide door-to-door mail service to all urban homes.

* * *

## GOVERNMENT PROGRAMS AND GRANTS

PROVISION OF INFORMATION BY MEMBERS OF PARLIAMENT

**Mr. John Gormley (The Battlefords-Meadow Lake):** Mr. Speaker, I wish to address the subject of federal Government grants. There presently exists a long menu of discretionary grants made through many Government agencies, including Regional Industrial Expansion, Employment and Immigration, Secretary of State, and Indian Affairs, to name a few.

It is often the case that communities, local non-profit groups, and local entrepreneurs have ideas which they believe will merit Government support. However, these people are sometimes intimidated by the vast array of programs and simply do not know where to begin. As a result, they hire the services of a consultant to research Government monies and prepare proposals even before a project has matured to the point where such an initial expense is justified. This is not to say that professional advice does not have value in the success of projects that ultimately require expert assistance. However, information from the Government Departments involved is often quite adequate to provide initial advice and direction at little or no cost. Going first to the responsible Government

agencies may ultimately save the applicants both time and money.

In this regard Members of Parliament can and should serve as the first point of contact. MPs can provide an overview of Government initiatives and can assist local businesses and organizations in gaining better access to the system. I encourage Members of all Parties in this House to make it clear to their constituents that MPs are here as sources of information on grants and local economic development.

* * *

● (1405)

## FISHERIES

GRANTS AND LICENCES AWARDED TO LARGE COMPANIES—EFFECT ON INSHORE FISHERMEN

**Mr. George Henderson (Egmont):** Mr. Speaker, the policy decisions of the Government will ruin the Atlantic fishery. Inshore fishermen and small processors will soon be wiped out if the Government continues to sweeten the pot for large companies at the expense of the small inshore operators.

Here are a few examples of the Government's policies. Fisheries Products International of Newfoundland was given $105 million, with no guarantee of not closing fish plants. The Nordick Group was given an offshore licence after it had paid lobbyists to buy an audience with the Minister. Three factory freezer licences were granted. National Sea Products was granted permission to increase the length of six of its trawlers. Dr. Art May, a man who understood and respected inshore fishermen, was fired from his job as Deputy Minister. The 1986 Groundfish Management Plan cut the inshore quota and increased the offshore quota.

Those examples smack of the Government's bias toward big business. If the Government is counting on small business to create tomorrow's jobs, it need not by-pass the Atlantic fishing industry which is a source of hundreds of jobs. Inshore fishermen and processors are small business operators. However, they are in danger of being wiped out because of the Government's policies. The 1986 Groundfish Management Plan is a testimony to that. The small community-based inshore fishery is being swallowed up by large fish companies.

I call upon the Government to redistribute the quotas immediately. Inshore fishermen want their fair share.

* * *

## TOURISM

GOVERNMENT'S PROMOTION OF MULTICULTURAL ASPECTS

**Mr. Ken James (Sarnia-Lambton):** Mr. Speaker, it gives me great pleasure to note that the Minister of State for Tourism (Mr. Murta), the Minister of Communications (Mr. Masse), and the Minister of State for Multiculturalism (Mr. Jelinek) have recently announced a series of federal initiatives in support of the Canadian tourism and cultural industries. This was done via an agreement recently released after months of consultation.

The Government recognizes the link between tourism and Canada's wide variety of cultural attractions. We have made multiculturalism, tourism, and culture a definite priority for the Government.

To illustrate the commitment of the Government, these three Departments will jointly contribute over $1 million toward a series of pilot projects. These projects are intended to evaluate the tourism impact on select Canadian cultural and multicultural destinations that will be promoted throughout the United States.

As well, the three Ministers will host a national conference on tourism and culture in the fall of 1986. To the Ministries of Tourism, Multiculturalism, and Communications, and to the Ministers responsible, I want to say: "Well done".

* * *

[*Translation*]

## AGRICULTURE

NEW DAIRY POLICY

**Mr. Maurice Tremblay (Lotbinière):** As you know, Mr. Speaker, the Hon. Minister of Agriculture (Mr. Wise) announced yesterday our party's new long term dairy policy, thereby formally committing the federal Government to this major industry in Canada's overall economy.

I, for one, am delighted with this new policy, in view of its direct impact on my riding which depends heavily on the dairy industry, but especially because our party is keeping one more promise made during the last election campaign.

Need I remind the House of the total indifference of the previous Liberal administration to the needs of Canadian farmers which accounted for a 12 per cent reduction in the number of farms, a 2.5 per cent decrease in farm population, a 800 per cent increase in farm bankruptcies, a skyrocketing increase in interest rates, as well as a nearly 400 per cent increase in operating costs.

Our Government, through the Department of Agriculture, will inject in the farm industry more than $1.5 billion over the next five years, which will give at last the dairy industry a stability it had not known since 1980.

This, Mr. Speaker, is another demonstration of the constant concern of our Government for the farm producers of this great country.

*S.O. 22*

[*English*]

## INCOME TAX ACT

WORDING USED TO DESCRIBE CALCULATION OF EMPLOYMENT TAX CREDIT

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, Section 127 (16) of the Income Tax Act, describing simply how to calculate one's employment tax credit, reads as follows:

For the purposes of subsections (9.1), (9.2) and (13) to (15), "employment tax credit" of a taxpayer at the end of a taxation year means the amount, if any, by which the aggregate of

(*a*) his taxpayer employment credits, determined in prescribed manner for that taxation year and any of the five immediately preceding taxation years and

(*b*) the aggregate of all amounts each of which is an amount required to be added in computing his employment tax credit at the end of that taxation year or at the end of any of the five immediately preceding taxation years by virtue of subsection (15)—

● (1410)

exceeds the aggregate of

(*c*) the aggregate of all amounts each of which is an amount deducted by him under subsection (13) in any of the five immediately preceding taxation years in respect of

(i) his taxpayer employment credits as so determined, and

(ii) amounts added to his employment tax credit by virtue of subsection (15),

for each of those taxation years, and

(*d*) the aggregate of all amounts each of which is an amount required to be deducted in computing his employment tax credit at the end of that taxation year or at the end of any of the five immediately preceding taxation years by virtue of subsection (14) or (15).

Sec. 127(17)

(17) "Tax otherwise payable". In this section, "tax otherwise payable" by a taxpayer under this Part means the amount that would, but for section 120.1, be the tax otherwise payable by the taxpayer under this Part.

Sec. 127.1 Refundable Investment Tax Credit

(1) Where a taxpayer (other than a person exempt from tax under section 149) files

(*a*) with his return of income (other than a return of income filed under subsection 70(2)—

**Mr. Speaker:** I regret to advise that the Hon. Member's time has expired.

* * *

## INSURANCE

ST. JOHN AMBULANCE ASSOCIATION—INCREASE IN PREMIUMS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, last week I asked the Minister of State for Finance what action she would take, along with her provincial colleagues, to curb the astronomical liability claims which are threatening the very survival of many property and casualty insurance companies. Many companies have withdrawn completely from certain liability risks. As a result, many school boards, municipalities, truck lines and others are without liability coverage.

Just this morning I learned the local St. John Ambulance Association is without liability insurance. They have never had a claim yet they have seen their premiums go from $36,000 to $205,000 a year. They simply cannot afford it. As a result, they have no liability insurance for their hundreds of volunteers.

Clearly the outrageous size of claims and the unaffordable rate increases are the responsibility of the provincial Governments.

I applaud this Government for its swift action to meet with various interest groups which have been so hard hit by these developments, and for taking steps to strengthen the solvency and capital base requirements of insurance companies.

However, as my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), has pointed out, the Government should also take a leadership role in establishing a Canadian reinsurance facility. The reinsurance industry, largely located in Europe, is vacating the North American market, creating chaos of crisis proportions. The time for action is now, Mr. Speaker.

* * *

[*Translation*]

## STATUS OF WOMEN

DIFFERENCE BETWEEN MEN'S AND WOMEN'S WAGES

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I would like to bring to the attention of the House the findings of a Statistics Canada survey of wages and salaries of Canadian men and women. This survey confirms what we already knew, but it is useful at times to remember that discrimination against women on the labour market is very widespread.

In Canada, men on the average earn $3.00 more per hour than women. The survey shows that the wage differential between men and women decreases as the number of years of schooling increases. For instance, women with grade school education earn 36 per cent less than men, while women with university degrees earn 19 per cent less than their male counterparts.

The discrimination areas noted are totally unacceptable. They show that women must fight on many fronts, including employment, equality, equal salary for work of equal value, entry in non-traditional trades, and higher education for our daughters.

Mr. Speaker, finally, I would like to point out the toothless nature of Bill C-62. It will certainly not help women take their rightful place on the labour market. The Government's refusal to impose fines for non-compliance, its refusal to integrate time-tables and objectives into the Bill unfortunately show that this Conservative Government is much less concerned with women than its rhetoric would have us believe.

[*English*]

## PUBLIC SERVICE

REDUCTION THROUGH ATTRITION

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, much unfounded concern has been generated recently over so-called lay-offs in the federal public civil service.

I want to reiterate our Government's intention to accomplish this goal through attrition and not massive lay-offs. We have committed ourselves to reducing the size of the federal civil service, which the previous Liberal Government allowed to grow much faster then the economy.

Like Canadians across the country, my constituents in Saskatoon East told me that they want to see a lean, efficient Government working for them here in Ottawa. We indicated our intention to reduce the size of the federal civil service during the campaign of 1984. We introduced the current policy in the May, 1985, Budget.

It has never been our intention to eliminate all positions overnight. We have committed ourselves to decreasing Government expenditures and reducing the size of the federal public service by 15,000 positions all across Canada by 1990. Canadians also told us that they do not want us to lay off 15,000 people to reach this goal; nor do we. That is not the way to go about attaining our objectives. Rather, we intend to reduce the size of the federal Government wherever possible through attrition.

• (1415)

To illustrate just how realistic and effective is this goal, I would like to cite the most recent figures released by the President of the Treasury Board (Mr. de Cotret). Figures from all Departments show that of 5,000 federal employees across Canada whose jobs will not be renewed after March, 1987, a maximum of only 700 could possibly face lay-offs. Special measures have been implemented to ensure that they are given jobs and/or retraining priority. So let us hear no more scare tactics—

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

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# ORAL QUESTION PERIOD

[*English*]

## ENERGY

PRICE OF GASOLINE IN VANCOUVER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. When she was the energy critic sitting on this side of the House, she complained regularly about the fact that American motorists were getting a better deal than Canadian



motorists. As late as January 31, 1984, she said that it was costing our tourist industry about $2 billion in revenue, and that is cited in *Hansard*. I want to ask the Minister, as she and I both represent adjacent ridings in Vancouver, why it is that it costs the average family in Vancouver $13 more to fill the tank in an average car than it does across the border in Seattle.

**Mr. Crosbie:** Ask Marc Lalonde.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Right Hon. Member refers to prices in Vancouver. I would just like to point out that under the figures which he used in the House the other day, gasoline prices have actually fallen, using the 47-cent per litre price which he used, from the 50 cents per litre that occurred in Vancouver when he was Prime Minister.

**Some Hon. Members:** Oh, oh!

WESTERN ENERGY ACCORD

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, let us be absolutely a little more direct here.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** When the Minister announced her Energy Accord in March, prices were $7 less per tank in Vancouver than they are today. How does she explain that one?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Right Hon. Member knows that we have deregulated the industry and that we should give the industry and consumers the opportunity to benefit from the price changes which are in the system. I would like to point out that when the Liberal Government brought in the National Energy Board—

**An Hon. Member:** You mean "program".

**Miss Carney:** —Canadian consumers were slapped with an 80 per cent increase in the price of gasoline.

[*Translation*]

INQUIRY WHY GASOLINE IS MORE EXPENSIVE IN MANICOUAGAN THAN IN EASTERN UNITED STATES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Minister is not too good at comparing prices in Vancouver and Seattle.

Could the Minister explain to the House why people in the Prime Minister's riding of Manicouagan are paying for gasoline $13 more than the people in the Eastern United States, just across the border?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, we have said many times in the House that Governments do not set the price of gasoline, that

market forces set the price of gasoline. They reflect transportation and distribution costs and competition in market regions.

* * *

[*Translation*]

## INDUSTRY

INQUIRY WHEN GOVERNMENT WILL PUBLISH REPORT OF PETROLEUM COMPETITION INQUIRY

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I had a question for the Minister of Consumer and Corporate Affairs, but, in his absence, perhaps the Prime Minister could answer in his place. Following the closing of the Gulf refinery, six NDP Members asked yesterday for an investigation under the Combines Investigation Act, claiming that the major oil multinationals might have agreed to reduce competition. In view of the great many complaints from across Canada about the high costs of oil products, could the Prime Minister tell the House just how many other groups will have to ask for such an investigation before the Government decides to make public the results of this investigation on competition in the oil industry?

[*English*]

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, may I be permitted simply to reject the premise of the Hon. Member's question, but to say that I will bring the question to the attention of the Minister who will respond to the Hon. Member on his return to Ottawa.

[*Translation*]

PRICE OF GASOLINE—PROTECTION OF CONSUMERS—GOVERNMENT POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the question has been directed to the Minister a great many times. That is why I should like the head of the Government to tell us when his Government will assume its responsibilities and protect Canadian consumers who are paying exorbitant prices for gasoline, especially in Montreal where only two refineries remain following the closing of the Gulf refinery.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I assume this representation will be submitted to the responsible Minister. In my opinion, however, it is clear that Canada has experienced enormous difficulties following the implementation of the National Energy Policy which has stifled the oil industry in Canada. We are already witnessing major improvements for consumers in this area.

• (1420)

## CROWN CORPORATIONS

POSSIBLE SALE OF CANADAIR—IMPACT ON URBAN MILIEU

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would like to put a question to the Minister of Regional Industrial Expansion.

Last night I attended a meeting in the region of Montreal. Despite opposition from thousands of Canadair employees, the municipality of Saint-Laurent refused to change the regional development plan to ensure the survival of Canadair.

Is the Minister now prepared to assure the city that the Government intends to request from any potential Canadian buyer a guarantee that Canadair will remain on its Saint-Laurent site for years to come?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, let me assure the Hon. Member, other Members of the House and the public at large, that there is no intention to have Canadair move from its present location. I do not think the Hon. Member serves anyone well by making such alarmist comments.

LOCATION OF CANADAIR—REQUEST FOR GOVERNMENT COMMITMENT

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, the Minister should be aware that a thousand Canadair workers are not reassured by those comments and that is why we are asking if the Minister will inform the City of St. Laurent that it is not the Government's intention to allow Canadair to move, and that it will be a condition of any sale of Canadair that it will stay for a very long period of time on its site in St. Laurent next door to the Cartierville Airport.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member would do a great service if he would tell not only the thousand workers to whom he has referred but Canadians in general that there is absolutely no intention of that. Certainly any discussions we have had with would-be buyers anticipate Canadair staying exactly in the area in which it is now active.

[*Translation*]

REQUEST FOR COMMITTEE REFERRAL

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, now that the Minister has admitted that discussions have been held with prospective Canadair buyers, can he assure us that, as in the case of de Havilland where we had constructive and positive proceedings, we will have parliamentary committee meetings before the sale is finalized so that Parliament can discuss and consider any prospective sale of Canadair?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member has gone back to a refrain that we have heard in these halls many times. I can only answer him by saying once again to date we do not have a would-be purchaser with money in hand indicating that he has a deal he would like us to accept. The Hon. Member's question is dealing with a hypothetical situation and I cannot answer it.

* * *

## FINANCE

### FEDERAL TAX ON GASOLINE

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, my question is directed to the Minister of Finance. Last September the Government raised the tax on gasoline, and again this month the Government raised the tax on gasoline. It is due to go up again. Why is it that a trucker in British Columbia has to pay 80 cents more per gallon than a trucker in Washington? Why is it that western farmers will pay $84 million more this year because of the increase in federal taxes? Will the Minister move to end pricing gas by federal taxes?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, when the Hon. Member is speaking to the trucker to whom he has referred, perhaps he should tell him why it was that under the NEP gasoline prices went up 80 per cent, and gasoline prices, since we took office in September, 1984—

**Mr. Turner (Vancouver Quadra):** World prices are going down. We are not getting it.

**Mr. Wilson (Etobicoke Centre):** The Leader of the Opposition is—

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Go ahead.

**Mr. Rompkey:** Mr. Speaker—

**Mr. Wilson (Etobicoke Centre):** It's still my turn.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The Leader of the Opposition has said that prices are going down now. If the National Energy Program had stayed in place, prices would still be going up since they were being set by arbitrary decree of Government. Under the deregulation program which was brought in by the Government last June, prices are designed to reflect the market-place. However, the Hon. Member knows that a period of time amounting to approximately two months will be needed to allow the crude oil to go through the pipeline to the refineries and to the consumer.

● (1425)

**Mr. Turner (Vancouver Quadra):** How are the American prices now?

**Mr. Wilson (Etobicoke Centre):** The Leader of the Opposition has learned—

**Mr. Speaker:** Order, please.

**Mr. Wilson (Etobicoke Centre):** —and he agrees with exactly what—

**Mr. Speaker:** Order, please. Supplementary question.

### REQUEST THAT TAX BE REDUCED

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, it is the Minister's turn now. I wish to read to him a question he asked in the House on June 3, 1981, in which he stated:

> The world price of oil has been level over the last four months, and it looks as if it will be going down . . . Surely this means that there is less need for a tax increase—

**Mr. Speaker:** Order, please.

**Mr. Rompkey:** That was his question then and it is his turn now.

**Mr. Speaker:** Question, please.

**Mr. Rompkey:** Will the Minister guarantee that there will be a tax increase—

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** A decrease!

**Mr. Rompkey:** Will the Minister guarantee that there will be a tax decrease—

**Some Hon. Members:** Oh, oh!

**Mr. Clark (Yellowhead):** Make up your mind.

**Mr. Rompkey:** —and now that he has signed the Western Accord and the Atlantic Accord will he sign a consumer accord?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, since September, 1984, the price of gasoline in Toronto, if I can use my own town as an example, has gone up 6.5 per cent from 45.2 cents a litre to 48.2 cents a litre during the roughly 14 months that we have been in office. That is a great deal less than the 80 per cent which the National Energy Program decreed the price of gasoline would go up under the previous Government. No one on this side of the House needs any lessons in gasoline pricing from the Liberal Party after that record.

**Some Hon. Members:** Hear, hear!

**Ms. Copps:** There is more to Canada than Toronto, Mike. You may not know it.

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## ENERGY

### PRICE OF GASOLINE IN VANCOUVER

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the Minister aware that since her Government took office in September, 1984, that while world oil prices have continued to drop gasoline prices in her own riding of Vancouver Centre have risen—and if I can use the gallon figure—by 28 cents a gallon—

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** —this reflecting an 11 cent per gallon tax hike and a profit hike of 17 cents a gallon? Why does the Minister refuse to stop this price gouging of the Canadian consumer when the market system is obviously not working for the consumer?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I can point out the fact that the Hon. Member represents a Party which supported a NEP which resulted in an 80 per cent increase to consumers, during a time when the NEP was in place—

**Mr. Deans:** We did not!

**Miss Carney:** —and did not provide any mechanism at all for price decreases if market prices dropped.

### PETRO-CANADA PRICING PRACTICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my supplementary question is for the Minister of Finance. Is the Minister aware that in his own riding of Etobicoke Centre Petro-Canada is, in fact, a price leader and that it charges 1.4 cents per litre more than the neighbouring Shell station on Renforth Drive? Will the Minister recommend to his cabinet colleagues that Petro-Canada be directed to take the lead in reducing gasoline prices for consumers rather than raising them?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, Petro-Canada has something in the order of 4,200 service stations right across the country.

**Mr. Waddell:** I'm talking about the one on Renforth Drive.

**Mr. Wilson (Etobicoke Centre):** They are vigorous participants in the market-place at each of those 4,200 locations. To give the Hon. Member an example of how vigorous a competitor Petro-Canada is, after this Government removed the Canadian Ownership Special Charge to reduce the price of gasoline in July of last year, Petro-Canada was one of the first off the mark to reduce its own prices.

**Mr. Waddell:** Do it again!

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## NUCLEAR ARMAMENTS

### CRUISE MISSILE TEST

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is for the Minister of National Defence. It concerns yesterday's off-target landing of the unarmed Cruise missile at Cold Lake. Can the Minister tell us what malfunction occurred? Will he be giving a full report to the House, and hence to Canadians, when investigations are completed?

• (1430)

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, the Cruise test yesterday, in fact, was successful. The Cruise completed its mission perfectly and it was—

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** It just crashed a few minutes early, that's all.

**Mr. Speaker:** Order, please.

**Mr. Axworthy:** If you ignore the fact it crashed, that's fine.

**Mr. Speaker:** Order, please. Hon. Members who ask questions might want to stop and hear the answers.

**Mr. Andre:** Mr. Speaker, it was during the recovery phase when the Cruise was flying a figure eight in preparation for parachuting down—

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** You should ask Otto Jelinek about that.

**Mr. Andre:** —that in fact it failed. It was—

**Mr. Nunziata:** Try again. We want to take you seriously.

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Is there another question?

**Mr. Hopkins:** I will give the Minister a chance to complete his answer, if he wants to.

**An Hon. Member:** He has nothing to say.

**Mr. Speaker:** I take it the Hon. Member does not have a question? Does he have a question?

**Mr. Hopkins:** Mr. Speaker, I must say that answer sounds like Tory perfection in boxcar letters.

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** What's wrong with that?

COURSE FLOWN BY MISSILE

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** My supplementary question is directed to the same Minister. Will the Minister explain why the missile is reported to have passed within three kilometres of Wandering River, Alberta, when strict assurances were given to Canadians that no Cruise missile would pass within eight kilometres of any community?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, I am informed that in fact the Cruise flew within the test corridor as defined and published, and so on, which is well known to everyone. It did not wander outside the corridor and it did not crash outside the corridor.

**Some Hon. Members:** Oh, oh!

**Mr. Andre:** It crashed, rather than parachuted to the ground, within the target area. That is all that happened.

**Some Hon. Members:** Oh, oh!

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## ENERGY

PRICE OF GASOLINE—EFFECT ON TOURISM

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. This week alone the Canadian Automobile Association, the Tourism Industry Association of Canada, and the Canadian Food and Restaurant Association have all stated that high gas prices are a cause of Canada's $2 billion a year tourism deficit. I would like to ask the Minister if she is unaware of the view of the tourism industry, if she believes it is wrong, or if she simply does not care?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** I am glad the Hon. Member asked that question about the alleged damage which has been done because I have just been given some job-creation figures for my province under the Conservative Government.

**Mr. Murphy:** Come on. Answer the question.

**Miss Carney:** I would like to point out to the House that under the Liberal administration in British Columbia—

**Mr. Murphy:** Shame!

**Mr. Orlikow:** Answer the question.

**Miss Carney:** —the monthly average of job creation was 473 jobs as compared to 1,933 jobs under the Conservative—

**An Hon. Member:** Five times as many.

**Miss Carney:** Five times as many. So those industries are not suffering under this administration.

**Mr. Parry:** It would appear that that Minister knows as little about job creation as she does about the rule of relevance.

[*Translation*]

GASOLINE PRICE REDUCTION—GOVERNMENT POSITION

**Mr. John Parry (Kenora-Rainy River):** My supplementary is as follows: Does the Minister intend to take her responsibility and use her authority to reduce the price of gas for Canadian consumers, tourists and native people in the North, who are now paying up to $1.80 a litre?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, when it comes to relevance, I suggest that the NDP look at its Party.

**Some Hon. Members:** Oh, oh!

**Mr. McCurdy:** Pitiful. Even your boss thinks it's pitiful.

**Miss Carney:** I have made the point in this House—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**Mr. Fulton:** Settle down.

**Mr. McCurdy:** It's perfectly okay to refuse to answer the question.

**Miss Carney:** We have made the point in the House that, under the National Energy Program, prices to consumers rose 80 per cent, from 30 cents a litre to 52 cents a litre and, under this administration we have set in place a deregulated system where savings can be passed on to consumers.

**Mr. McCurdy:** When?

**Mr. Deans:** When?

**Mr. McCurdy:** Pitiful.

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## CROWN CORPORATIONS

CANADAIR—COMMITMENT TO PRESENT LOCATION

**Mr. David Berger (Laurier):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and it concerns Canadair. Up until now we have gotten precious little information about the Government's plans so I will try to get back to basics. It has already been mentioned that yesterday evening 1,000 Canadair workers attended a public meeting about the future of the company because of the fears which

have been aroused by the Government. The Minister said again today that he has no—

**Mr. Speaker:** Order. With great respect, that is three statements. May I just have a question?

**Mr. Berger:** Will the Minister end the fears of the workers and customers of Canadair by giving an absolute and unconditional commitment by the Government that Canadair will be continued whether it is sold or not?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, let me assure the Hon. Member that there is no intention on the part of the Government of Canada to "discontinue"—to use his language—Canadair. In fact, if the Hon. Member just waits a few days he will hear of some very interesting announcements with respect to Canadair and its future employment increases.

**Some Hon. Members:** Hear, hear!

[*Translation*]

REQUEST FOR MEETING WITH EMPLOYEES

**Mr. David Berger (Laurier):** I have a supplementary, Mr. Speaker. Can the Minister promise that he will initiate immediately a dialogue with the union and employees of Canadair who have been kept in the dark by this Government, to avoid a situation similar to what happened at de Havilland, where the workers were ignored completely in the plans of the Government?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as I am sure most Hon. Members in this House realize, we, in the case of de Havilland, have done the most significant thing for those workers. We have assured their jobs for many years to come.

**Mr. Crosbie:** Right on.

**Mr. Stevens:** And let me assure the Hon. Member that we will also keep, as a paramount consideration, job security for the workers of Canadair for many years to come.

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## DISARMAMENT

REQUEST FOR END TO CRUISE MISSILE TESTING

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question is directed to the Prime Minister who will know quite well that agreeing to test the Cruise missile in Canada was one of the most controversial and unpopular decisions of the previous Liberal Government. In view of the dangers to public safety revealed in yesterday's test, and particularly in view of the new hopes for arms reduction talks in Geneva—massive reductions in arms—will the Prime Minister now commit Canada to participate in the process of arms de-escalation and end Cruise missile testing in Canada?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, it is not our view that the breaching of an agreement by Canada would contribute to the de-escalation of arms build-up in the world. As the Hon. Member knows, I will be making a statement later today indicating some practical steps which Canada takes. We think it very important, if we want to make real progress on these questions, that we focus on practical steps which can be achieved by a country like Canada.

**Ms. Jewett:** In a way I am glad the Minister answered because the Prime Minister does not know what to say on the issue.

**Mr. Nystrom:** As usual.

REQUEST THAT MINISTER REWRITE PROPOSED STATEMENT

**Ms. Pauline Jewett (New Westminster-Coquitlam):** May I ask the Minister, however, in light of what he has just said, if he will now rewrite the statement he is going to make and include in it a positive Canadian contribution to de-escalating the arms race, which would be to give notice now that we are going to end Cruise missile testing?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, no.

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## ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF SEXUAL HARASSMENT—LETTER WRITTEN BY LIBERAL MEMBERS OF PARLIAMENT

**Mrs. Mary Collins (Capilano):** Mr. Speaker, my question is directed to the Solicitor General. Is the Minister aware of a letter which was sent yesterday by the Hon. Member for York South-Weston and the Hon. Member for Hamilton East to the Chairman of the Human Rights Commission, which was released to the press, and in which the Hon. Members requested the Commission to undertake an investigation into charges of sexual harrassment allegedly made by a female officer of the RCMP in British Columbia? If so, can the Minister inform this House if he believes the charges and demands made in this letter are justified?

● (1440)

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I am indeed aware of this letter which was distributed to the news media by those two Hon. Members yesterday. I can indicate to the House that I spoke in the last few minutes with the constable in question who tells me the following things. First, that neither Member, either before or after sending their letter, has spoken to her.

**Some Hon. Members:** Shame!

**Mr. Beatty:** Second, that the views expressed in the letter—

**Ms. Copps:** That is an outrage! That's a lie! I was—

**Some Hon. Members:** Oh, oh!

**Mr. Beatty:** —that the views expressed in the letter did not represent—

**Ms. Copps:** Don't make these statements in this House. You're a liar!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order.

**Mr. Clark (Yellowhead):** Send her back to kindergarten.

**Some Hon. Members:** Shame!

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Out, out!

**Mr. Speaker:** Will the House come to order, please?

**Mr. Nunziata:** He should be—

**Mr. Speaker:** Will the House come to order?

**Mr. Nunziata:** He should be—

**Mr. Speaker:** Order! The Hon. Member for York South-Weston will come to order, and the House will come to order, now!

The Hon. Member for Hamilton East knows full well that I have no choice but to ask her to withdraw immediately and unequicovally what she has just said. I therefore invite her to withdraw the statement she has just made now.

**Ms. Copps:** The smear campaign by the Minister—

**Some Hon. Members:** Order!

**Mr. Clark (Yellowhead):** Where is the Leader of the Opposition?

**Mr. Turner (Vancouver Quadra):** This is *sub judice.*

**Ms. Copps:** Okay, Mr. Speaker, under the circumstances, because of my respect for the House, I will withdraw to the Speaker.

**Mr. Beatty:** Mr. Speaker—

**Mr. Turner (Vancouver Quadra):** What else are you going to say?

**Mr. Beatty:** Secondly, the constable indicates that those two Members of this House have no authority to speak on her behalf, and that the allegations which they make in their letter are false.

**Some Hon. Members:** Shame!



**Mr. Turner (Vancouver Quadra):** Why don't you let it be investigated?

**Mr. Beatty:** Third, the constable herself asks that the letter be withdrawn—

**Mr. Nunziata:** You're trying to influence the decision.

**Mr. Beatty:** —a request which I think the Hon. Members, in honour, should meet, along with extending their apologies for this gross invasion of a distinguished member's—

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** Withdraw.

**Mr. Speaker:** The Hon. Member for Winnipeg-Fort Garry.

**Mr. Rossi:** Everybody knows it's fixed. It's a fixed question and you know it.

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## TRADE

### CANADA-UNITED STATES NEGOTIATIONS—REPORTS ON COSTS AND BENEFITS

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question—

**Mr. Rossi:** Fixed.

**Some Hon. Members:** Quiet.

**Mr. Axworthy:** Mr. Speaker, my question is directed to the Prime Minister. Yesterday his Secretary of State for External Affairs, in something of a religious confessional, said that no one understood him or his Government's trade policy, which is not surprising.

**Mr. Crosbie:** Why don't you have your Leader explain it again?

**Mr. Axworthy:** Does the Prime Minister not think that if there is some misunderstanding it is because his Government has been very secretive about the facts relating to the trade strategy? It refuses to reveal any of the reports prepared by it on the costs and benefits, jobs, and other economic impacts. So I would ask the Prime Minister—

**Mr. Speaker:** Order, please. I take it the Hon. Member has asked a question?

**Mr. Axworthy:** Pardon me?

**Mr. Speaker:** I take it he has asked one question?

**Mr. Axworthy:** Mr. Speaker, I am asking the question.

**Mr. Speaker:** I take it he has asked the question?

**Mr. Axworthy:** No, I am asking the question now.

**Mr. Speaker:** You mean this was all preamble? The Hon. Member has one question, then.

**Mr. Axworthy:** Mr. Speaker, will the Prime Minister now commit to releasing all the reports prepared by his Government relating to the costs and benefits of free trade negotiations with the United States?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my hon. friend is right. We probably owe a further explanation to him, given the powerful clarity of the statement on trade by the Leader of the Opposition on the weekend.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** —which eliminates any doubt as to where the Liberal Party stands—

**Mr. Crosbie:** They stand everywhere.

**Mr. Mulroney:** —on both sides of the issue.

**Mr. Guilbault (Saint-Jacques):** That is better than where you stand.

**Mr. Mulroney:** I can tell my hon. friend that we will undertake, and have, with the distinguished assistance of people like Ambassador Reisman, negotiations designed to enhance trade between our two countries and create new riches and new jobs. In the process we will be forthcoming and ask for the full co-operation of my hon. friend who, I know, would seek the same objectives.

**Mr. Speaker:** Short supplementary.

**Mr. Axworthy:** Mr. Speaker, I would certainly be glad to co-operate if we had the information, which we do not have.

### WATER RESOURCES—STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I would like to direct my supplementary question to the Secretary of State for External Affairs. Yesterday he denied in this House that Mr. Reisman had made a statement on water resources.

**Mr. Speaker:** Order, please.

**Mr. Axworthy:** Mr. Speaker, I have a supplementary question.

**Mr. Blaikie:** That is not a supplementary.

**Mr. Speaker:** The Hon. Member had a very long preamble. Does he have an immediate and short supplementary?

**Mr. Axworthy:** Yes, I have. I would like to ask the Minister if he will retract the statement he made yesterday in view of the fact that Mr. Reisman's office has said that he somehow forgot the fact that he had issued an official statement relating to his position on water resources? What does he intend to do about the statement because it is greatly confusing the negotiations on water resources and exports to the United States?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, as the House will know from reading the newspapers, yesterday, I had a chance encouter in the corridors with Mickey Mouse and Minnie Mouse—

**Some Hon. Members:** Oh, oh!

**Mr. Clark (Yellowhead):** —who indicated to me that they were here in their capacity as policy advisers on international affairs to the Hon. Member for Winnipeg-Fort Garry.

**Some Hon. Members:** Hear, hear!

**Mr. Clark (Yellowhead):** So, they told me, is Goofy.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order.

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## NATIONAL REVENUE

### SCIENTIFIC RESEARCH TAX CREDIT—KITCHENER MINI-SUBMARINE SCHEME

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is directed to the Minister of National Revenue. Since the Conservative Government's moratorium on the Scientific Research Tax Credit scam a further $1.5 billion to $2 billion has been lost to the Public Treasury. Included in this is $2.7 million to a group of arms dealers and drug runners who were going to build miniature submarines in Kitchener, Ontario.

Can the Minister explain how, after his Government's moratorium, con artists like those in Kitchener were able to rip the Government off for $2.7 million on such an implausible scheme?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, first, I am surprised at the tenor of the question from the Hon. Member opposite who is a very responsible and knowledgeable critic. He knows it would be improper for me to give any information on something as specific as that because of the terms of the Income Tax Act.

**Mr. Deans:** That is a great portfolio; you don't have to say anything.

**Mr. MacKay:** If he would like to provide me with further details I would be pleased to discuss it with him later, if that is proper. However, under the circumstances I can say nothing at the present time.

### COST OF AUDITING TAX CREDIT PROGRAM

**Mr. Simon de Jong (Regina East):** Mr. Speaker, most of the facts are already public. I was hoping the Minister would

explain how, after the moratorium, they tightened up the process of granting these research tax credits. I wonder as well if the Minister can confirm that it will take a minimum of $12 million and some 90 auditors just to audit this tax credit scheme?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, the Hon. Member points out a very relevant problem with which this Government has had to come to grips. There is no doubt that the SRTC program has been an embarrassment and caused difficulties. It is not an embarrassment for our Government because it is something we inherited, and we are doing the best we can. I think the Minister of Finance ought to be congratulated for the promptness with which he acted to close off this program which has caused so many difficulties and problems for the taxpayer. I appreciate his help in this regard.

To the extent that I can be forthcoming with information, I will. However, I repeat that I cannot give information in an irresponsible way in the House of Commons which affects the rights of individual taxpayers or companies.

* * *

## SPORTS

### NATIONAL SKI TEAM—INSURANCE COVERAGE

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister of Fitness and Amateur Sport. He is well aware of the very significant role which the Canadian Ski Team has played in developing our national spirit and pride. Will he advise the House what progress, if any, has been made in solving the liability insurance crisis of the team and saving the rest of the ski season?

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** Mr. Speaker, I am pleased to announce that the insurance industry has responded positively to our challenge and is today presenting a proposal to the Canadian Ski Association. I am confident that this initiative will enable the Canadian Ski Team to complete its season as planned. In the meantime we are actively pursuing other options in order to develop a long-range, comprehensive solution for all amateur sports affected by these insurance difficulties.

* * *

## TRADE

### CANADA-UNITED STATES NEGOTIATIONS—POULTRY AND DAIRY MARKETING BOARDS

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs who is responsible for the free trade negotiations with the U.S. Ambassador Niles said yesterday that Canada must place everything on the negotiating table. Yet many farmers in the poultry and dairy industries are concerned about the loss of marketing boards in these negotiations. Can the Minister assure these farmers who want to buy quotas and expand that the marketing boards will not be negotiated away in these negotiations?

• (1450)

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Government has made clear for some time that it regards the system of marketing boards which is in place in the country as part of the distinctive fabric of the country. We do not intend to change the distinctive fabric of our country.

### GOVERNMENT POSITION

**Mr. Maurice Foster (Algoma):** Does that mean that the Government is withdrawing marketing boards for agricultural commodities, such as we have in poultry and dairy, and the Canadian Wheat Board, from the table in negotiations with the United States?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we cannot withdraw something that was not there.

### PUBLICATION OF STUDIES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, I have a question for the Prime Minister. I want to start out by saying that the petty, partisan answers of the Minister of External Affairs debase this House—

**Some Hon. Members:** Question.

**Mr. Speaker:** Order, order! Order, please! I interrupted the answer of the Right Hon. Minister of State for External Affairs for the same reason I am interrupting the Hon. Member's preamble. Could he just put his question?

**Mr. Langdon:** Mr. Speaker, I have a serious question which must be put in the House. It is the following. How can the Government persist in criticizing the studies that other Governments, such as those of Ontario and Manitoba, make public, and yet keep all federal studies secret? How can the Government be taken seriously when it follows that course?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, as the Hon. Member would know, he is incorrect when he suggests that all federal studies are secret. He, the House, and anyone seriously interested in the approach being taken with these potential negotiations, would know that one of the signal accomplishments of the First Ministers' Conference, presided over by the Prime Minister, was an agreement between federal and provincial Governments that we would work together on the establishment of common facts and a common data base as a prelude to any negotiations. That process is now well advanced.

**Mr. Langdon:** Mr. Speaker, I have listed 42 studies that are still secret.

[*Translation*]

REQUEST THAT GOVERNMENT PUBLISH STUDY ON CLOTHING AND TEXTILE SECTOR

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my supplementary is as follows: Can the Minister immediately make his study on the clothing and textile industry public so that we may find out whether this report confirms the Quebec study which estimates the loss of jobs in Quebec at 30,000?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, first, I am certain that there will not be that many jobs lost in Quebec or elsewhere. Second, I shall take this question under consideration.

* * *

[*English*]

## FISHERIES

ISSUANCE OF CLAM FISHERY LICENCE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Can the Minister tell us how it is possible to issue a fishing licence to Mother Snow's Fine Foods Ltd. for a test fishery when it does not have any vessels with which to carry out this fishing, as was confirmed by Mr. Bob Nicolay of American Original, the company from which the vessels were supposed to be leased?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the answer to that question is very simple. The entry permit that will have been issued by my Atlantic regional officials to this particular company would be for the purpose of allowing entry of the necessary vessels. I take it from the Hon. Member's question that he personally does not favour the development of this important clam resource off the coast of Cape Breton in Nova Scotia.

**Mr. MacLellan:** What I do not favour is a hoax on the people of Cape Breton.

BLANK LICENCES INQUIRY

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Is it not true that on January 10 the Minister's office requested the Atlantic regional office to issue two licences in blank to Mother Snow's so that they could market them in the United States and fill in the names of the vessels when they became known?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, this Minister has invited applications for entry permits for vessels equipped to fish for the clam resource, from a number of participants. When those vessels meet the necessary conditions as prescribed, which are fair and equitable and primarily concerned with the development of an economic opportunity in Cape Breton, such licences and permits will be issued.

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## ENVIRONMENTAL AFFAIRS

POSSIBILITY OF FLOODS IN SOUTHWESTERN ONTARIO

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, in the absence of the Minister of the Environment, and because of the urgency of the question, I will direct this question to the Prime Minister. Is he aware that southwestern Ontario faces what experts agree may well be the worst flooding catastrophe in modern history, with devastation, not only to shoreline property but to whole towns, as well as public health danger which may result from the effect on sewage systems?

Will the Prime Minister direct his Government to do at least as much as the United States federal Government has done and provide federal help to the hard-pressed municipalities in their efforts to prevent the devastation, instead of waiting to pay the costs after the damage is done?

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I am pleased to respond on behalf of the Minister of the Environment. I can inform the Member that the Minister of the Environment, as recently as last Friday, met with the Minister responsible in Ontario, the Minister of Natural Resources, had fruitful discussions, and is anticipating further discussions to consider that subject.

REQUEST THAT TASK FORCE BE ESTABLISHED

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, does the Government agree that there is a long-term problem at issue here and that it would be appropriate, at this stage of the game, to take long-term action such as the formation of a task force to look at the issue of lake levels and flood problems around the lake? Will the Canadian Government consider how it can, with the American Government, address that broader, long-term issue which will be with us for a long time?

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, the Government is very aware that this is a long-term problem that has existed for some time and will exist into the future. It is prepared to approach it on that basis. We hope that our discussions with Ontario will be fruitful.

## EXTERNAL AID

AFRICAN FAMINE RELIEF PROGRAM

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, my question is addressed to the Minister for External Relations. In light of her recent trip to Africa and the excellent results obtained on behalf of contributors to African relief, can the Minister assure the House and all Canadians that the vital relief carried out by the famine relief program will be maintained until such time as concrete recovery is in place?

[*Translation*]

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, Mr. David MacDonald should present his report to me on March 31, which report should contain recommendations to guarantee that the Canadian Government will provide assistance and take action so that such a tragedy will not happen again.

This report will have been the fruit of many consultations between Canada and the African states. We are looking for answers, ideas and advice. I shall therefore examine this report carefully in co-operation with the parliamentary and departmental sub-committees, and I trust that we shall be able to develop a policy enabling Canada to take effective action when we want to provide assistance to those who need it.

* * *

[*English*]

## INSURANCE

EFFECT OF INCREASED PREMIUMS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is addressed to the Minister of Finance. The insurance critic for the Consumers' Association of Canada said: "They will pay more for insurance, they will pay more for products, they will pay more for services, they will pay more in property tax. In the end, the individual pays it all". Can the Minister assure us that the consumers of Canada will not have to pay for his mismanagement of the insurance industry?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we have gone over this particular issue in the House before. I think the Hon. Member should understand that this is not just a Canadian problem. It is an international problem because of the major accidents that have taken place, including the air accidents last year and some of the shipping accidents, as well as the general world-wide trend to larger settlements.

My colleague, the Minister of State for Finance, is meeting with the industry and some of her provincial colleagues in order to address this problem. As I have said before, this problem must be balanced between the provincial responsibility for premiums and contract law, and the federal responsibility for solvency and capital adequacy. That is the approach we are taking.

*Petitions*

LIABILITY COVERAGE FOR SMALL BUSINESSES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, we all know that insurance companies make a good profit on property insurance. Will the Minister meet with the insurance industry and ask it to provide liability insurance to small businesses as a short-term solution until the Government finds a long-term solution?

● (1500)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe the Hon. Member is asking the federal Government to step in and order the insurance companies to do something that falls within provincial jurisdiction. For that reason I say to the Hon. Member that I will bring his concerns to the attention of my colleague, the Minister of State for Finance, and possibly she will raise that point with her provincial colleagues.

**Mr. Speaker:** One question, the Hon. Member for Nickel Belt.

**Some Hon. Members:** Hear, hear!

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## AIR CANADA

REMOVAL OF OPERATIONS FROM GANDER TO ST. JOHN'S, NFLD.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Minister of Transport. In light of the fact that Air Canada has announced that it intends to move its operations from Gander to St. John's, will he assure the House and the people of Gander that no decision will be made to move Air Canada from Gander until he has checked all the necessary information?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, of course I will undertake to check all of the available and pertinent facts. I had the privilege of meeting with representatives of Gander yesterday, including the Mayor and other interested representatives from that community. I intend to consult further with parties. I am sure the Hon. Member knows that the request was made by Air Canada to make the transfer and it was based on a commercial decision.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Wednesday, January 22, 1986, meet the requirements of the Standing Orders as to form.

Petitions presented by the Hon. Members for Abitibi (Mr. St-Julien) and Kamloops-Shuswap (Mr. Riis) do not meet the requirements of the Standing Orders as to form.

## PRIVILEGE

### ALLEGED MISSTATEMENT OF MR. BEATTY

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I rise on a question of privilege because, for the second time in two days, the Solicitor General (Mr. Beatty) has made misstatements in the House with respect to the performance of my duties as a Member of Parliament. I feel that his misstatements have abridged, and prevented me from performing, my duties.

I would ask you to consider this as a question of privilege because when he stands up and makes statements which are untrue or which attempt to cast aspersions on my carrying out my responsibilities as a Member, I feel that that is a breach of my privilege.

**Mr. Speaker:** The Hon. Member clearly feels that there is a grievance. However, I believe she understands that she is raising a matter that is a question of statement of facts, and whether or not it is a misstatement, she has the right to correct it under Standing Order 22 or in future statements.

It would be difficult to find that it constitutes a question of privilege. However, I think she has used the opportunity to make her point.

### ALLEGED INCORRECT STATEMENT OF MR. CLARK (YELLOWHEAD)

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, yesterday, the Secretary of State for External Affairs (Mr. Clark) gave the House false information, perhaps unwittingly, or without wit. However, the fact of the matter is that it was false information which I ask to have withdrawn today so that the record of the House can be properly corrected.

We received a description of a family reunion he had yesterday in the halls of Parliament and I think it is a major abridgement of the privileges of the House. The records of the House should be set straight by the Secretary of State for External Affairs so that we be given proper information and not descriptions of a family reunion.

**Mr. Speaker:** The Hon. Member is again presenting a dispute as to facts as a question of privilege. I believe he knows full well that that simply is against all of our practices and traditions.

### STATEMENT OF MR. BEATTY ON CASE BEFORE HUMAN RIGHTS COMMISSION

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, yesterday the Hon. Member for Hamilton East (Ms. Copps) and I filed a complaint with the Human Rights Commission under Section 32 of the Human Rights Act which gives the right to any Canadian to file a complaint before that Commission.

The Human Rights Commission is a quasi-judicial body.

We recognize, of course, that the Solicitor General (Mr. Beatty) is not a lawyer. Today, during Question Period, the Solicitor General—

**Mr. Speaker:** Order, please. The Hon. Member knows that our practice is to require him to put his question of privilege that he wishes to raise early in his comments.

**Mr. Nunziata:** During Question Period today the Solicitor General commented on a case that is before the Human Rights Commission. My rights as a Member of Parliament have been affected by the Solicitor General's comments on a case and attempting to influence the course of justice—

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** —and attempting to influence a possible decision by the Human Rights Commission.

I would ask that the Solicitor General stand in his place this afternoon and withdraw whatever remarks he made with respect to the merits of the case.

**Mr. Speaker:** I take it that the Hon. Member is arguing that his privileges have somehow been breached because of a statement made by the Hon. Minister. That clearly cannot be a question of privilege because every Member is entitled to state his or her opinion. There is clearly no question of privilege.

**Ms. Copps:** It is interference with the system of justice.

**Mr. Speaker:** Order, please.

**Mr. Nunziata:** Mr. Speaker—

**Mr. Speaker:** Order, please. I have yet to hear anything put to me that sounds like a question of privilege.

**Mr. Nunziata:** A separate point, Mr. Speaker.

**Mr. Speaker:** Order. Is the Hon. Member raising a second question of privilege?

**Mr. Nunziata:** Yes, Mr. Speaker. It is my understanding that we in the House are bound by the *sub judice* rule. Therefore, if a particular Member—

**Mr. Speaker:** Order, please. Will the Hon. Member please resume his seat.

The Hon. Member is clearly trying to argue again the question of privilege upon which I just ruled. He knows, I believe, that he cannot do that. Therefore, I have heard no question of privilege.

## POINT OF ORDER

PRACTICE OF HOUSE RESPECTING CASES *SUB JUDICE*

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I rise on a point of order. Citation 335 of *Beauchesne* says that Members are expected to refrain from discussing matters that are before courts or tribunals which are courts of record. If I am not mistaken, the Human Rights Tribunal has the status of a court of record. It can issue final decisions that can lead to penalties and affect the rights and status of invididual Canadians.

If I am correct, Mr. Speaker, I respectfully submit that you consider whether the Solicitor General (Mr. Beatty) has breached that convention by what we consider to be his quite inappropriate remarks during the Question Period. I will not repeat the remarks, they are on the record, but I submit that there is a basis for finding that the Solicitor General has breached the convention through those quite inappropriate remarks and, at the very least, should withdraw them.

**Mr. Hnatyshyn:** Mr. Speaker, I rise on the same point of order. I am glad that the Opposition House Leader has raised it. I want simply to make three points. First, the letter which has been widely distributed by the Hon. Members for Hamilton East (Ms. Copps) and York South-Weston (Mr. Nunziata) with respect to this matter clearly indicates that they are appealing to the Human Rights Commission in its investigative capacity, as opposed to having a resolution of the matter.

The legislation is clear and Your Honour will know that the Human Rights Commission has two functions. One is to investigate a matter and, if it subsequently finds there is a *prima facie* case, to have an adjudication on the matter.

My second point with respect to the remarks made by the Opposition House Leader is that the Human Rights Commission is certainly not a court of record. The Hon. Member is a distinguished lawyer and should understand the meaning of that term.

Third, if there is any basis upon which the Hon. Member can rely, I would ask him to speak to the Member for York South-Weston who breached his own point yesterday when, after having filed this complaint, he got up and referred to it in the House of Commons. He is complaining about the very thing he did himself yesterday.

**Mr. Nunziata:** On a question of privilege, Mr. Speaker—

**Mr. Speaker:** Will the Hon. Member for York South-Weston please resume his seat. I am now dealing with a point of order. First, questions with regard to the *sub judice* rule are not a rule of the House but a time honoured convention of the House. The Hon. Member will know that it has been a tradition of the Chair to intervene if the Chair believes that the convention has been breached.

With respect to questions that are before the Human Rights Commission, I know of no previous case that comes to mind. However, I am guided by the request by the Hon. Member for Windsor West (Mr. Gray) that I examine the matter.



I am also grateful for the comments and advice of the President of the Privy Council (Mr. Hnatyshyn).

I do not know the facts with regard to the question of the status of the courts.

**An Hon. Member:** Neither does the Government House Leader.

**Mr. Speaker:** Heckling is a honourable and noble art and I respect it. However, all of the interventions all of the time on every matter are not helpful, Sir.

• (1510)

What I propose, as I think I should, is to reserve on the matter and determine the facts of the case.

The Hon. Member for York South-Weston (Mr. Nunziata) is claiming his right to present another case of privilege.

**Mr. Nunziata:** Mr. Speaker, the President of the Privy Council (Mr. Hnatyshyn), a few moments ago indicated that I had commented on the case yesterday. During Question Period yesterday I put a question to the Solicitor General (Mr. Beatty) advising him I had filed a complaint. I asked him whether he would co-operate and facilitate the investigation.

**Mr. Speaker:** Order, please. This is becoming a debate about what was or was not said by whom in Question Period. That is clearly not a question of privilege.

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## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I want to ask a question of the Government House Leader which I think will not turn out to be particularly controversial, and that is, to ask him to state the business the Government wishes to present to the House for the coming week.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, today we will continue consideration of the divorce legislation. I am hopeful we may be able to conclude consideration of those Bills by the end of today.

In any event, tomorrow I would take up Bill S-6, the tax convention Bill. There may be a disposition to deal with this Bill at all stages, Mr. Speaker.

We would then proceed with Bill C-59, the Senate amendments with respect to the Customs Act which are of a technical nature and which I have discussed with the Opposition House Leaders, and Bill C-76 regarding the Toronto Island Airport. On Monday and continuing into next week we will take up the following Bills: Bill C-82 respecting the PGRT; Bill C-86 respecting CDIC; Bill C-85 respecting the Petroleum Incentives Program Act; and Bill C-90 respecting pensions plans.

I will be monitoring the progress of the Bills and will continue to consult with Opposition House Leaders in the event there are any changes to this agenda.

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## POINT OF ORDER

REQUEST FOR MR. SPEAKER'S RULING ON WHAT ARE APPROPRIATE QUESTIONS AND ANSWERS IN QUESTION PERIOD

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, might I prevail upon you to take under advisement the possibility that you may at some point in the not too distant future make a statement to the House with regard to what you, as the Speaker in this House, consider to be both proper questions and answers in terms of the relativity both of the preamble and the question itself, the acceptance of preambles and the appropriateness of answers to be given.

I think it would be very helpful for all Members of the House if it could be clearly understood on both sides what the Speaker would deem to be appropriate and acceptable given that those things have to be flexible, and what you, Sir, would deem to be appropriate and acceptable from those who question and from those who answer.

**Mr. Speaker:** I thank the Hon. Member for his representation. Most Speakers have at some point in their tenure delivered such an opinion, and I intend to do so.

The Hon. Member will have noticed that I had to smile slightly when he asked me to consider what are proper questions and answers. I do not think he meant quite what those words might imply. I certainly take his meaning, and will be glad to respond as quickly as possible.

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# ROUTINE PROCEEDINGS

[*English*]

## DISARMAMENT

GOVERNMENT POSITION ON ARMS CONTROL NEGOTIATIONS—STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, for Canadians, no duty is more challenging than to contribute constructively to peace among nations. In a world threatened by the spread of arms, we are one country which, decades ago, chose deliberately not to acquire nuclear weapons. We had the capacity. We made the choice, not as a gesture but as a practical contribution to the control of arms. That is part of the character of Canada.

One of the first acts of this Government, Sir, was to reconstitute the Consultative Group on Disarmament and Arms Control Affairs. On October 31, meeting with that group, the Prime Minister (Mr. Mulroney) spelled out six Canadian goals in arms control and disarmament. First, negotiated radical reductions in nuclear forces and the enhancement of strategic stability. Second, maintenance and strengthening of the nuclear non proliferation regime. Third, negotiation of global chemical weapons ban. Fourth, support for a comprehensive test ban treaty. Fifth, prevention of an arms race in outer space. Sixth, the building of confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

[*Translation*]

In a statement to Parliament a year ago I expressed the Government's satisfaction about the fact that the United States and the Soviet Union had agreed to resume negotiations in Geneva. Their decision to meet again and broaden the scope of the agenda to include the prevention of a space arms race and its suppression on earth was an act of confidence and political responsibility. Those negotiations have been going on for the past nine months.

[*English*]

As I said last year, we should be under no illusion that the course at Geneva will be an easy one. It will be long and arduous. We are encouraged by the signs of progress, in particular, the tabling last fall of detailed American and Soviet proposals which contained some important common features; a 50 per cent reduction of nuclear arsenals, limits on warheads as well as launchers and sublimits on ICBM warheads. We hope that in this international year of peace the experienced negotiators of both sides will be able to enlarge significantly on this common ground. Agreement on an equitable formula for the radical reduction of nuclear forces and on the appropriate relationship between offensive and defensive strategies and systems will remain the key challenges.

We welcome the broad-ranging proposal issued last week by General Secretary Gorbachev and its reaffirmation of the Soviet Union's commitment to nuclear disarmament. That is the most recent in a long history of suggestions by both superpowers on how to achieve general and complete disarmament.

In this context, Sir, conventional arms, where the Soviet Union has an overwhelming superiority, will also have to find their place. The Soviet Union has the opportunity to address this imbalance in its response to the western proposal, tabled in Vienna last month, at the talks on mutual balanced force reductions.

The Soviet Union does not address the issue of missiles deployed in Asia. But we take satisfaction from the fact that Mr. Gorbachev seems to be moving closer to President Reagan's 1981 zero-zero proposal on the elimination of intermediate-range missiles in Europe. The explicit Soviet recognition of the importance of verification in the negotiations of arms control is gratifying, as is the apparent movement toward long-standing western positions on the need for on-site inspection. The exact nature of what the Soviets will accept in this regard will have to be determined. We also note potentially constructive references to issues before other arms control forums.

It is, of course, too early to offer more than this tentative assessment of the proposals. They contain some intriguing new elements alongside well-worn positions and some disturbing preconditions that could hamper negotiation. They clearly warrant very serious consideration, but there are also many aspects that require clarification in the on-going negotiations. The real test of the Soviet Union's commitment to radical and verifiable arms reductions will come when it moves from the stage of public diplomacy to the confidential confines of the negotiating room.

● (1520)

[*Translation*]

The Geneva Summit and the decision to hold regular high level talks do improve our chances of progress in arms control. Besides getting the leaders together, these regular meetings pave the way for annual assessments of progress made in arms control and encourage the leaders to settle matters which cannot be resolved by their negotiators.

Through avenues open to us, Canada will actively promote the holding of serious and meaningful negotiations. The House should note that the United States made it a point to inform and consult its allies since negotiations resumed in Geneva. Meetings and discussions between the Prime Minister (Mr. Mulroney) and President Reagan have enabled Canada to influence the positions of the Americans on arms control.

In Brussels last December I called a special meeting of Canadian ambassadors on arms control with a view to pinpointing specific fields where Canada might contribute to the achievement of concrete results. One such means consists in requesting more frequent NATO meetings focused on the status of the various arms control negotiations and their impact on the policies of the Alliance.

[*English*]

We will not, however, be talking only among ourselves. This Government is committed to promoting a more active and meaningful dialogue with the countries of the Eastern bloc. In September, the Prime Minister wrote to General Secretary Gorbachev outlining Canadian views and priorities in respect of arms control and disarmament. Last month I sent a team of Canadian officials to Moscow for consultations on arms control with top Soviet experts, Ambassadors Petrovsky and Karpov. Similar consultations are planned with other East European countries this year. We are ensuring that the key players in international security affairs are made directly aware of Canadian views.

It is important that the House consider what else Canada can do. What specific practical contributions can we make to arms control? This Government's activity will be focused in three directions—first, encouraging compliance with existing treaties; second, developing verifications mechanisms; and, third, building confidence between East and West.

To deviate from a policy of full compliance is to threaten the credibility and hence the viability of arms control. Canada firmly supports the regime created by the AMB treaty and the existing SALT agreements on limiting strategic forces. Our stance toward SDI research is rooted in the need to conform strictly with the provisions of the ABM treaty. We will continue to urge the parties to these treaties to do nothing to undermine their integrity but, rather, to work to reinforce their status and their authority.

Effective verification provisions can help ensure compliance with arms control treaties as well as facilitate their negotiation. Verification is an area where Canadian expertise and diplomacy come together. At the UN this fall, a Canadian initiated resolution on verification was unanimously adopted. We are second to none in ouir activity to develop verification procedures and technology which meet the practical requirements of arms control agreements actually under negotiation or envisaged.

To cite only the most important projects recently completed or under way, let me note first the Peace Satellite or PAXSAT project which examines the technical feasibility of a satellite-based system for monitoring potential arms control agreements covering outer space or conventional forces in Europe; second, research into seismic technology for detecting low-yield nuclear tests which pose a major obstacle in the way of agreement on a nuclear test ban; third, the elaboration of operational procedures for effective investigation of incidents or alleged chemical weapons use, the results of which have recently been handed over to the UN Secretary General; and, fourth, the tabling at the Conference on Disarmament in Geneva of a working paper on the nature of the legal regime governing outer space.

We must not forget that the prospects for progress on arms control are clearly linked to an improvement in the general East-West relationship. Confidence can be gradually generated through political actions which promote East-West consultation and co-operation.

The enhancement of the political dialogue with the Soviet Union and the countries of Eastern Europe, and the inclusion in it of a healthy element of people-to-people contact, are major objectives of our Government. This past year has seen an impressive number of high-level visits between Canada and Eastern bloc states.

Canada was host to the human rights experts' meeting of the Conference on Security and Co-operation in Europe and is playing an active part in the other CSCE mandated meetings which are working to realize the principles of the Helsinki Final Act. Canada believes the CSCE can be an important vehicle for advancing our security and humanitarian goals.

So, as the fourth round of Soviet-American nuclear arms talks get under way in Geneva, this Government will assist, in every way possible, the process of negotiation toward an equitable agreement. By encouraging compliance with the fundamental arms control treaties, by developing practical solutions to verification problems, and by supporting an improvement in the East-West political relationship, Canada can make a distinctive and significant contribution to achiev-

ing the critical objectives of the Geneva negotiations. That is our goal, our duty and our Canadian tradition.

**Some Hon. Members:** Hear, hear!

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I rise on this occasion because I think it is a very important subject which is not often debated in the House. I thank the Minister for making a statement at this time. It is a policy area where we have to try not to be partisan and to try to find a proper solution in our contributions as a nation to peace.

[*Translation*]

In 1982, at the second Special Session of the United Nations on Disarmement, then Prime Minister Trudeau stated: "You would have to be deaf to remain untouched by the clamour which is now rising all over the world against the arms race. Millions of men and women around the world are addressing a most pressing appeal to their leaders."

Today, four years later, the clamour is the same because, while the climate has improved between the major powers these last two years, no new disarmement agreement has been signed and the arms race unfortunately continues.

What we are discussing today is the implementation of this political will or impulsion on which Mr. Trudeau focused his peace and security initiatives a few years ago.

With its plan to eliminate arsenals, to reduce conventional forces and to develop measures related to chemical weapons, the proposal made last week by Mr. Gorbachev could be a very important step leading to a breakthrough between the two super powers. This gesture seems to express a renewed political will. For this reason and because of the novelty of some of its elements, the Soviet proposal deserves serious consideration. The offer made by Moscow certainly justifies some optimism, but it should also be viewed with caution.

We know that, as concerns arms control and disarmement, like the Minister said earlier, the road to success is always very rocky. The Gorbachev proposal must be carefully examined and it will call for a very reasonable reply. However, preliminary analysis already shows that the plan submitted by the Soviet leader contains new and encouraging elements.

[*English*]

It is a good opportunity for us that this proposition has many elements which are extremely important. As the Minister mentioned a few minutes ago, the willingness of the Russians or the Soviets at this time to permit site inspection—and they have affirmed that they will accept that—is very important. In that field we cannot rely only on satellite verification. It will always be there, but it is a great confidence builder when both sides agree that there might be and will be some site verification.

● (1530)

There is a new sign of flexibility that I welcome. It is something we should all applaud. There has been somewhat of a move away from the insistence that the disarmament negotiations between the U.S. and U.S.S.R. be different from the negotiations that should occur with France and Great Britain. I do believe there was a very difficult political problem there and I see the new disposition of the Soviets to put in the second phase or have later on discussions with the British and French Governments as a positive sign that there will be more flexibility and early progress in the negotiations. I do think that is very positive.

There is a problem to which the Minister did not refer and that disturbed me a bit. I think he should have referred to it. Everyone recognizes that the main obstacle to progress at this time is SDI. I do not know, but some say that SDI was developed and put forward because it would put pressure on the Russians to return to the negotiating table after they had quit. On tactical grounds, I felt that that was a valid argument. Now that the Soviets have returned to the negotiating table and are willing to put forward some new propositions, I think that the NATO nations should talk to the Americans and try to do something positive regarding SDI. It should not necessarily be put aside forever, but perhaps the point should be made that it slow down or be frozen for a period of time in order to give a chance for talks to make progress. I believe that that is the main obstacle to progress.

The Minister did well to point out at this time the issue of conventional arms control. That is a very important point. Everyone recognizes that it might be possible to debate nuclear armaments and have some kind of equilibrium depending on the way one looks at it. However, the Eastern bloc has a great advantage in conventional arms and it should be pointed out very clearly to the U.S.S.R. that this should be reduced as quickly as possible while not necessarily linking the two. In my mind I tend to make a big distinction between the grave danger of nuclear armaments and the conventional arms, which are of a different nature.

What can we do here to help? Of course, there is not much, but I think we have to make Canada's point of view known. The point of view of my Party, at least, is that we should press the Americans on SDI as I think it is a crucial point that must be put forward by Canadians. I would urge the Minister to reconsider his position on that.

In 1982 when Mr. Gorbachev came here, it was in a different context. He came to lead a parliamentary delegation and he created a big impression on Canada. I think we used that occasion to create an impression on him. I remember that when he came before the committee, which was then chaired by the Hon. Member for Saint-Denis (Mr. Prud'homme), he was the first senior officer of the Soviet Union to speak to Parliamentarians. That helped us to understand some of their positions. When Gorbachev made his great tour of Canada with the then Minister of Agriculture, I think it was the first opening up that there was for this leader who became a leader of a great power. It allowed him to know what the western world was all about. When Mr. Gorbachev went to Great Britain last year as the head of his Government, we saw that he was already acquainted more closely than anyone else who

had come from the Soviet Union in the past with our thinking and our way of living and to the desire of the western world for peace. I am glad we have been informed that in the month of June, there will be another delegation of Russians coming to meet Canadian Parliamentarians. I think we should encourage that type of thing because it helps when people who are perhaps not in a position of power but who have contacts and access to people in positions of power bring about more understanding and comprehension between the people.

As the Secretary of State for External Affairs (Mr. Clark) said, political contributions and dialogues are extremely important. We never know if a dialogue is making a contribution, but it is a fact that when we talk to each other, there is a chance of doing something. However, when we do not talk but live in complete isolation, we live in a very narrow corridor which sometimes leads to confrontations. However, when we talk, we can always find a corridor that will lead to solving the problem. I think what we should do is to help improve the dialogue, but we should put some pressure on the Americans to show the Soviet Union that the Americans are not living in isolation.

I do not know whether or not we should at this time reconsider our position on the Cruise missile. This was an issue during the period of time when the Alliance wanted to see solidarity and wanted to see if, in a period of crisis, we would stick together. We are all democracies and want to show that we can participate in decisions and not only follow those that come from Washington.

As the Secretary of State for External Affairs pointed out, there was a meeting of the Prime Minister (Mr. Mulroney) and the other leaders with Mr. Reagan after he met with Mr. Gorbachev in Geneva. Showing that we can talk together and that we can influence each other might be a good way of creating a better climate for peace.

[*Translation*]

Mr. Speaker, I think that Mr. Gorbachev's proposal deserves serious consideration: without being naïve we should keep in mind that it does include some questions which—we would not have believed that a few months ago—might be raised around the negotiation table and which are there now.

Peace must be given a chance, and we ought to tell our American friends that they must take this proposal seriously—the ball is in their court, so to speak—so that later on we will not be accused of having missed a good opportunity.

I urge the Minister to continue along those lines and I think he should now give special consideration to the Strategic Defence Initiative issue, Star Wars, to show that if nuclear disarmament is possible then there is no need for a defence against a weapon that will disappear. In any case, the problem I am raising will not be an easy one for him, but I think it deserves every consideration.

I also urge him to promote exchanges so as to prevent a cold war climate such as we had two years ago. We should resume political, cultural and economic exchanges with the Soviet Union because, that is the way it is, if our interdependence with them grows stronger we will inevitably be forced to live in peace and reject war, particularly nuclear war which in fact would end in world-wide destruction, and that is what we want to avoid at all costs.

[*English*]

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, I too would like to thank the Secretary of State for External Affairs (Mr. Clark) for making a statement in the House today on the U.S./U.S.S.R. nuclear arms control negotiations. I agree that there were some very significant elements in the Gorbachev proposals, and the Secretary of State for External Affairs has mentioned several of them including a genuine reaching out for on-site verification and a willingness to put off until Phase II the inclusion of discussions of French, British, Chinese and other nuclear weapons. I also agree that it was disappointing that we did not see the question of SS-20s in Soviet Asia raised by Gorbachev.

I recall the meeting to which the Hon. Member who just spoke referred which occurred when Mr. Gorbachev was in Canada in 1983, I believe. In committee, I asked him in very brief detail about what at that time were 110 SS-20s on the Chinese border. Indeed, I found his answer to be somewhat hopeful even then in the sense that it was an embarrassment to have this being brought up constantly. The sheer numbers are mind-boggling. Even at that time, as I recall, the matter was not immediately dismissed as being one which could be legitimately included in discussions and negotiations. Perhaps I was looking at the matter in my ususal optimistic way and it may not have been as strong as that. However, I certainly received the impression that it was not out of the question in terms of being discussed. It was not rejected out of hand.

● (1540)

With respect to the Gorbachev proposals, surely the Minister has missed what I found to be the most exciting aspect of them, that is to say that there is a timetable. To my knowledge it is the first time that either major power has said more than that they are simply working toward total disarmament, or total nuclear disarmament, but have actually provided a timetable with respect to it. Of all the Gorbachev proposals I found that one to be the most innovative.

Phase I deals with strategic weapons which are capable of attacking the other power's homeland, although there will be some difference of opinion with respect to the definition of that particular strategic weapon. Phase II, which would begin in 1990, proposes that other nations join in the elimination of nuclear missiles and nuclear battlefield weapons. The third phase, which would take us up to 1999, calls for the elimination of all remaining nuclear arms.

The idea of setting a timetable is not only innovative but it gives us all something to look forward to down the line. It gives a measure of hope even greater than the hope we are securing from the fact that negotiations are now taking place in Geneva. It makes one feel as if we might make it to the end of the century. I would have liked the Minister and his Depart-

ment to have seen that measure as the key to the Gorbachev proposals. Although I am one who basically tends to think that proposals and negotiations should take place at the negotiating table as opposed to in the public forum, I thought there was very good reason for putting the idea forward publicly for the very reasons I have given. The idea that we might see an end to nuclear escalation by the end of the century certainly gives one hope.

The Secretary of State for External Affairs referred to the six points spelled out by the Prime Minister (Mr. Mulroney) last October. I would like to mention two of them, since I feel they deal with an area in which the Government is not taking the type of concrete steps it could take and which would be more than simply symbolic. If taken they would show how strongly Canada feels in this respect. I would like to deal with the fourth point first, which is that Canada supports a comprehensive test ban treaty. The previous Government also supported such a test ban. I think what the Minister and all of us were assured of last August was the fact that the Soviet Union placed a five-month moratorium on nuclear testing. One of the Gorbachev proposals of the other day was to extend that moratorium for another three months. This is a unilateral moratorium.

The evidence I was able to secure from the Americans showed that they had finished some rounds of testing but that there was no increase in testing during the first half of 1985. If Canada truly believe in supporting a comprehensive test ban treaty, then I just cannot understand why the Minister did not say today that the unilateral proposal of the Soviets with respect to the three-month extension is admirable. It is something that we are happy to see. It is something we would like to see the United States and other nations, in particular, France, undertake. Will we not say publicly that this is a valuable step which Moscow has taken and one which should be emulated by the United States and France? Only in that way can we reach a comprehensive test ban sooner. I am disappointed that this Government, as did the previous Government, says that Canadians support this move and then does not mention the initiatives which have been taken. I am disappointed that the Government will not say whether or not it supports them and publicly and privately urge the United States to follow the same example. Of course, France should also be encouraged in this respect, until it ceases testing.

With regard to the fifth recommendation, we wish to prevent an arms race in outer space. I do not yet feel reassured that the Government is dedicated to preventing the weaponization of space and an arms race in space. The Minister said that our stance to SDI research is rooted in the need to conform strictly with the conditions of the ABM Treaty. I do not feel that there is an enormous amount of evidence right now which shows that the Americans, and to a lesser extent the Soviets, are distinguishing between research, testing and development. To this end we sometimes hear President Reagan include everything short of deployment as part of research. The other day in Washington there was an announcement from the Pentagon that the Americans are now calling the testing of the airborne optical adjunct a demonstration. It is a funny world in which we live when a test becomes a demonstration. The reason the Americans call it an adjunct is that they do not want to use the word "component". It is a component of the SDI.

We need a clear statement from the Government with respect to how it interprets the question of research and the tremendous intermingling of research, testing and development. Perhaps this is not the time for the Minister to undertake to do that, but we certainly need something to that end. Similarly, we need a real commitment, which I had hoped we would have received from the Government today, with respect to the ABM clause being reinserted into the NORAD Agreement. I was disappointed that the Minister did not mention anything in that regard.

Anti-satellite weapons give me as much concern as does star wars. The reason they do is that they take away your eyes and your ears. When we strike down satellites we lose our eyes and our ears. The Minister mentioned the Peace Satellite or PAXSAT project which will examine the technical feasibility of a satellite based system for monitoring potential arms control agreements covering outer space or conventional forces in Europe. What on earth is the point of our going ahead and developing a peace satellite if we do not also take a very strong position opposing the development of ASAT weapons, opposing it today and saying publicly that we do? So I would hope that the Minister on the next occasion he has in the House will delineate more fully Canada's position on the real meaning of star wars research, Canada's position on reinserting the ABM Treaty clause, and Canada's position on ASAT weapons. If he also says, at last, that we will stop Cruise missile testing, I will be the first to applaud.

• (1550)

[*Translation*]

**The Acting Speaker (Mr. Charest):** I wish to inform the House that, as a result of the ministerial statement, today's sitting will be extended by 35 minutes.

Therefore, the hour allotted for Private Members' Business will begin at 5.35 p.m.

* * *

[*English*]

## PETITIONS

### SUPPORT FOR BILL C-258

**Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington):** Mr. Speaker, I am honoured to present to this House two petitions from the citizens in my riding of Hastings-Frontenac-Lennox and Addington requesting this House to support Bill C-258, an Act respecting International Peace and Goodwill Day. This Bill will change the name of Boxing Day, December 26, to International Peace and Goodwill Day and will demonstrate to the rest of the world Canada's continued commitment to world peace. The first petition is from

members of the Marmora Village Council. The second petition is from citizens of the Denbigh area.

[*Translation*]

OPPOSITION TO BILLS C-47 AND C-48

**Mr. Carlo Rossi (Bourassa):** Mr. Speaker, I have here four petitions signed by Montreal residents who strongly object to Bills C-47 and C-48, and ask the Government to support Ricardo Didone's efforts to ensure the child's rights to the parent who does not have custody.

And as in duty your petitioners will ever pray.

[*English*]

PROPOSAL RESPECTING AUTOMATIC JOINT CUSTODY OF CHILDREN

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have the honour to present a petition with quite a number of names on it from both Edmonton, Alberta, and Montreal, Quebec. It is from the organization for the protection of children's rights of Canada. It proposes to implement a new law in Canada involving automatic joint custody of children unless individual circumstances warrant otherwise.

CHILDREN'S ACCESS TO DIVORCED PARENTS

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, I am presenting a petition on behalf of a number of people from the Province of Quebec who are deeply concerned and are expressing their concern in a petition to the House. Their concern relates to the rights of children to be able to have adequate access to their parents who are divorced or separated. I present this petition to the House which calls for access for young people to their parents.

IMPACT OF TELEPHONE SYSTEM DEREGULATION ON ELDERLY AND HANDICAPPED PEOPLE

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I have the pleasure of presenting a petition which was gathered by Mr. William Pierce and other retired members of the International Woodworkers of America which is based in Vancouver. The petitioners say that the telephone is vital in meeting the health and communication needs of the elderly and handicapped. They pray and call upon Parliament not to deregulate the present telephone system in order to keep local call costs within people's means.

[*Translation*]

OPPOSITION TO BILLS C-47 AND C-48

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I too wish to present a petition on behalf of hundreds of residents from the Montreal area who object to Bills C-47 and C-48 because they do not improve the situation of children of separated or divorced couples, and ask the Government to support Ricardo Didone's efforts to ensure the child's rights to the parent who does not have custody.

[*English*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I have four petitions which protest to this House Bill C-47 and Bill C-48. They support the aims of Mr. Ricardo DiDone, which are the education of new generations in school on the responsibilities of marriage, compulsory mediation prior to divorce and so on. These four petitions represent Canadians from Cowansville, Granby, Montreal and other places in Quebec.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I have in front of me several thousand names and hundreds of petitions. I do not intend to read all the names—do not get frightened, Mr. Speaker, I do not intend to do that. However, as I was looking at these petitions which arrived in my office over the five or six days, I thought it would be of interest to note that there is not just one language, English, represented, or one language, French, but a multitude of languages such as Italian, Greek and Arabic. I found that so fascinating that I would like to bring to your attention that the lack of the kind of humanizing changes in our divorce Bill is creating great anguish among many parents, particularly—

**The Acting Speaker (Mr. Charest):** Order. I am sorry to call the Hon. Member to order but the tradition is that we present the petition, the nature of it, and then conclude.

**Mr. Turner (Ottawa-Carleton):** Read the Arabic.

**Mrs. Finestone:** I wish I could. Every language is a new window on the world, Sir, and if I could read it, I would, with pleasure.

**An Hon. Member:** Right on.

**Mrs. Finestone:** As a result of that particular suggestion, Mr. Speaker, I will read the petition. We protest Bill C-47 and Bill C-48 dealing with divorce and children of divorce where two parents are forced to attack one another in order to win a child, an act that is totally inhumane and unacceptable. Wherefore the undersigned, your petitioners humbly pray and call upon Parliament to support the aims of Mr. Ricardo DiDone which are, the education of responsibility in marriage in school for new generations, to require compulsory mediation prior to divorce, to support shared parenting as a concept, to ensure the right of children to communicate with the non-custodial parent, that both parents have access to anything that is pertinent to the wellbeing of the child, and last, but not least, if not respected with valuable reason that custody may be reversed when it goes back to the court.

**Mr. George Henderson (Egmont):** Mr. Speaker, I have two petitions here, the first from a group of residents of Shefford, Quebec, and the second from a group of residents of the Montreal, LaSalle area. The petitioners now avail themselves of their ancient and undoubted right to present their petition to protest Bill C-47 and Bill C-48 dealing with divorce and

children of divorce where two parents are forced to attack one another in order to win a child, an act that is totally inhumane and unacceptable. They support the aims of Mr. Ricardo DiDone which were enumerated by the last speaker. I, therefore, present these petitions to the House.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Acting Speaker (Mr. Charest):** Agreed?

**Some Hon. Members:** Agreed.

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● (1600)

# GOVERNMENT ORDERS

[*English*]

## DIVORCE ACT

MEASURE TO AMEND

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that Bill C-46, an Act to amend the Divorce Act, be read the third time and passed.

* * *

## DIVORCE AND COROLLARY RELIEF ACT

MEASURE TO AMEND

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that Bill C-47, an Act respecting divorce and corollary relief, be read the third time and passed.

* * *

## FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURE TO AMEND

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)** moved that Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada, be read the third time and passed.

He said: Mr. Speaker, it is a pleasure to speak on third reading of these Bills. I am only going to speak for a few minutes because I have had ample opportunity at second reading and in committee, both in this House and in the other place, to speak on this Bill and I know there are other Members who have comments to make. It is hoped that we will conclude consideration of these three Bills this afternoon.

I want to thank my Parliamentary Secretary, the Hon. Member for Cambridge (Mr. Speyer), who has been absolutely outstanding in looking after the legislation now before the House, both here and in committee. It was a long, intricate and difficult task. We heard from many different groups with different interests; this is only natural because this involves a very important part of human social relations. He has done a marvellous job. He is a man of great ability and it is a pleasure to have him associated with me. I only hope that so long as I am Minister of Justice I will have him labouring at my side.

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** I also want to thank Members of both opposition Parties who I think, by and large, have been most co-operative and responsive and responsible in connection with this legislation. Not quite as responsive and responsible, of course, as we, but almost. In any event, both opposition Parties have been quite helpful. The fact that we are going to conclude this today I think demonstrates their helpfulness with respect to the legislation now before us.

Reform of our divorce laws was made a priority in the Speech from the Throne. Of course, the fact that it was a priority is seen by the attention it has been given in the last 12 months. It is true, of course, that our predecessors in Government were also interested in this subject matter, but the legislation they proposed was never dealt with. We have given it priority and we have met the commitment made in the Throne Speech when this Parliament began. I am very pleased that this is the case.

The proposals for reform I think have been very well received. There are of course many compromises in this legislation. It is a controversial area we are dealing with. As I said, there were many people and groups with different and opposing viewpoints and I think we have a most acceptable compromise in many of these areas. However, I will make this commitment. We will be watching carefully what happens over the next two or three years. If we see any inadequacies, or if any of the fears which have been expressed with reference to the question of maintenance for women who have not had careers or whose career has been a marriage turn out to be true, if we find there are still inequities after this legislation has been in effect for several years, then I will certainly be receptive to further changes which might be needed.

This Bill addresses a long-standing question concerning the objectives of maintenance and they are outlined in our legislation. The judges will now know what our objectives are: Recognition of the advantages and disadvantages which arose from the marriage or its breakdown; sharing the economic burden of child care; relieving economic hardship; where practical, promoting economic self-sufficiency within a reasonable time. These objectives are not mutually exclusive. They have

no special order of priority and henceforth, once the legislation comes into effect, maintenance orders should address all those objectives unless one of them does not apply.

The legislation will not impose hardship on those who cannot attain economic self-sufficiency. If, as I just mentioned, we were to discover that, contrary to our intention, this does occur, then I will certainly consider changes. That is, once it is proven, if it ever does happen to be proven.

We have to encourage those who are capable of attaining self-sufficiency to do so, so that the supporting spouse can continue on with his or her life. We cannot forget that approximately three-quarters of all divorced persons eventually remarry and we should not unnecessarily hinder remarriage. As well, during consideration of this Bill in committee, representations were made about barriers to remarriage which may apply to a conscientiously religious wife under Jewish religious law if the applicant for a divorce refuses to co-operate in the religious formalities required to permit her remarriage. Regrettably, the issue was raised late in the day.

There are a number of complex questions about the nature of this problem as well as matters of constitutional law which have to be resolved. I can advise the House that we have met with representatives of the communities affected. I have instructed my officials to establish an expenditious process of consultation with representatives of all the various interests in order to resolve those outstanding issues. We will give sympathetic and careful consideration to this issue and an equitable solution will be found if at all possible, as soon as possible.

The Bill recognizes that all arrangements regarding children should be made solely according to their best interests, having regard to all the circumstances. The Bill provides for that. We provide the power to award custody or access in favour of either or both spouses. Any award has to take into account that a child should have as much contact with each spouse as is consistent with the best interests of the child. The legislation stresses that maintenance of the children is a joint responsibility of the parents. I believe that fathers are being given some reasonable consideration as parents in this legislation and we will also be watching to see what happens in the future with respect to custody of children and how the system operates.

I think it is plain that there are many cases of unfair treatment with reference to fathers as parents in the previous situation. We are actively promoting reconciliation of spouses. I will not go into the details because the House is familiar with them. We are encouraging mediation of custody and support issues and will continue to do that. We are requiring that spouses be informed of any mediation facilities. I support voluntary mediation. We are supporting family mediation in Canada and we will continue to do that. We are distributing to family law practitioners a research report describing mediation services available in Canada. This will help the practitioners inform their clients of mediation services as required by the Act.

Bill C-48, an Act to provide for the relese of information that may assist in locating defaulting spouses complements the provisions of the Divorce Act. Her Excellency the Governor General has been informed of the purport of that Bill and has given her consent, so far as Her Majesty's prerogatives are affected, to the consideration by Parliament of the Bill. She has said that Parliament may do therein as it thinks fit.

This is going to be a most useful Bill because of the two remedies which will assist in enforcing family orders and agreements. The first will allow a limited release of information from designated federal information banks to locate a missing spouse or child where there has been a breach of a support, custody or access provision. The second remedy will allow the garnishing of designated federal moneys where a support provision is in default. We have had a scandalous situation in this country for years with reference to maintenance orders, some 60 per cent to 80 per cent of which are not enforced, although statistics show that 80 per cent of all those involved have the ability to make the payments required. This tragedy and national scandal is going to be ended within a year when this legislation is fully operative. Due to the complications of computer systems and the like, it may well be the end of March, 1987 before we have both the tracing and garnishing provisions of this new legislation in full force and effect. However, once they are in full force and effect this national scandal and tragedy will be ended. I believe there will be a considerable saving to the taxpayer who spends at least $1 billion annually to support dependent spouses and their children today, in part because maintenance orders cannot be satisfactorily enforced.

• (1610)

Finally, the new Divorce Act and the Enforcement Assistance Act are a humane step forward in handling the problems that beset the Canadian family. They provide opportunities for spouses to reconcile, to reduce the confrontation and dispute that surrounds divorce, and to concentrate on what is best for their children. That is what they should be concentrating on. It is up to each divorcing person, with the assistance of their lawyer and, hopefully, mediators and conciliators to take advantage of the opportunities that this legislation will provide to reduce the trauma of divorce for themselves and their children.

This legislation represents an important part of the commitment of the Government to social justice. I believe it to be one of the great social and, certainly, familiar pieces of legislation of this century. It compliments the steps that were taken in 1968 and helps to complete a social revolution. I believe that the legislation will result in women, children, and men all receiving better, fairer, more just, and more humane treatment in this area than has been possible in the past.

That is why I am pleased to have initiated this legislation by the Government with the willing support and backing of the Prime Minister (Mr. Mulroney) who, I would like to add, is very much interested in this, and who was very supportive on several occasions when support was needed. The Prime Minister believes in social justice. He gave his firm support when it was needed and I would like to thank him for that.

In conclusion, Mr. Speaker, I believe that this legislation will decrease the sum total of human unhappiness, sorrow, tension, and frustration which now exists in the area of divorce and maintenance. I cannot say that it will add to the sum total of human happiness, although perhaps it will, because I think it will make it easier for remarriage and the more satisfactory care of children of a broken marriage. All in all, Mr. Speaker, I am more than happy to be associated with this legislation. I would like to thank all Members of the House who have been helpful in connection with it.

Finally, I want to thank my Parliamentary Secretary and the Members of the House of Commons Justice Committee who were very diligent and conscientious in handling the legislation that was put before them. I move third reading.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Halifax West (Mr. Crosby)—Children—Convening of conference on missing children; the Hon. Member for Don Valley East (Mr. Attewell)—Young Offenders Act—Introduction of amendments; the Hon. Member for York West (Mr. Marchi)—Visible minorities (*a*) Government's negotiations with representatives of Japanese Canadian interned during World War II (*b*) Request for further negotiations.

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## GOVERNMENT ORDERS

[*Translation*]

### DIVORCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie (St. John's West): That Bill C-46, an Act to amend the Divorce Act, be read the third time and passed.

### DIVORCE AND COROLLARY RELIEF ACT

MESURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie (St. John's West): That Bill C-47, an Act respecting divorce and corollary relief, be read the third time and passed.

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### FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie (St. John's West): That Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada, be read the third time and passed.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Broadview-Greenwood (Ms. McDonald).

**Ms. McDonald:** Is it possible to put a question to the Minister? It is in order.

[*English*]

I would like to raise a couple of questions with the Minister apropos his remarks.

**Mr. Speyer:** Mr. Speaker, I rise on a point of order. I had understood the rules of the House to be that with respect to the initial speaker there were no questions allowed.

**The Acting Speaker (Mr. Charest):** I am informed that it was a speech for an unlimited time and, therefore, there are no questions afterwards. We will now resume with the reply by the Hon. Member for Mount Royal (Mrs. Finestone).

**Mr. Gauthier:** Mr. Speaker, I rise on the same point of order. For the sake of clarification, so that we all understand what the rules are, in today's Order Paper it says:

—unlimited time—Prime Minister, Leader of the Opposition, Minister moving motion and Member replying immediately after the Minister.

It goes on to say:

—20-minute maximum—all other speakers

—Speeches are subject to a 10-minute question and comment period.

I take it that you have just ruled that there will be no questions asked of the Minister or the Member speaking after the Minister. Unlimited time has been accorded to both of them. Is that your ruling?

**The Acting Speaker (Mr. Charest):** Yes, that is correct. If I understand the Order Paper correctly, we are referring to the

20-minute speeches that come afterwards. Therefore, the Hon. member for Mount Royal may now start.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I am pleased to have the opportunity to speak on a subject so close to the daily lives of all Canadian families. Divorce law relates to all of us, whether directly through personal experience, or indirectly through a family member or friend. There are very few places throughout Canada where personal lives have not been touched by divorce or separation in some form or another. We all acknowledge that it is a painful and difficult experience which requires very sensitive care.

I think we all acknowledge that the time had come for change in our divorce laws, but change in, of, and for itself is just not enough. When children are involved and two adults can no longer get along living together and agree to a divorce, it is important that the adults are able to remain as caring, concerned parents, that access to their children is accommodated, and that the children are traumatized as little as possible as a result of the marriage breakdown. We must endeavour as well to ensure that the continuity of their lifestyle be maintained. Wherever and however possible the use of children as pawns to settle scores, to punish or to reward, must be minimized. There is enough unhappiness, sorrow, and frustration without manipulating our children. That is totally unacceptable.

Over all, Mr. Speaker, Bills C-46, 47, and 48 introduced by the Minister of Justice (Mr. Crosbie) resemble the proposals of the previous Liberal Government in January of 1984 with some exceptions which, regrettably, are serious. However, I do not wish to say that this is not a good Bill in that it is needed in today's society. It is a good step forward. I am pleased that the Minister brought it in and I felicitate him and the Chairman of the Committee, and, in particular, his Parliamentary Secretary, for their hard work. I think that this Bill will bring about increased social justice *malgré* all its warts.

With respect to the measures the Minister has addressed, and in that he is prepared to be open-minded and hear new arguments, I would say that we have moved forward and I am pleased with this Bill. However, I think it is important to reiterate those areas with which I have concern and those principles which our Party believes are concrete proposals for change within the divorce legislation.

These are, first, to accommodate reconciliation by requiring, where possible, a neutral third party rather than legal counsel of either spouse, who are certainly not unbiased parties, to convene a conference. This mandatory conference should take place in a neutral environment to explore all the possibilities open to these families which include mediation, reconciliation, and the introduction of a lawyer to represent the children's interests. There are many, many options with regard to reconciliation or the termination of a marriage. These are very important issues.

• (1620)

Second, to reduce recrimination by eliminating those sections of the Bill dealing with grounds for divorce based on fault in favour of marriage breakdown as the sole ground for divorce. That has been a major plank of the Liberal view of how divorce should proceed in this country when we are close to the 21st Century.

My third point with respect to the Liberal stand concerns the elimination of the language of "custody" and "access" and replaced these confronting words with the principle of "shared parenting". The shared parenting or co-parenting principle is a much more human approach which we should be considering. I wanted to change the language because it is a vehicle of culture. We know that language can impact on a society and, particularly, direct the courts and the parties who are reading this Bill.

The Bill is not written only for legal counsel, it is written for people upon whose lives it will impact. For that reason I and my Party recommended and defended as best we could the use of language such as "care and control" when talking about custody and "contact" when we refer to access. Unfortunately, that was ruled out of order. Care, control and contact are soft words that indicate we want a non-confrontational, less adversarial approach in this Bill. It would consider the privileges, rights and responsibilities of the mother and father and keep in mind the grandparents and the rights of children to maintain a healthy, balanced relationship with all members of their family. We know that there is nothing stronger than a strong family unit.

The fourth point we want to stress is the strengthening of Bill C-48, the related Bill regarding maintenance enforcement by creating the National Maintenance and Custody Orders Enforcement Agency as a central repository for enforcement of maintenance and custody orders. The Government's move to have centralized information is only one step toward the action that will be required in order to relieve the personal anguish and suffering due to the lack of contact with one's children as well as—

[*Translation*]

—the hunger one feels in the stomach—

[*English*]

—because we do not get the money we require to support our families.

[*Translation*]

Mr. Speaker, there are rather serious deficiencies in this legislation, and I hope that the Minister, who has shown some openness of mind this afternoon, will reconsider at the last minute his refusal of our amendment proposals and will accept to open up this legislation to make it more humane and better able to meet the needs of Canadian men, women, and especially children.

[*English*]

Presentations to the committee by groups such as the National Action Committee on the Status of Women, the Canadi-

an Advisory Council on the Status of Women and The National Association Of Women And The Law have emphasized the grim statistics regarding marriages that end in divorce—a frightening figure of 40 per cent in Canada. Of those divorces, 50 per cent involved children.

The trauma for Canadians involved in divorce is great and frequently represents a first contact with the legal system. That is why I want the Bill to read in clear English that can be understood rather than legalese that can only be understood by counsel. I am not a lawyer and I would like the language to be clear so that I can understand all of the ramifications without constantly having to check it with legal counsel. The Bill should be understandable to *Messieurs*, *Mesdames*, *tout le monde* at all times, in all language, in all Bills.

While the best interests of the parties must be guaranteed, it has traditionally been women and subsequently their children who have borne the economic and social hardships resulting from divorce. Figures show that 49 per cent of female-headed single-parent families had incomes below the poverty line in 1983. That is unacceptable in a country as rich as ours. Regardless of our overwhelming debt, we are still a land of plenty. One only needs to travel throughout the world to recognize that there is no need for poverty in this great land of ours.

The question of poverty among our older single, separated and divorced women was addressed on the question of spousal allowance. My only comment is that it indicates the malaise we are living with in this society.

As the National Action Committee pointed out, 10 per cent of divorcing women are aged 50 and over. Few of these women are in a position to go back to the workforce. After working in their home they are being asked to go back to work in the market-place which is an impossibility. We know that society is in an active stage of evolution from industrial, to post-industrial to a high-tech society. We are faced with a new language in the country and it is unrealistic and unconscionable to expect these women who worked at home to find work in the workplace. We are protective of such women but I raise the issue in the hope that the law is made clear on the matter.

The significance of the Divorce Act for women and children is overwhelming and not in any way to be ignored. The welfare of women as the most vulnerable group must be addressed and it is in this context that we emphasize the importance of strengthening Bill C-48 to create a federal-provincial enforcement mechanism respecting custody, access, support and maintenance orders across the country.

Once again, the Conservative Government has broken its promise to the Canadian people. On May 1, 1985, the Minister of Justice (Mr. Crosbie) issued a news release in which he promised that the Conservative Government would: "Humanize the process of divorce and at the same time safeguard the family relationship". That promise has been broken in a number of ways.

The Government would have Canadians believe that marriage breakdown represents the sole grounds for divorce while the fact is that the new Act retains fault grounds such as adultery and cruelty which exist in the current Divorce Act.

It disturbs me that I would have to bring to the attention of the House that from January 13 to January 17, 1986, a national forum on youth and the law was held. The issues according to this document that were addressed included family law issues, the Canadian Charter of Rights and Freedoms, cultural minorities, access to justice and youth and crime. This was sponsored by the Department of Justice and it prepared and approved the report. It circulated a very attractive and interesting brochure, with a blue maple leaf. I do not know who has see blue maple leaf on God's trees, but there is a blue maple leaf on the folder. In the context of this particular *colloque*—

[*Translation*]

—forum. Have you ever seen blue maple leaves? Or are they red where you come from? Red and green. However, in this regard—

[*English*]

Let me point out what was in that document because it is rather mind-boggling. It states with regard to family law who can marry and the impact of the Criminal Code if one takes certain actions. It discusses divorce and the reform of the divorce law and related matters. It states that at the time of its writing a new Divorce Act, 1985 and the Family Orders and Agreements Enforcement Act are awaiting final reading by the House of Commons and may very well be passed by the date of this youth and law forum. That is correct, for these laws could have been passed but they were not brought back on time. It says the proposed Divorce Act, 1985 will provide that marriage breakdown be the sole basis of divorce. Marriage breakdown would be established when the spouses have lived separate and apart for one year, and where one spouse has committed adultery or cruelty, in which case immediate divorce may be granted. I do not call that marriage breakdown as the sole cause.

• (1630)

Then it says the proposed Divorce Act should also recognize that support provided by one spouse to the other should promote economic self-sufficiency. That is true. Then we arrive at the last of these paragraphs which I will read and which I find fascinating:

> Mediations would be conducted by an independent third party, such as a social worker, with the goal of having the spouses come to an agreement on the issues of support, custody and access, instead of fighting them out in court.

That is exactly the amendment I proposed which the Government turned down, and which was supported by my friends in the Opposition. The Government uses a public document and a public national forum to promote an issue that it is not prepared to support in this House. That is rhetoric, unacceptable and mind-boggling, as I said before.

Contrary to the Conservative promises that they would promote economic self-sufficiency of spouses where practicable, the new Bill severely limits the financial protection given to spouses, particularly to women. The new Bill provides

insufficient direction to the court as to which factors must be taken into account in awarding support orders, a weakness that represents a step backward rather than promised progress, the promotion of term orders as a major focus in this Bill. I find that regrettable. There is a place for term orders. There should be an end, and there should be an end to the long tunnel with a light that indicates where we are going, but not a directive that you cannot, in essence, really have preferential treatment for a term order.

The Conservatives promised to assist the many spouses who fail to receive the support for themselves and their children to which they are entitled through court orders. Unfortunately, these spouses will still be required to spend needed income to hire lawyers in order to access federal information resources and to pursue complicated legal channels so as to get the support they deserve for themselves and for their children.

I think we have gone a good first step, but we did not go the step further that would be helpful. I have another area of serious concern, that is, the question of the definition of the child of the marriage. If you will recall, we addressed that issue. The age of a child 16 and 17 is not covered. These young people are at a very vulnerable stage. There should be some assurance of continuation of support. The key concern is that responsibility for children should not terminate when they reach age 16. That youth is our future. Why should they be sitting wondering where they sit. Why put them in limbo? It is unconscionable to have done that. The argument of the Minister of Justice (Mr. Crosbie), and the legal counsel to the Minister of Justice was not supportable.

One of the reasons we are here as legislators is to change what is unacceptable. If other provinces have not had enlightened change or have not been able to move in their laws, then we should set the guidelines, set the road and set the marker. The Province of Ontario has done so. The Province of Quebec has done so.

It is clear that age 18 is the age of majority. It applies in the Elections Act and in the Young Offenders Act. There is no excuse not to have age 18 apply here and lead the way. Further, not knowing where they stand by the time they are going to hit their sixteenth birthday creates such hardship on young people who have already gone through the trauma of a divorcing family. What kind of a birthday present is that? It is supposed to be sweet 16. How sweet will it be if you do not know if you are going to continue receiving maintenance support and you do not know whether your college will be assured? If that was the lifestyle which you as a young person were ready and able to carry on, I cannot see why you should not be allowed to have that carried on through the support of the non-custodial parent. I think of the very sad case of dependent young adults who are handicapped where there might be a death of the spouse receiving the custodial support funds which puts a whole situation into jeopardy. That ought to be reconsidered.

We agree that education is the key to success in today's society; then the potential for jobs in a highly competitive industrial society must be considered. This human capital, which is our youth of tomorrow, with so many tens of thousands in society who are living in a divorced situation, must be considered. I would say the Bill is flawed in that area.

It is hard to ask, as the Minister said, for the mothers or the fathers to concentrate on raising their children, and the children may have other concerns too, when they do not know what is going to happen to their future. The argument is weak from the ministry. I believe the attitude of the Ministry has been all pervasive. In my own view it has been constrained.

We as legislators in this House should move to adopt some of the more sensible and humanizing changes to this legislation which were recommended, not only by my Party, not only by the New Democratic Party but also by members of the Conservative Government itself.

I am concerned about the inclusion of fault grounds in this Bill which emphasize the attachment of blame and lead to a vindictive adversarial process. It is my position that by eliminating the direct opportunity for mud-slinging, which fault grounds provide, the focus of divorce will shift from an unproductive ground of accusations and counter accusations to the more important issues at stake in a marriage breakdown, namely, the restructuring of the family so that everyone suffers as little as possible, both emotionally and financially.

There are a number of tools that could be put in place to ensure the least negative, psychological impact on all parties involved. One such example would be the filing of a plan with the court assuring maximum contact between the child of the marriage and the non-custodial spouse with a mechanism to ensure that this is respected.

The Government's goal to make divorce less confrontational and more humane are seemingly at odds. The Government's position underscores the difference between laudable, high-principled, rhetoric and reality in fact. It all seems so pointless and inconsistent.

The parties to a divorce can now get a divorce after one year of separation instead of waiting for three years. Fault grounds are not to be considered under this law in making decisions with respect to maintenance and custody orders, and through provincial channels immediate interim orders are available upon separation and prior to actual divorce. Why do you need to keep fault—adultery, physical and mental cruelty—in there?

With regard to spousal and child support, Mr. Speaker, I am concerned about the impact this will have upon women who end up economically disadvantaged after divorce. In Ontario, as an example, according to Statistics Canada in 1983, the amount awarded for both child and spousal support averages approximately 20 per cent of the husband's after tax income. That is really not very much money.

Further, as found by a Vancouver study, support awards are not only extremely low in relation to needs but they remained constant in the seventies. They have not kept pace with the rise in the cost of living and the general wage structure in our society.

The situation not only drastically affects ex-wives, but the children of the broken marriages as well. Fifty per cent of divorcing couples have children and in spite of the media attention to increasing custody awards to fathers, which I think is important, the wife still gets custody 85 per cent of the time.

Census figures show that single parent families are the fastest growing family type in our society. The view of husband, wife, picket fence, house and tow children is not reality. I would like us to remember that when we are developing social policy.

In the period from 1971 to 1981 there was a 50 per cent increase in the number of single parent families. Add to this the fact that from two-thirds to 75 per cent of fathers are in default of their support payments and the serious consequences this had on family life becomes then apparent.

What all this means, Mr. Speaker, is that the marked reduction in a custodial mother's income has potentially negative psycho-social effects on the children. A sharp decline in their mothers' standard of living often forces residential changes, moves; changes in their schools and in their teachers, and changes in the neighbourhood and their friendship circle. When the discrepancy between the children and the fathers' income and lifestyle become so different, children tend to feel angry and resentful and to share their mothers' feelings of deprivation and injustice. This does not set the stage for a happy home environment nor to future productive citizens.

• (1640)

When support and maintenance orders are not obeyed, and when unemployment rates are high, many of these families become dependent upon the welfare system. They are not welfare bums; I would like that to be quite clear. This situation means that the federal and provincial Governments are presently sharing a budget line—that is the CAP line—of $1 billion annually. It could be the big bankruptcy of the year. The cost recovery which could be found in this particular cost item in a budget where we could save big dollars is vital and could protect our human capital.

I am upset today that the Government has not seen fit to address the concerns of fathers across the country who have limited access to their children. Groups such as Fathers for Equality in Divorce, Fathers Fighting Back and the Association des hommes séparés ou divorcés de Montréal, which brought in the thousands of petitions that I read into the record today, are concerned over their lack of contact with their children. With custody being awarded 85 per cent of the time to mothers, for men, their contact with their children is accorded most often only every second weekend. When this limited access is denied, there is an impact upon the lives of the children. This is very painful not only for the fathers but for the children of the marriages who need the love and support of both parents in their lives.

We have recommended that maximum contact—that is called "access" in the formalized Bill—between the child of the marriage and the non-custodial spouse be made with a mechanism to ensure that it is respected. Several proposals were made to the Standing Committee on Justice and Legal Affairs regarding mediation. The Minister mentioned the research which they are doing on mediation, the support they have given toward it and the fact that they have published a list of mediation facilities, yet the Bill does not provide for mediation. It is my hope that we will not have to wait too long for mediation to become part of divorce legislation.

A growing body of research indicates the benefits of mediating disputes which arise on divorce rather than litigating them. Canadian and American research conducted to date indicates benefits for the spouses of increased satisfaction over the outcome of their divorce, reduced costs and increased adherence to the mediated agreements. Also they indicate that mediated agreements are more likely to result in arrangements for shared parenting or at least for broader access in comparison with judgments awarded by the courts.

On this last point, the number of days of access awarded to non-custodial parents was almost twice as high for mediated as opposed to litigated or negotiated settlements. Mediated settlements average 9.2 days per month whereas litigated or negotiated settlements average 5.6 days per month for access.

My Party is concerned about the criteria the courts will be using in determining support orders. Undue hardship must not result, so it is vital that the Bill reflect all appropriate circumstances which might be used in making the judgment to award a support order.

I know there was not great receptivity on the part of certain members of Government to looking at what they perceived as my shopping list. My list was not a shopping list; my list was a guide, a guideline or a check-list which indicated some of the areas that should be considered.

**Ms. McDonald:** Mr. Speaker, I rise on a point of order. It is quite correct that the Hon. Member has unlimited time, but there is an agreement that we will dispose of this Bill today. There are other speakers who wish to speak and, if she takes unlimited time, no one else will have the opportunity to speak.

**The Acting Speaker (Mr. Nicholson):** Your point is noted, but that is not a point of order.

**Mr. de Corneille:** Mr. Speaker, I rise on a point of order. I should like to point out for the record that this is a time during which a speaker may give an unlimited time reply to a Bill that is of very great importance to a large percentage of the population. In view of a Minister's statement today, we will carry on for a longer period of time. I am quite sure Hon. Members of the New Democratic Party as well as those of the Government will have opportunities to speak.

**Mrs. Finestone:** Mr. Speaker, I understand the Hon. Member's concern, and I promise that I will not be much more than a few more minutes.

When I said that I had presented a check-list, it was not an exclusive list; it was to be a guideline and there were other criteria as the court saw fit. However, I am still determined

that some day there will be laws which can be read and understood by laymen in society. That is the kind of law I would have liked, particularly in a family issue such as divorce.

Turning to a new matter, I believe that determination of when a spouse can reasonably become self-sufficient following marriage breakdown is a key factor and must not be restrictive. No one should view marriage as a life-time contract for support. I would hope that people view marriage as a life-time contract but not necessarily only for financial reasons. Economic self-sufficiency is a goal toward which all of us strive. Just as it is unrealistic today to expect support from one spouse to continue forever following a marriage breakdown, it is also equally unrealistic to believe that any time limit can be set on self-sufficiency. Each situation is unique, and that must be combined with a volatile and currently gloomy employment picture. Circumstances can create situations whereby self-sufficiency looms farther than closer on the horizon. That is the case which many women are facing today.

Other factors must also be considered in determining when a spouse can be expected to be determined self-sufficient. For example, older women who have never worked outside the home need ongoing protection orders under the law. Time limited orders for younger women could fail to recognize that their potential for self-sufficiency is dependent upon external forces of the market-place and the economy. These factors must be considered in the quest for economic self-sufficiency. The goal toward equality of opportunity in society and individual economic independence is desirable and one which I support, but it is not always realizable. A balance must be struck between the need to support women at different ages and at different stages of life and the need to allow the other spouse, generally the men, to get on with their lives, to see a light at the end of the tunnel and to resettle their lives without unnecessary heavy financial burdens. However, they cannot desist if there is no other option.

The National Action Committee on the Status of Women and The National Association of Women and the Law pointed out the unfairness of jettisoning older housewives without financial support as well as young women who may face unexpected restraints, not out of malice or ill will. The courts need freedom to consider extenuating circumstances in each case.

I hope, and indeed anticipate, that judges will interpret their support order decisions in a humane yet realistic way, awarding orders in a manner reflective of the unique situations of each family. Neither spouse should have to experience economic hardship because of marriage breakdown. This is therefore important in circumstances in which a spouse remained at home, did not accrue any pension or retirement benefits and would have had no opportunity to save independently or be self-supporting during the marriage. To suggest that she become independent immediately after a marriage breakdown is unrealistic and even if the goal of breaking the financial dependence or her spouse is admirable, the improbability of such a change occurring quickly is high. It is for those reasons that I have taken this position and am disappointed that the Bill does not reflect this reality.

● (1650)

With the release of the report by the Commission on Equality in Employment, the Abella Report, Canadians have become increasingly aware and supportive of the need to redress systems like the system for the collection of support payments which are woefully inadequate and economically punitive and debilitating.

Last, I would like to address my Party's belief in the establishment of a national maintenance and custody orders enforcement agency as the central repository for maintenance and custody orders. It would monitor all accounts due, provide prompt notification of default and provide vigorous pursuit of defaulters by, among other things, attachment of federal and provincial payments due to the debtor spouse. It would also act when the rights of non-custodial parents are abridged.

The main obstacle to maintenance enforcement in Canada today is the fact that it is the maintenance creditor who is obliged to initiate and pursue enforcement at his or her own expense. These maintenance creditors are usually women. Given the increasing number of Canadian lawyers who refuse to act in legal aid family matters and the inadequacy of current provincial mechanisms for enforcement, the likelihood of obtaining default maintenance payments is minimal at best under the law. The proposed agency would provide a streamlined process which removes the potential for confrontation because the enforcement is done through a third party which is not merely an information receiving and delivering agency. The lack of enforcement of court orders is not just a matter of money but is contrary to good social, public policy.

It is a sad fact that children become pawns in the struggle between two former spouses. The result is that custody and access orders are being ignored. With the creation of this national maintenance and custody orders enforcement agency, such orders will be enforced and disrespect for court orders will not be tolerated. Statistics available from Manitoba and other jurisdictions reveal that the cost of such a system is more than offset by the amount saved on income support payments to sole-supporting women and their children.

I am aware that a national maintenance and custody orders enforcement agency requires the co-operation of the provinces but the inequities and emotional and economic hardships being felt now as a result of defaulters must be rectified quickly. It is imperative that the federal Government show leadership in setting up this agency. The Minister had plenty of time to consult with his provincial counterparts. It has been years since our divorce laws have been changed. New circumstances, new ideas and new procedures form the substance of this legislation. It is important to keep on top of change and make certain that the legislation is reflective of the times, particularly when we are dealing with legislation as important as this, legislation which touches the lives of all Canadians.

We cannot always be sure the judicial interpretation will be as expected for these new measures. Despite our best intentions and those of the courts, it is important that we review and revise the changes in the law. For these reasons, my Party supports the built-in review mechanism which fulfils this need. It will also afford an opportunity for a Liberal Government to humanize divorce procedures.

**Mr. Robinson:** Don't hold your breath, Sheila.

**Mrs. Finestone:** I felt a great deal of regret yesterday when Mr. Speaker ruled Motions Nos. 11, 11A, 32B, 33 and 33A out of order on the grounds that they proposed to add concepts to the Bill which would expand the scope of the Bill beyond that on which the House had agreed in principle at second reading. I think the House had had time to address that issue. It was raised by my colleague, the Hon. Member for Burnaby (Mr. Robinson), very early on in our discussions.

I would like to explain a problem which involves the dissolution of a marriage under Jewish law, something which results from an act of free will by a man and a woman under the supervision of three rabbis. However, only the husband has the authority to give a Get. The refusal by a spouse to accord the Get is arising with alarming frequency. This has led to the Get being used in some cases as leverage to obtain financial and custodial considerations. It is of particular concern because without this religious Writ of Divorce, a person of Jewish faith is barred from remarriage under Jewish law.

I have attended committee meetings of the Canadian Jewish Congress and sub-committees which have addressed this issue. I am well aware of the role the B'nai B'rith League for Human Rights has had in this area. I know there was division within the community and I recognize the problem that was faced, but it could have been dealt with earlier. The Jewish community has now proposed a solution which was accepted by the Ontario Legislature in its recent family reform package. However, I am glad to learn from the Hon. Parliamentary Secretary that Justice officials are now considering that amendment. I can only hope that they will act quickly and that the proposals will be brought to the Standing Committee on Justice and Legal Affairs for expenditious consideration.

I am pleased to speak on behalf of my Party. I accept the fact that we have taken a very positive step forward. I simply wish it had been a more giant step.

[*Translation*]

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, the bills now under consideration are an improvement over the previous bill introduced by the Liberal Government. However, there are still some deficiencies to correct, and very important ones. I am proud of the way that the NPD has fought to change the law to provide better protection for women and children, and especially to develop a better system to collect maintenance payments.

[*English*]

Unfortunately, the Government has refused some important amendments that would give much better protection to the homemaker spouse. The previous Bill would have permitted only fixed-term maintenance. Now indefinite maintenance is possible and I am very pleased by the very strong fight members of the NDP put up to see improved maintenance written into the legislation. However, the Conservative Government has refused amendments to permit reconsideration of maintenance orders when a judge might have guessed wrongly, the fixed term is up and the conditions have not changed.

Some changes have been made to deal with this unfortunate situation, but not enough. It remains that a woman who has been a homemaker-spouse for many years might not be able to get a job in the time a judge expected. How can she then return after her fixed-term maintenance is over with the argument that her circumstances have changed, something which the law requires, when her circumstances have not changed? She does not have a job and that is precisely the problem. We proposed an amendment which would have taken care of this situation. Unfortunately, while it was supported very broadly by the women's movement and urged by many women's organizations, it was not accepted by the Government.

We know the circumstances that divorced women face. On average, a year after a divorce, there is a 42 per cent increase in the standard of living for the husband but a 73 per cent decrease in the standard of living for the wife and children. This is unconscionable. While this low level of support is actually the case, the Government is not taking these facts of life seriously enough. The levels of maintenance are too low.

We proposed that very specific criteria be written into the law to ensure that there be some equality between the spouses after the divorce. In the case of a family that has lived together for many years and has had shared expectations of their standard of living, the wife at age 50 or 60 might indeed be able to get a job and become economically self-sufficient as the law requires. She may just be able to make ends meet, but having been in a marriage for 30 years, perhaps to a professional spouse, and having led a different kind of lifestyle, it seems very unfair that she should lose the standard of living to which she had become accustomed. Nowhere is it stated that equality of conditions should be made the object. They may be made the object by a judge, but that is not absolutely clear. When we consider the type of awards which are being made, and when we consider the decline in the standard of living, which is the result of court orders at the present time, we have to be worried, indeed. In fact, women are losing some of their negotiating power as a result of the one-year separation provision becoming grounds for divorce in most cases. So one might even worry that these awards could be lower still.

• (1700)

For those who might be worried about the problem concerning the husband not being able to pay adequate maintenance, and presumably there are some such cases—we expect they

are few indeed—we must consider that Manitoba is able to collect 85 per cent of awarded maintenance. Clearly, husbands are able to pay. The old myth that they cannot is just a convenient excuse, and one which is certainly unfair. In fact, studies for Ontario show that the average award for spouse and children amounts to only 20 per cent of the after-tax income of the income-earning spouse. That is not a great deal of money. Yet, we do not see anything to ensure that there will be greater fairness. We know that maintenance awards have not been keeping up with the cost of living and that even while wages were rising—and they are not right now—they were not keeping up with those rising wages.

[*Translation*]

Bills C-46, C-47 and C-48 include very important amendments to the existing legislation. However, there are still deficiencies. Because of this, there will be cases of extreme hardship. Let us think about the woman who has stayed home to take care of the children of the marriage. The woman does not want a divorce. She has no opportunity at this time in her life to become economically independent. She has nearly reached the age of retirement. Unfortunately, such cases exist. If she finds a badly paid job without any experience on the labor market, it is very unlikely that she will ever have a pension because you have to contribute to a plan for years before being entitled to a pension.

What is even worse, a great many women are employed by small businesses which have no pension funds at all. A deficiency of the Bills under review is the lack of any automatic sharing of pension funds.

It is true that a majority of Canadian men and women are employed by corporations under provincial jurisdiction. But it would be quite possible to require the automatic sharing of pension funds under federal jurisdiction: The Public Service of Canada, Members of Parliament, judges, the Armed forces, banking establishments, airlines, insurance companies, which account for about 10 per cent of the work force. This sharing would be fair and a good example for the provinces to follow and adopt similar measures for situations under their jurisdiction.

It is a fact that most divorcing women are faced with a difficult situation. Without a right to half the pension funds, these women are forced to accept less. If they are in danger of losing custody of their children, they may be forced to give up their share of the pension to have access to their children. There have been cases where women had to negotiate between the conjugal home and the pension or between a maintenance and pension. Under theses circumstances, women generally choose on the basis of their immediate needs and give up their half of the pension, so that they will be poor when they reach retirement age. That is an unfair situation when we realize the contribution women make to their dependent children, their families, their marriages and the incomes of their husbands. It is clear that their husbands could not have earned high wages and obtained both promotions and pensions without the help of their wives at home.

It should be emphasized that the financial situation of women following divorce is generally very sad.

One year later, most women have seen their living standards lowered by 73 per cent, while their husbands' have improved by 42 per cent. That is under the present conditions where women have more negotiating power.

With the amended legislation, a financially dependent woman may be divorced against her will after one year of separation. She will no longer have the same means of negotiation.

It is the Government's responsibility to prepare very quickly a new bill to fill this gap. Justice demands an automatic sharing of the benefits of marriage, including and especially the pension.

[*English*]

Governments should move speedily toward creating a system for the collection of maintenance in co-operation with the provinces. We have seen some progress toward this end in the amendments which have been brought forward with respect to the divorce and maintenance legislation. However, they do not go far enough. In the Criminal Code, responsibility for the administration of justice is provincial. Yet, we have national statistics on computer files listing criminals because it is important that a criminal not be able to use provincial boundaries to escape his responsibilities. These criminals could have committed some trivial crime such as pickpocketing or shoplifting. Yet, those who fail to pay maintenance are not included. I think it is sad that we have such a high priority for those types of matters and such a low priority for the needs of a family. We know it can be done. Manitoba has an excellent system. Quebec also has a system of collection in place.

What this Government should do, and what it is being urged to do by numerous women's organizations, is bring in a full system for collection of maintenance in conjunction with the provinces. Part of the responsibility is federal and part is provincial. However, the Government should not use the excuse of there being partial provincial responsibility for its failure to act. It is true that it has acted in some respects. We are pleased to see the possibility of garnishment of federal moneys and the possibility of the establishment of a repository for names. These moves will facilitate the additional collection of maintenance. However, they simply are not enough. We need a system which will be automatic. We also need some type of organization. It should not be up to the dependent spouse to have to hire a lawyer in order to go to court and go through all types of complicated and expensive procedures. We know that the system can be taken care of because we have these successful examples in place.

It is with mixed feelings that I support passage of this Bill. There have been improvements. There has been a simplification in procedure with respect to uncontested divorces. The acceptance of marriage breakdown as a criterion for divorce is

there. It is not as complete as we would like to see it but it shows a step in the right direction. It is a step toward removing the adversarial way of approaching marital difficulties. We think it will promote reconciliation and facilitate better relations with children and better relations between spouses who must continue to interact even if they are divorced for the sake of the children.

Reconciliation is dealt with in the Divorce Act. There is a recognition of the rights and needs of both parents to access. There is also recognition of the rights and needs of other relatives, in particular, grandparents, who were previously ignored. There have been some improvements with respect to putting in place an adequate maintenance collection system but we have not gone the full way yet. There have been improvements, as I have said, but there are also dangers with this legislation. Now, there is the possibility of a one-year divorce. For couples in which one partner does not want a divorce, and for the partner who is economically dependent, this could be extremely difficult. The protections are not adequate in the case of the long-time, economically dependent homemaker spouse, that person who has contributed so much by raising the children, who has contributed so much to the family.

I am pleased that the Minister has said that he will look into the situation with respect to the Get and the possibility of taking some action on it. It is a complicated matter but an important one.

I am also pleased to see that the Minister of Justice has said that he will be looking into the operation of these new laws and that he will consider making changes as problems arise. I do not think he has to wait with respect to the issue of pension splitting. We know what justice is and we already know where the problems are. So while I welcome the Minister's willingness to make further changes, I would urge him to act in those areas where we know action needs to be taken. The Minister of Justice has a responsibility to act for justice. That means justice for the dependent person as well as for those who are independent. I would call upon him to make that criterion of justice his guidance as he reviews further revisions to our divorce laws.

• (1710)

**The Acting Speaker (Mr. Charest):** Questions or comments? Resuming debate.

**Mr. Rob Nicholson (Niagara Falls):** Mr. Speaker, I am very pleased to make a few comments on Bill C-47, the Divorce and Corollary Relief Act. This has always been a very difficult subject for Canadians. We do not have to go too far back in Canadian history to find that divorce for most people was simply impossible. I think that stems from a cultural and religious belief we have in the strenght of the family and of marriage. There was a tendency on the part of Canadians not to move forward in the area of divorce because it was felt that somehow we might cheapen the institution of marriage or it might lead to a breakdown of the family unit.

I remember as recently as 1974 when I was in law school being told point blank that divorce was against public policy in Canada and that while we have an absolute right to get married, we do not have the right to a divorce. That is something we had to establish to the satisfaction of a judge by means of a trial. So this is what we have come to and I must say, Mr. Speaker, that I had the same prejudice myself every time I heard Mr. Trudeau putting legislation before Parliament which would make divorce easier. I had the same reaction as many Canadians. I felt that it should be resisted.

However, we must come to the realization, and I think we have as Canadians, that marriages in many instances cannot and do not work and that the federal Government must use its legislative powers in that area.

Unfortunately, there are many people with religious convictions who perhaps misunderstand the legislation which is presently before this House. I would suggest to them, as I have stated to many of my clients, that the federal Government in this area is not threatening the jurisdiction of the church. There is a duality to marriage. For many people there is a sacramental or religious component. There is also the civil component in which the state is interested. But this confuses people. I have had clients of mine ask me: "I am proceeding with a church annulment. Will it be necessary for me to get a divorce?" I have to explain to them that, yes, it would be necessary. Just as the church cannot alter the marriage estate as far as the state is concerned, it also works in reverse. I suggest to them that they have nothing to worry about. The federal Government is just exercising its jurisdiction as it must, in coming to the realization that sometimes marriages just do not work.

The most important section with respect to the subject of divorce is Section 8 of the Act. That is the Section which establishes marriage breakdown as the grounds for divorce. It is a change in the Act. It shortens the period of time from three years to one year in which a person can apply to the court for a divorce on the basis of separation. I think that is a good thing. I think that is ample time to establish that a marriage is at an end and it is ample time for people to get their affairs in order. But it is not too long a time so that it serves as an impediment to people getting on with their lives. That was one of the unfortunate aspects of the old legislation. The three year and five year rules in the legislation meant that many people, because they did not qualify under that heading, had to go the fault route which produced, I think, some unfortunate consequences.

What it did by forcing people to go the fault route is make a difficult situation even worse. I have seen cases where divorce might have gone through very easily had it not been for many of the allegations which were contained in the petition for divorce. I have noticed in my short time in practice that many times lawyers, particularly older practitioners familiar with the rules prior to 1968, used to fill up the petition for divorce with as much dirt and as many accusations against the offending spouses as they could. Again, I always believed that this just made the situation much more difficult.

I think the one year route, however, to a large extent, gets around that problem. I do not believe that the arguments for leaving it at a three or five year period are really justified when we see what happens in the divorce courts.

I remember being in Welland County Court along with 30 other lawyers with our clients for the uncontested divorce list. In that jurisdiction the practice was that everyone was present in the court and then each case preceded with one after the other. I remember a case which was ahead of mine where the woman had to get up on the stand and indicate to the court in detail how her husband had beaten her. The final incident was that he had taken her by the hair and pulled her down the stairs. My client leaned over to me and said: "Is this necessary? And if so, why is it necessary?" My answer to her was that I did not know why it was. It seems to me that any arguments we might give as to the sanctity of marriage or the strengthening of the family unit would seem to be very hollow at that point.

I was very pleased when the Minister of Justice (Mr. Crosbie) came forward with these amendments, and I hope this House will take the opportunity to pass this legislation on third reading. Many people in my riding are waiting for the news of what this Chamber is doing and I urge my colleagues to expedite this Bill in order to make it the law of the land as soon as possible.

**The Acting Speaker (Mr. Charest):** Questions or comments? Resuming debate.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I am pleased to rise to take part in the debate on this very important piece of legislation and to underline one of the comments made by my colleague, the Hon. Member for Niagara Falls (Mr. Nicholson). There are many pieces of legislation which pass this Chamber that go largely unrecognized by the Canadian public. However, I am sure that I, as well as all other Hon. Members of Parliament, have been the recipients of many phone calls and letters asking when Parliament is going to pass these long overdue changes to the Divorce Act. Certainly, we in the New Democratic Party are prepared to co-operate fully in the House, as we were in committee, in ensuring speedy passage of these long overdue changes. For that reason, I will certainly not take the full time available to me. I know that my colleague, the Hon. Member for Vancouver East (Ms. Mitchell) would like the opportunity to put a few remarks on the record as well, particularly in view of her responsibilities as the spokesperson for our Party on the status of women.

I want to make it very clear initially that we welcome this Bill as being a significant step forward in the current divorce legislation. Indeed, it is an improvement on the previous predecessor Bill, Bill C-10, the Bill tabled by the previous Government. At the same time, I want to pay tribute to my colleagues from all Parties who were on the Standing Committee on Justice and Legal Affairs, which was and is ably chaired by the Hon. Member for Lethbridge-Foothills (Mr. Thacker). Certainly, he and his colleagues, including the Hon. Member for Capilano (Mrs. Collins), who I see in the House, and the Hon. Member for Niagara Falls, the Hon. Member for Mount Royal (Mrs. Finestone), my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), and other Hon. Members. They all worked hard in committee to improve this Bill. I know there were a number of amendments which were adopted that certainly had that effect.

I would like to indicate as well that while we support the thrust of this legislation—and I am speaking now about all three Bills—there certainly remain serious concerns in two or three key areas. The first concern is with the decision of the Government to retain certain fault grounds for divorce. It would be our submission and it certainly has been our submission and, indeed, the submission of many witnesses who appeared before the committee, that it is a serious mistake to retain the fault grounds of adultery and cruelty in this Bill. The retention of those grounds will add to the pain, suffering and hardship which results at the time of divorce.

I would like to emphasize as well that we are dealing with marriages which have broken down, which have failed, and to those who argue that somehow the passage of this legislation is going to erode the sanctity of the institution of marriage, I would underline this fact. The fact is we should not be adding to the trauma and pain of a divorce. We should have it in our power to make that difficult situation less difficult and, to the extent possible, less costly. The Catholic Women's League made representations to both this Government and the previous Government with respect to the inclusion of grounds. I could do no better than to quote from their very strong and eloquent statement as to why grounds should not be retained. They said:

● (1720)

> The present system of having to "air one's marital laundry" in a public courtroom seems both demeaning and time-consuming.
>
> It is obvious that at a point of time where the matter is being heard by a Divorce Court Judge, any possibility of reconciliation has long since dissipated. The present system appears to lend itself to a good deal of mutual disrespect and disposes of any possible future friendship the spouses may have. Furthermore, the accusations and counter-accusations of the present adversarial system seem to do a great deal of harm to the familial relationship which often-times must survive the dissolution of a marriage because of children.

We strongly support elimination of the fault grounds in this Bill. Indeed, as long ago as 1966-67 Members of the NDP proposed precisely that. This was at the time the Divorce Act was initially adopted.

There are some who say that the retention of fault grounds is necessary because people want to get out early. Studies have shown clearly that where fault grounds are retained they will be used by those partners who want to end the divorce quickly. However, not only does that cause additional pain and hardship for the partners in some cases, it also causes hardship for the children and it can bring the administration of justice into disrepute. We all know, particularly those of us who have practised law, of instances in which evidence of adultery is effectively fabricated or constructed. The plainclothes detective is hired, appears in the window, files his affidavit and of course the divorce is granted on the grounds of manufactured

adultery. Certainly the continuation of that system is not one which we can support.

The second major area of concern we have with respect to this legislation is the weakness in the area of support and maintenance. I spoke earlier today about the very severe problems caused by this Bill with respect to time-limited maintenance orders. The Government deliberately decided to overrule the Supreme Court of Canada decision in *Messier vs. Delage* which said that judges cannot gaze into their crystal balls and infallibly predict who will and who will not require support at the end of a fixed term of two or three years. That is why we in the NDP propose an amendment which would give discretion to the judiciary to continue an order if indeed the spouse was unable to find work or be suitably retrained.

I would note as well that it is important that in a time of economic and social instability the Government should be doing all it can to encourage and strengthen the family. For example, there is a need for more accessible child care, shelters for battered women, and enactment of measures designed to achieve full economic equality for women.

In this regard I would point out the very serious importance of laws which would overhaul Canada's pension system and ensure that the current discrimination against elderly women be ended. As well, the Government, by proposing measures such as the deindexation of family allowances and the child tax credit, is simply adding to the economic stresses faced by families today. Indeed, those stresses can themselves contribute to the breakup of families. So we believe that the criteria for support should have been significantly improved, as well as in particular, with the concerns already expressed with respect to time-limited maintenance orders.

In conclusion I want to underline the fact that we are supporting this legislation as a significant step forward. Certainly with respect to the question of maintenance, as my colleague from Broadview-Greenwood said earlier, we support the concept of national enforcement. The Province of Manitoba, under an NDP Government, has led the way in showing how such orders can effectively be enforced through a provincial enforcement agency. We believe that the constitutional arguments raised against this proposal by the federal Government are without substance. We would support the creation of a national enforcement agency so that women do not continue to be the victims of unpaid maintenance orders.

As well, the committee itself made a number of significant improvements in response to the concerns raised by witnesses appearing on behalf of fathers' groups. Time is limited and I am not going to outline each of the improvements, but certainly the committee took seriously its responsibility in this area. I know that fathers' groups feel that in some cases, particularly on the question of the presumption of joint custody, the committee did not go far enough but certainly there were improvements made and I think the House should recognize and support those improvements. Finally, I want to again commend the members of the committee who played an active role in improving this legislation and indicate that we in this Party are not going to wait five years for improvement. Both myself and my colleague from Vancouver East, as well as my colleague from Broadview-Greenwood, will be bringing forward in the very near future Private Members' Bills to improve this legislation and to ensure that the grounds are eliminated and the economic hardship facing older women in particular will not be aggravated by this divorce legislation.

**Hon. Allan B. McKinnon (Victoria):** Mr. Speaker, I take great pleasure in supporting this Bill in the few minutes remaining. It has been a long time coming and many tens of thousands of people have been waiting to see it pass through the House.

My concern relates to the predicament of wives, some of them of longstanding, who, after being deserted by a husband, find themselves after a period of one year in a divorce situation through no choice or fault of their own. Whether or not they will be fairly treated will depend on this Bill and some of the regulations which will flow from it.

I sympathize with the Minister of Justice (Mr. Crosbie) in trying to bring in a Bill which will cover all the different Acts in effect in this area. We have paid particular attention to widows and divorces. I do believe we have missed out badly in looking after divorced widows. When they draw a pension there is no guarantee that on the expiration of their ex-husband they will continue to draw that part of the pension. That is what I wish to address myself to.

It is generally accepted now in our more civilized society that a spouse has an express interest and equity in pensions earned while she is sharing a household and doing her share of the family duties with a person qualifying for a pension. I was pleased to note the recent order took into account a case which is all too familiar to many of us in our constituency offices. It involved a wife who worked while she put her husband through school. When he got a much higher education and was able to move into a professional status, he then decided to get divorced. There is now a precedent for the divorcee to be considered to have an earned share in the increased ability of the husband to earn money. Surely the same thing applies to servicemen and civil servants who draw pensions.

● (1730)

In the case of widows, the budget papers indicated that pension plans would be required to provide benefits to surviving spouses of plan members who are retired at the time of death. The benefit to the survivor will be no less than 60 per cent of the amount payable had both spouses lived. Survivor pensions will no longer be terminated if the survivor remarries.

In the case of divorcees the budget papers indicated that the value of pension credits and pensions already being paid will be split equally between spouses upon marriage breakdown to reflect the pension credits earned during the period of the marriage.

There is obvious concern in the proposed reforms to private sector pensions that provision be made to ensure fair treatment of women who are divorced or widowed. My plea is that we

think of the one part that is still missing, that is the divorced widow.

I do not wish to take up a great deal of time today in the closing steps of this Bill, Mr. Speaker. I would like to compliment the Minister of Justice for bringing it forward. I would also like to compliment the sensible suggestions which came from some members of the Opposition.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I hope you will notify me when there is one minute remaining in the allotted time.

Forty per cent of Canadian marriages end in divorce. Single-parent families are the fastest growing type of family in our society. There was a 50 per cent increase between 1971 and 1981. We know that most mothers are left to be the head of single-parent families with inadequate support. Largely as a result of this one fact we have had a dramatic increase in the incidence of poverty.

When a marriage ends in divorce the woman's average income falls by 73 per cent and the man's average income rises by 42 per cent. In 16 out of 17 cases the women get custody of the children. However, 85 per cent of divorced women get no alimony at all. As for child support, when this is paid, the average award is only $200 a month for two children. This proves how drastically we need reform in the issue of divorce. It proves even more that we need basic security and protections, basically for the woman, her children, and her later years following divorce.

There are many aspects of Bills C-48 and 49 which we have supported. My colleagues have elaborated on this in considerable detail. We agree with no-fault divorce provided there is adequate financial support. That has been our main concern, and we regret very much that our amendments were not accepted.

The real weakness of the new legislation is the fixed term maintenance order which fixes maintenance awards for three years and does not allow for an extension. There are some other things which we do agree with in the Bill. As my colleagues have said, there is some exchange of information that will assist in locating defaulting spouses. However, we appeal to the Government to take much more drastic action along the lines of that taken by Manitoba which has a provincial enforcement rate of 85 per cent in the collection of support orders.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** Mr. Crosbie (St. John's West) moved that Bill C-46, an Act to amend the Divorce Act, be now read a third time and do pass. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.



Motion agreed to and Bill read the third time and passed.

**The Acting Speaker (Mr. Charest):** Mr. Crosbie (St. John's West) moved that Bill C-47, and Act respecting divorce and corollary relief, be now read a third time and do pass. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to and Bill read the third time and passed.

**The Acting Speaker (Mr. Charest):** Mr. Crosbie (St. John's West) moved that Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions,the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada, be now read a third time and do pass. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to, Bill read the third time and passed.

[*Translation*]

**The Acting Speaker (Mr. Charest):** It being now 5.35 p.m., the House will now proceed to the consideration of Private Members Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### CRIME VICTIMS ASSISTANCE ACT

MEASURE TO ENACT

**Mr. Howard Crosby (Halifax West)** moved that Bill C-241, an Act to provide assistance for victims of crime, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, in specific terms I am asking the House of Commons to give second reading to Bill C-241 which enacts the Crime Victims Assistance Act. My real purpose is to present the broader context of the subject of victims of crime. The role of victims in the criminal process has never been recognized in Canada and my purpose is to draw attention to that fact.

Hopefully the House and the committees of the House will give consideration in the future to the role of victims of crime in the criminal process. It goes without saying, Mr. Speaker, that I would accept an amendment to the motion to give second reading that would allow the subject matter of the

status of victims of crime to be referred to an appropriate committee of the House such as the Standing Committee on Justice and Legal Affairs.

I will begin by explaining my motive in presenting this Bill to the House of Commons. Over many years of involvement with the administration of justice in Canada, I have noted on numerous occasions that victims of crime have in fact been the victims of the court process as well as victims of the criminal act which resulted in the court process. In many cases victims of crime are unaware of the criminal proceedings and the investigations leading up to the actual case before the court in Canada and, generally speaking, have no information on the investigation or the court processes. That is a matter to which I attempted to direct attention in the Bill.

Apart from that, Mr. Speaker, time and again we have seen persons victimized by criminal acts going without compensation. That is a very difficult subject involving both federal and provincial jurisdictions. Steps have been taken in many provinces and by the Government of Canada to provide a method of compensation. However, it is always difficult for the victim of a crime, and the family of a victim of a crime, to see a criminal offender walk away from a court after having inflicted personal injury or committed damage to property of the victim of a crime, without any requirement that any compensation be made or any retribution be given by the perpetrator of the crime. That is the second point that is addressed in this Bill.

I would also like to make a few remarks generally about Private Members' Bills. I know that as solicitors in the Department of Justice review a Bill such as this there will be a tendency to pick away, not only at the letter of the law, but at the substance of it, and engage in constitutional and jurisdictional arguments. It is not the duty of a private Member who presents a Bill in the House of Commons to dot all the "i"s, and cross all the "t"s and come up with a perfect piece of legislation. A private Member's Bill is really a vehicle for focussing attention on the subject matter of the Bill. I hope that if and when lawyers in the Department of Justice and elsewhere in the Government service have an opportunity to review the provisions of the Bill they will realize that the general intention is to aid and assist victims of crime rather than to establish a legal precedent that will stand the test of time, one that is emblazoned in iron or chiselled in stone. It is simply a document that presents a possible beginning to the resolution of a real social problem. It is with that in mind, Mr. Speaker, that I take the liberty of pointing out to the House of Commons some of the provisions of this Bill.

● (1740)

Basically, this legislation dealing with assistance to victims of crime has two major features. First, it makes provision for informing the victim of a crime, or the family of a victim in the case of a fatality, of the facts concerning the investigation as the investigation by the police and other officers proceeds. When that investigation reaches the point of court action, which, as my legal colleagues know, under a criminal process begins with the laying of an information against an accused person, the victim then is informed of the fact and of all the subsequent proceedings in respect of that information.

I am sure many lawyers may quarrel with the process and procedures that have been suggested by this Bill, but the fact is that in our criminal process under the Criminal Code of Canada an informant or person who lays an information—the person who actually makes the charge—has a status in the legal proceedings. Therefore, if the victim of a crime is also the informant, in that capacity they have a right to receive information and documentation concerning the case before the courts.

I am simply giving to any and all victims of a crime, or representatives of the victim of a crime in the case of a fatality, the status of informant and the right on their part and the obligation on the part of the police and the court officials to keep that victim or victim's representative informed of all the proceedings. I do not believe there is anything novel or difficult about that concept.

The second major feature of the Bill concerns a right given to a victim or the family, in the case of a deceased victim, to recover compensation from the offender. Those provisions may present greater difficulty. Let me explain my motive in attempting to codify this right into law.

Based on my experience, in many cases unless the compensation that might be provided to a victim of crime is provided quickly and expeditiously, with a minimum of legal difficulty, no compensation whatever will be recovered. It is trite to say that the victim of a crime has a right to sue in civil courts, a right that is protected by many provisions, both for the plaintiff, or claimant, and the defendant, or the person defending against the claim. However, there is a need and I believe a right on the part of a victim of crime in our society to more immediate redress.

I have attempted to establish that process and procedure which would provide that more immediate redress. I direct Members attention to that specific provision of the bill. Again, it is not without fault or difficulty and I would be the last to pretend that it does not present certain difficulties. However, it is based on a known and recognized principle of criminal law. For many years the Criminal Code of Canada has provided for restitution as part of the punishment or penalty imposed on the accused and convicted person. It is not entirely novel although it may be a new approach.

The point of the Bill is to provide two major features to aid and assist a victim of a crime. The first feature is that the victim receives information from the police and other officials with respect to the investigation of the crime and that they are kept informed of the court proceedings after a charge is laid and a court process is begun.

The second feature is a right to quick redress and compensation in certain circumstances and cases. I do not expect the House of Commons to endorse this Bill and all its provisions. However, I believe there is a real interest not only in the House but across the country to provide some assistance to

victims of crime. If that is the desire of the House, and I believe it is the desire of Canadians, I ask the House to take some action to see that this subject matter is continued and attention is focused on it through our parliamentary process.

Dealing more generally with the subject of victims of crime, I want to point out to Members, as it has been pointed out to me on many occasions, that victims of crime have no role in the criminal justice system. They are the forgotten people. Over the years we have seen a great deal of public attention focused on the rights of persons suspected of criminal offences and the rights of persons charged with criminal offences. However, very little attention has been focused on the victims of criminal acts. I believe it is time that we change this and do something about the victims of crime.

I was pleased to be one of the Members of the House to have endorsed the Canadian Charter of Rights and Freedoms and all of its provisions that are applicable to persons who are suspected and charged with crime. I think we have some obligation to look at the other side of the coin. I cannot believe that Members of the House do not agree with that proposition.

I want to bring two specific points to the attention of Members of the House. One is the cost of the crime in relation to the victims of crime. I have a report that emanated from the Solicitor General of Canada (Mr. Beatty) that gives some details of the cost of crime to victims in Canada. I will simply provide one statistic contained in that report. As a result of a survey conducted through seven cities in Canada, it was determined that the cost of crime to victims in those seven cities in a one-year period was $431 million. That amount is made up of $211 million in unrecovered property and cash; $41.9 million in damage to property; $7 million in associated medical expenses and lost wages and, apart from that direct loss, claims of $170 million were paid out to victims by insurance companies. Therefore, we are talking about a significant problem and one that affects many Canadians.

In a more ideal society than we have in Canada in 1986—I know we are working to make it a better society—we would have a victim's bill of rights. I am sure many agree that victims of crime need special protection and ought to have special consideration under the law. A victim's bill of rights has been established, as I understand it, in 30 state legislature across the United States.

One might ask: What is a victim's bill of rights? I understand that it is a reference to a package of concerns to establish fair standards for treatment of victims and witnesses. While the legislation apparently varies from state to state, these standards include protection from intimidation and harm, the right to information about the case, the right to submit a statement to the court at the time of sentencing during plea bargaining or case dismissal, the return of property and the right to lost employment or wages.

I have only addressed two elements of a victim's bill of rights in Bill C-241. They are the right to information and a method of providing immediate redress and compensation. We still have a long way to go. It is not in any way a perfect document, and I am sure my colleagues in the House will remind me of that very soon. However, it is simply a start. I am attempting to draw attention to the plight of victims of crime. I am trying to demonstrate that something can be done through legislation to redress some of the wrongs of the past.

I am simply asking the House to make a start by referring the subject matter of this Bill to the Standing Committee on Justice and Legal Affairs. I hope my colleagues in the House will see fit to take that action so we may look at the neglected people in the criminal justice system, the victims of crime.

• (1750)

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I do not think the Hon. Member for Halifax West (Mr. Crosby) should apologize for his Bill. I congratulate him on his initiative. Any Bill of this kind requires much study. The subject is important.

Speaking as a Member and as a former Minister of Justice and Attorney General, I think the time for us to address this issue is long overdue, as it is also, I suggest, for the issue of compensation for those individuals who are accused and acquitted of crimes, sometimes with very serious disastrous financial consequences to them.

That being said, I do not want to go on at any great length about this Bill, other than to express my own view, which I am sure is shared by all my colleagues, that this is a matter which should be addressed by the Standing Committee on Justice and Legal Affairs.

I for one believe, and I hope other Members will agree, that indeed this matter should be referred and considered with a view to addressing the Bill, the technical assets of it and some of the other issues which obviously, as the Hon. Member has said, may indeed be incomplete. It is a private Members' Bill. I heartily support the thrust and the initiative.

Once again, I congratulate my friend from Halifax West and I encourage my fellow members to support the reference.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I am pleased to rise on this important legislation to indicate on behalf of the New Democratic Party, as Justice spokesman for my Party, that we fully support the reference of the subject matter to the Standing Committee on Justice and Legal Affairs.

Certainly the question of victims' rights and the extent to which victims have been ignored traditionally in the criminal justice process is one which has, over the last three or four years, been very much coming to the fore. There have been a number of conferences, books and draft conventions. Indeed, the United Nations dealt with the subject at the last congress on the prevention of crime.

The whole question of the status of victims of crime has been drawn to my attention, not just in an abstract way but in a very real way, through a number of families, including a family in my own constituency of Burnaby, a mother, Mrs. Jacqueline Helm, whose daughter was murdered and who came to my office afterward and told me about the way in which her family was denied access to information and were

systematically dealt with in a manner that was insensitive and which failed to reflect the concerns they had about the outcome of the trial, their sense of loss, and their lack of awareness of what was going on.

There are a couple of major concerns in the area of victims' rights. It is the view of victims of crime, and I am referring now to the report of the Canadian Federal Provincial Task Force on Justice for Victims of Crime, that they need more assistance to deal with their losses and suffering.

In speaking of the families of victims the task force stated that in addition they believe they should be compensated adequately for any loss or suffering which they have endured. Many of them also feel that they need to be active participants in the justice process. Most important, I hear the cry for more information and awareness about what is going on.

Many victims find themselves confused and bewildered by the criminal justice system, not just in terms of the specific case but basic questions as to how the system operates. Why is it the property they may have had stolen from them cannot be returned to them immediately? Why was a particular charge reduced? What was the nature of the plea bargaining that took place? Why did the trial have to be adjourned? Why was the individual not informed as a victim when the jury were to come in with their verdict? Why was restitution not ordered? What sort of criminal injuries compensation is available? And so on.

I see the Hon. Member for Ontario (Mr. Fennell) is in the House today. I want to commend the work he has done on behalf of victims of crime. Since he was first elected as a Member he has worked particularly hard with a group "Victims and Violence" and Don Sullivan to try to improve the quality of services to victims in Canada.

There is not just a need for information, Mr. Speaker, but as well the need for services for victims. I would point out the acute shortage of transition houses and rape crisis centres in our communities for victims of sexual assault, the importance of funding for crisis intervention centres and the training of workers within the system to recognize and respond to the needs of victims and to help the victims financially where there has been loss and suffering.

I think it is also important that we as a Parliament do what we can to prevent crime and thus to reduce the number of victims and potential victims of crime. We must attack the causes of crime.

The Senate committee has identified a number of causes in an excellent report which that Committee called "Child at Risk". The Canadian Council on Social Development and the Canadian Criminal Justice Association have talked about the importance of crime prevention through social development programs; attacking unemployment, particularly among young people; attacking poverty and the appallingly inadequate levels of welfare, particularly for single parents; the enhancing of programs for dealing with learning disabilities; the whole question of violence in our society, violence on TV, for example, and in the media; reducing the level of violence, the Rambo mentality which is so prevalent and the video games which children are playing involving killing as many potential victims as possible within as short a time as possible. We have to look at the violence ethic in our society. We have to look at effective forms of gun control to ensure that the level of violence is reduced and the number of potential victims is reduced.

We must not forget that there are also victims of crime within the prison system. Because people lose their liberty and are sentenced to terms of imprisonment does not mean they lose all of their rights. We must ensure where prisoners are victims of violence, as at Archambault prison not that long ago, that they too are provided with services. Hopefully that kind of violence at the hands of the state will not be tolerated or permitted.

As well, it is important we not just consider traditional forms of crime and traditional victims. One of the important themes of the United Nations in the work it has done on victims of crime is to ensure consideration of non traditional forms of crime as well. We must consider the victims of environmental pollution; victims of the destruction of our environment and our native people who are the victims of mercury poisoning in northwestern Ontario. We have to look at victims of environmental crime. Working men and women who are maimed and killed on the job are victims, and victims of what I consider to be crimes. We must look at abuses of power in our society, at corporate fraud, at negligence in the pursuit of profit and the unsafe and hazardous products that are inflicted upon us. There are victims in those areas of crime as well.

The range of concerns which must be addressed by the Standing Committee on Justice and Legal Affairs in examining the whole question of victims' rights is very broad indeed. We must look at victim input in the whole question of the laying of charges, victims' rights to fundamental information, pre-trial hearings, perhaps involving the victim and the accused and what is the onus of the burden of proof. As well we must look at the whole question of victim impact statements. This issue has been raised, and the implications have to be carefully examined. We have the role of the victim in the sentencing process and methods of determining compensation for victims. The Justice Committee will have an onerous task ahead of it.

I commend the Hon. Member for Halifax West (Mr. Crosby) for bringing this matter before the House. Certainly while I do have some questions about the specific details of his private Members' Bill, I am pleased to rise in support of the reference of this important subject matter for the rights of victims of crime and their families to the Standing Committee on Justice and Legal Affairs. I hope that that committee will give this subject the full and comprehensive study it so deserves.

• (1800)

**Mr. Patrick Boyer (Etobicoke-Lakeshore):** Mr. Speaker, the debate over the last few moments indicates very clearly

that we now have before the House an idea whose time has come. I salute the Hon. Member for Halifax West (Mr. Crosby) for bringing the matter of compensation for victims of crime to the attention of the thirty-third Parliament. As clearly evidenced by what was said by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) and the Hon. Member for Burnaby (Mr. Robinson), this matter will have the support of Hon. Members on all sides of the House to go to committee where it can be thoroughly aired and proper legislation brought forward.

The Hon. Member for Burnaby, in his usual scholarly way, referred to the many studies and works which have gone on up until now to deal with aspects of this problem. The Hon. Member for Halifax West clearly outlined why this is timely. Certainly in the evolution of law, legal recourse and remedy in the country, it has been an important development in shifting from tort law to a statutory right for compensation for victims of crime. We have seen this evolution beginning with such statutes as the Ontario statute providing compensation for victims of crime and the formation in the Province of Ontario of the Criminal Injuries Compensation Board. At the beginning it was viewed as a remarkable departure, but now it has become more and more accepted and the concept of compensating victims of crime has been happily and speedily reconciled with other areas of tort law in criminal procedure.

I share the concern raised by the Hon. Member for Burnaby as far as factors in our society which lead to crime are concerned, and particularly reflect upon his point about violence on television. But a few weeks ago in my constituency of Etobicoke-Lakeshore we held a public forum on family violence. In the course of that evening's session, Ms. Diane Pôné, who is with the National Clearing House on Family Violence of the federal Government, reported on a conference which she had just that week attended in Chicago.

Something which is now developing in the United States—and we in Etobicoke-Lakeshore are in the course of pursuing it—is to have people monitoring television programs on which there is undue violence, noting which companies are sponsoring those programs, communicating with those advertisers and asking them whether they realize the amount of violence being portrayed in the programs which they are sponsoring. If they do, they are asked whether they are consciously doing it or whether they would agree either to cease supporting the programs through their advertising dollars or at least give the program producers a reflection of the concern which they get from the community. I do not think that these questions can be solved once and for all, and in the abstract. I look on this as an important development at the local level. It is beginning to put public pressure reflecting the genuine community concern on those who are disseminating such an unwarranted level of violence through society over the air waves.

I should like to make my final point. Again reflecting upon my point about the local initiative to respond to some of the problems of violence and referring to the organization, Victims of Violence, it is interesting and perhaps timely that just 24 hours ago in my constituency office in Etobicoke-Lakeshore I was meeting with Gordon Kearns and his wife, Lillian. They are certainly aware of the issues which we are now discussing because their daughter and their two grandchildren were murdered. They, along with others, were the founders of Victims of Violence National Link. Lillian Kearns, a constituent of mine, is Treasurer of this organization. They provided me with two brochures which are being distributed by the organization—one called "It Could Happen to You" and the other, a more descriptive pamphlet of the services which this very important community organization is providing.

I should point out that the organization is referred to in the police brochures of both the Metropolitan Toronto Police Force and the Peel Regional Police Force. There is an effective working relationship between Victims of Violence National and these two police forces. One idea which is central here is that violence does not discriminate. Men, women and children at all levels, in all walks of society, are victims of crime. The concept that it could happen to you is never more true than in this area.

The representatives of Victims of Violence came to see me for the same reason they have been seeing the Hon. Member for Ontario (Mr. Fennell). They have had difficulty with the Department of National Revenue getting registration for charitable purposes, which of course would be a great boon in their efforts to raise funds to continue their very worth-while support services to families who are cruelly bereaved through murder, or victims of other crimes. This is something on which the Hon. Member for Ontario and I are working, to see whatever changes are required in their application or their letters patent, and to see that whatever needs to be done be done swiftly so that the very important support work of the organization can proceed with all possible support.

That is one way in which community groups are doing their best. They will also get a very strong signal from the Government, from this Parliament, when the Bill which has been brought before the House by the Hon. Member for Halifax West is referred to committee and there considered fully so that we can, in turn, have proper legislation going forward for those too often ignored in the criminal justice process, the victims themselves. The ones who are most often forgotten or are left in the shadow of the process involving all machinery of justice, police investigation, criminal trial and incarceration, are the victims themselves. From speaking with the Solicitor General of Canada (Mr. Beatty) I know that he is extremely mindful of the role and importance of seeing that victims are getting a fair share of attention and that their rights are respected. In our criminal justice system, while doing all that is necessary and appropriate for those who have perpetrated crimes, we must be mindful that the rights of victims must be upheld.

I applaud the Hon. Member for Halifax West for bringing the Bill before the House. I join with other Hon. Members who have urged that the subject matter of the Bill go to committee and there, I hope, receive full and prompt attention.

• (1810)

**Mr. Scott Fennell (Ontario):** Mr. Speaker, it is a privilege, and it gives me great pleasure to speak on this subject today.

In 1981 a young girl lost her life. A young man was allowed out on mandatory supervision. Her father came to me and asked me what he should do. We spent a great deal of time together over the next few months trying to find out if the local police department had been notified that the young man who had committed the crime had been released from prison. Unfortunately, due to a strike in an office somewhere between Kingston and Oshawa, the local police department was not notified of this.

The victim's father, Don Sullivan, was a very distraught man at that time. Don has had the courage, dedication and leadership to help bring this Bill to the House for second reading. Don has done a great deal for humanity and a great deal for Canadians. He had to suffer throughout the terrible period of the trial when he could not receive information and did not know if the young man who had killed his daughter was in or out of jail. He received absolutely no co-operation from enforcement officers.

Don Sullivan created Victims of Violence as a result of a phone call he received one night from a mother who had experienced the same kind of tragedy. The two of them started it all at a kitchen table in Scarborough.

In 1982, Don Sullivan came to me for help. He never asked for a hand-out. He never wanted a grant to help him try to represent the victims. Once he started doing this, many people began coming to him. He had long-distance telephone call expenses. He had lost his job as a taxi driver. He was unemployed for a short period of time and then took on a job with the Harbour Commission police force in Toronto.

In coming to me for help, Don only asked that his organization be permitted to try to raise money through donations that could be tax deductible. He wanted to get a tax number from Ottawa. I ran into roadblocks that I could not have imagined when trying to provide this man with a tax number to permit him to raise funds to pay for his long-distance telephone calls, his postage and the information he was sending to other suffering people across the country.

I would like to tell the House of one other thing that occurred in order to prove the importance of victims rights. The husband of a lady who lives about three miles from me. One night tried to stop a vehicle one night. The occupants were stealing some tires that were chained to a tree in a rural area. The vehicle with the people who were trying to steal the tires drove off, dragged the man down the road and killed him. To this day no one knows who was in that vehicle. The wife of the man who was killed has suffered through hell since that time. She was never kept informed of what the police were trying to do to resolve the crime. She was never told anything. She was kept in the dark.

Finally, I went to see Don and told him that I had a problem. I asked if he could help me. Don called this lady and went to see her. That is the kind of person he is. He did this totally voluntarily. After he had seen her, she called me to tell me that she now felt she had someone with whom she could communicate. She realized that there was a group of people who had suffered the way she had.

Victims of crimes are ill treated and kept in the dark. We give all the protections that exist under the Bill of Rights to the murderers, the robbers and those who do wrong. However, we fail to look after those important members of our society who suffer, the victims. I suppose even I do not know how tough it is to experience a loss such as that suffered by Don Sullivan. However, I lived with his experience for some time.

Don has proved to be quite a force across the country. He has spent his own money. Organizations like Canadian Pacific Airlines have assisted him as he has travelled across the country. However, the only people who have not listened to Don Sullivan are those in the Government of Canada. I say hurrah to the Conservative Government. I am not being partisan, I am simply being supportive of Don Sullivan. The Conservative Government has taken this Bill seriously and is moving it to the Committee on Justice and Legal Affairs so that we, on behalf of those people who have suffered, can deal with the issue of bringing into force victims' rights, and do for those people that which is absolutely essential in this day and age.

I must say that the former Solicitor General, the Hon. Member for Central Nova (Mr. MacKay), acted exceptionally. He visited Mr. Sullivan, listened to him and told him that he had to do something about this. Then he started doing something. I understand that the Department has been in touch with Don since then. However, the critical action is in the form of this Bill, and I would like to pay my sincere and heartfelt thanks to the Hon. Member for Halifax West for bringing it before the House. I myself have been trying to draft a similar Bill. I am not a lawyer, but along with my assistant we have been working on it in an attempt to make its provisions very thorough. Perhaps she will be able to have some input and offer information that will be required for the deliberations of the Committee on Justice and Legal Affairs.

I also commend the Hon. Member for Burnaby who has been very active and supportive of victims over the years. As well, I would like to make particular mention of the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) who was very helpful in supporting me in the creation of the western arm of Victims of Violence. The Hon. Member was able to go with Don Sullivan to help the organization establish a branch in western Canada.

A great many people have been touched by Victims of Violence. A great many people have become more complete human beings through their understanding of the message Victims of Violence is trying to get across. I hope the next time I rise to discuss this Bill in the House, it will have been finalized and will be acceptable to all the victims who have suffered over the last many years.

**Mr. Rob Nicholson (Niagara Falls):** Mr. Speaker, it gives me great pleasure to address the House this evening on the

subject of Bill C-241, the proposed Crime Victims Assistance Act. I too would like to extend my congratulations to the Hon. Member for Halifax West (Mr. Crosby) for bringing this very important subject before Parliament.

Victims of crime have a number of concerns relating to their role in the criminal justice system and the assistance they would like to have in order to participate in this system more fully and with greater awareness of their rights. In some cases, crime victims would like to see changes to the law that would enhance their status in criminal proceedings. This, of course, would have to be balanced with a number of factors, including the right of the accused to have a fair trial.

I have already received a letter from a lawyer in my riding of Niagara Falls who pointed out very thoroughly some of the problems an accused may have in getting a fair trial. However, at the same time, he and all of us recognize the need for more adequate protection of victims of crime. Any changes to the law must therefore give careful consideration to the many interests involved in order to ensure that the best solution is found to meet the concern in question.

The Bill before us attempts to ensure that adequate and fair compensation be awarded to crime victims.

• (1820)

Today, in Canada, crime victims have several means of recourse to some sort of compensation. First, there is the Criminal Code which makes limited provision for compensation, and the emphasis should be placed on the word "limited". I know that in most cases the victims of crime are not even aware of their right to appear before a court to make a claim for restitution.

Second, for many centuries the victims of crime have been able to pursue civil remedies, seeking redress through civil proceedings. Again, the utility of that measure is often called into question. Many times the perpetrator of the crime is an individual with no means of support. Other times the victim of the crime does not have the money to obtain legal counsel in order to pursue the matter through the courts.

There is also a third way by which victims of crimes can be compensated. I am referring to the criminal injuries compensation boards. I believe that in nine of the ten provinces, with the exception of Prince Edward Island, there is a criminal injuries compensation board in place. My experience in the Province of Ontario has not been very good in this respect. It is my belief that the awards by the Criminal Injuries Compensation Board of Ontario are not even coming close to compensating victims. Much more money, both from the federal Government and the provincial Government, has to go into this area.

Therefore, I believe there are shortcomings with respect to all three of the alternatives I have just mentioned. It is essential that the question of compensation be addressed in a much broader context, one that takes into account the existing measures to see how they can be improved upon.

Bill C-241 proposes to ensure that crime victims have access to compensation through criminal proceedings. It contemplates measures which go far beyond the present provisions, in some instances perhaps raising constitutional concerns. However, the spirit of the Bill is highly commendable. It attempts to provide for a one-stop shopping, more economical type of solution, providing for an enhanced role for victims in criminal proceedings, giving victims special standing in court proceedings and access to information which is not even available to the accused. These proposed changes, however, may not be the most desirable solution to address the issue of compensation to victims and the status of victims.

The question of how to provide assistance to crime victims has been under consideration in Canada at both levels of Government. Both levels of Government have been actively following up on the 1983 task force report on justice for victims of crime. That report recommends a number of improvements, including legislative amendments which would better meet the concerns of victims. Compensation is one of the issues which received attention in the report. However, I do not think any solution in this area should be considered without reviewing, not just the task force report but all the different issues raised. That is why I believe there is a disposition in the House to have this matter referred to the Standing Committee on Justice and Legal Affairs for full consideration. Accordingly, I move:

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

"Bill C-241, an Act to provide assistance for victims of crime, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Justice and Legal Affairs."

**The Acting Speaker (Mr. Charest):** Is it the pleasure of the House to adopt the motion as amended?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Charest):** Accordingly, the order is discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Order discharged and Bill withdrawn.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### CHILDREN—CONVENING OF CONFERENCE ON MISSING CHILDREN

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, it is my purpose in rising this evening to deal with the question I raised with the Solicitor General (Mr. Beatty) on December 18,

1985, concerning missing children. I cannot help but think, as we have seen the disposition of the House with respect to the crime victims legislation which will now be referred to the Standing Committee on Justice and Legal Affairs, that the House might have taken the same action with respect to a Bill I presented to the House on October 1, 1985, entitled the Missing Children's Search Act. Just as we considered crime victims in Private Members' Hour today, we might also turn our thoughts to the subject of missing children because, in many cases, those missing children are the victims of crime and criminal acts.

My specific reason for asking the Solicitor General that question on December 18, 1985, was that at of a press conference he held the day before in which he announced specific measures with respect to missing children. Among the measures announced by the Solicitor General was one to establish a central registry on missing children to be operated by the Royal Canadian Mounted Police. It would obtain and maintain facts and other information concerning missing children across Canada. In addition, the Solicitor General announced an intention to form a Canadian information centre on missing children. Beyond that, the Solicitor General promised a national missing children's day, presumably to focus attention on the subject of missing children across Canada. He said that there would be a national conference on missing children.

When asked in the House with respect to the matter he indicated that the conference would be held as soon as possible. I hope the Parliamentary Secretary to the Solicitor General (Mr. Towers) will give us some information on when that conference might be held.

In addition, the Solicitor General announced a missing children's research project for the City of Montreal, the purpose of which would be to examine the facts and circumstances related to missing children in that city with a view to making recommendations on what further action might be taken.

My first duty is to compliment and congratulate the Solicitor General on taking these steps, because the subject of missing children—and it is a broad subject—has been almost totally neglected at the national level for the past decades as the problem has developed on the streets of urban centres and the roads of rural centres across Canada. I do not apologize at all for raising this subject as many times as I am given the opportunity to raise it in the House of Commons because the subject of missing children is only the tip of a much deeper iceberg, that is, the social wrongs which prevail against children in our society.

The Solicitor General, as I said, has proposed a project for the City of Montreal. I would like to refer specifically to activities in that city. I have before me a newspaper clipping from December of 1985 which quotes Thom Garfat, who is the Director of Treatment at the Youth Horizons Reception Centre in Montreal. He points out very graphically what is at the heart of my concern.

First, the article indicates that over 120,000, and as many as 150,000, children ran away from homes in Canada in the year 1984. That makes it a major problem in terms of numbers. One has to ask oneself: What happens to these runaways who do not return home or are not returned home? Unfortunately, Mr. Garfat provides the answer:

> After a short time, some turn to prostitution to support themselves. Or they end up involved in breaking and entering, stealing credit cards and cash. They may even like it.

● (1830)

That is the problem I want to address. I hope the Solicitor General (Mr. Crosbie) will give grave consideration to this problem in the days, weeks and months which lie ahead, because missing children either are or become the victims of criminal activity and that is what makes it a problem for law enforcement agencies across Canada.

The Government of Canada and the Governments of each and every province and territory would be derelict in their duties to the youth of Canada if they did not address in very specific terms what has become the problem called "missing children". I should say that not only runaways create the problem. An even greater problem lies in the fact that children are being taken from their home environment by strangers or, indeed, by members of the families in situations where there are custodial or other family disputes. The point is that across North America we have a large number of young people who have become known as "missing". But the real situation, as pointed out by Mr. Garfat, is that the missing children have become victims of crime or get themselves into a criminal situation. If clear steps are not taken to rectify this situation, death and other forms of violence will result.

In my city of Halifax we have had a graphic demonstration of the dangers to young people on the streets of cities. There have been three teenage murders in a very short period of time. In at least two of the cases, the young girls had been engaged in prostitution. I suppose there are some people who would say that that situation should deprive those victims of sympathy, but that is not so. Quite to the contrary, it is people in that situation who should attract our attention and our sympathy because a young teenage girl involved in prostitution is a victim of our social structure and is not, in most cases, a voluntary actor in that kind of involvement.

I want to present to this House as many times as I have the opportunity the subject of missing children. As it states in the headline I have before me, missing children have become a U.S. national preoccupation. There are television programs put before a national audience about this subject. I believe Canadians are responding to the challenge to do something about missing children. I hope the Solicitor General and the Government of Canada can play a real and important role in that challenge to resolve the problem of missing children.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, in a question to the Minister, the Hon. Member for Halifax West (Mr. Crosby) underlined the importance of measures we are taking on missing

children in Canada. He noted especially the urgent need for a national conference on missing children. I congratulate him on his initiative in bringing attention to this important matter.

While the main responsibility for the prevention, investigation and detection of missing children is on a local and provincial level, I feel there are a number of important steps which can be taken by the federal Government to respond to the problem. The most immediate and direct action which can be taken is to have the RCMP create a central registry of missing children in Ottawa in order to assist police forces and concerned agencies across Canada in locating and identifying missing children. An important by-product of such a registry is the generation of national statistics on missing children in Canada, data which we do not now have. We are also setting up four major research projects to examine the phenomenon of missing children in great detail. We must know much more about the dimensions of the problem and how different police departments attack the issue.

The first such project in Montreal should be up and going in about three months, thanks to the co-operation of the Quebec and Montreal urban community Governments. We are now negotiating with other jurisdictions with a view to developing three more research projects to delve into this complex problem. There will have to be continuing consultation between all levels of Government and provincial and municipal police forces, the private sector and, of course, the voluntary sector which has been doing so much good work in this area.

• (1835)

I see our role as one of getting the ball rolling and bringing the concerned parties together to collaborate and provide expertise from their own spheres of responsibility. To this end the Minister will convene in Ottawa in late April a national conference on missing children. This conference is urgently needed, as my hon. friend from Halifax West has noted. At this conference the Solicitor General will bring participants up-to-date on the development of the central registry and research projects. The conference will provide an important forum for the exchange of ideas and information. There will be a discussion on further measures that can be taken to respond to the problem of missing children.

Two important agenda items will be proposals made by the Solicitor General (Mr. Beatty) to establish the designation of May 25 as National Missing Children's Day to focus public attention on the measures that can be taken to minimize the risk of children becoming victims. The second item is for a Canadian Information Centre on missing children. The role and ambit of this Centre needs to be the subject of consultations with other levels of Government and the voluntary sector. However, I see it having the potential for an important role as a clearing house for the exchange of information on effective prevention programs and facilitating the co-ordination of efforts across Canada. It is our hope that private sector groups already involved with missing children will play an important role in the Centre.

I must close, but in doing so let me say that I believe all Hon. Members and the people they represent are concerned for the thousands of children who go missing every year in Canada. They want to see elected representatives at all levels working with police and others to find solutions to this problem which causes so much needless anguish and suffering. I thank the Hon. Member for allowing us the opportunity of discussing this important matter at this time.

## YOUNG OFFENDERS ACT—INTRODUCTION OF AMENDMENTS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, on January 16 I applauded the Solicitor General (Mr. Beatty) for his swift action in announcing a major overhaul of the Young Offenders Act. That Act came into being in 1982, and Phase II came into effect as of April 1, 1985. It involved raising the minimum age at which a youth could be tried in an adult court from 16 to 18, as well as raising the age at which a youth could be prosecuted from seven to 12. I have spoken on this important and vital issue on at least five occasions over the past year. I have from the start been totally supportive of the basic principles and philosophy of the Young Offenders Act. I would like to now just highlight the four principles which underlie this important piece of legislation.

First, young people are personally responsible for their acts and should be held accountable before the law. Second, young people, like all Canadian citizens, enjoy rights which are protected by the Bill of Rights and Charter of Rights and Freedoms. Third, society has a right to be protected from criminal behaviour. Fourth and last, juvenile justice laws and procedures must recognize and deal with the fact that young people have special needs because they are at various stages of development and maturity. If there is any group in society that deserves that second or third chance, it is our youth.

The Solicitor General has promised a reform package of legislation within the next two months. I would just like to highlight what I believe will be forthcoming. These are major improvements.

First, the procedures and language of the Act sometimes makes it difficult for the authorities to deal quickly and effectively with young offenders who have, for example, violated probation conditions or failed to keep the peace. Such limits are clearly unacceptable. Second, the rules which govern detention after arrest are inflexible and can cause hardship for both police and the young people affected.

• (1840)

For instance, just today, Mr. Speaker, I was talking with Inspector Jim Clarke, head of the Youth Bureau for Metropolitan Toronto. He was highlighting again the problem of detention. Under current provisions, if two youths are apprehended and one is under 12 and the other over 12, they cannot be placed in the same cruiser to be taken home. We had an example of that where the youths were brothers, and yet could not be sent home in the same cruiser. Of course this

causes, particularly small municipalities, a real problem in terms of cost.

Third, there appears to be circumstances in which the inability of police to make names or other identifying information publicly known has been an impediment to effective law enforcement or has created an unreasonable risk to the public. This concerns the problem of missing children which, by coincidence, was debated just a few minutes ago. While it is essentially a provincial matter, I believe the federal Government can show leadership to try to get more consistency in these age ranges that exist throughout the country. For instance, in Quebec I believe the limit is up to 17 and in Ontario it is 16. I think we could play a leadership role in that particular area.

Fourth, there were no comprehensive records systems under the old law, but the Young Offenders Act has introduced such systems clearly authorizing the use of fingerprints, youth court records in an adult court, and so on. Unfortunately, the records provisions have created a wide range of technical and administrative problems. Indeed, I am told that there was not even a clear definition of what constituted a record.

Fifth, Mr. Speaker, modifications should be made to the Criminal Code provisions dealing with counselling criminal behaviour. No one who abuses children by involving them in criminal acts should be immune from criminal prosecution.

Sixth, the current provision requiring that the evidence of a child witness be corroborated by other evidence is clearly unacceptable. The court should assess the testimony on its own merits. Similarly, an oral statement made by an accused who refuses to sign a written waiver should be admissible on its merit.

Seventh, the language of the Act is now unclear about the maximum length of sentence that may be applied for subsequent convictions. The courts should be capable of imposing appropriate sentences for new crimes, with the result that the total sentence for different offences could be longer than three years. The current maximum sentence under the Young Offenders Act is three years unless the case is referred to an adult court. Last April 12 a most regrettable crime was committed by a 14-year old in Scarborough, Ontario. Three people were murdered, yet the sentence given was only three years as provided by the Young Offenders Act. Fortunately, a family court judge has been asked to reopen the trial to determine if the case should be referred to an adult court.

In summary, Mr. Speaker, it appears that most of the major flaws in the Young Offenders Act will be corrected within a few months. The Solicitor General is to be commended for moving so sensitively and quickly to provide remedial action. He has listened to various concerned groups in society and acted wisely and compassionately. I commend and applaud him for that.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, I congratulate the Hon. Member for his interest in this very important matter of concern to all of us. I firmly support the basic principles and philosophy of the Young Offenders Act. My belief in these principles has been confirmed in the discussions of the Solicitor General (Mr. Beatty) across Canada with concerned citizens, police, correctional workers, the legal profession, provincial authorities, and others. Not only did we need to reform the old juvenile justice system, but we needed a law to ensure that young people have the same rights and obligations as do adults.

The basic philosophy of the Young Offenders Act is as follows. One, young people are personally responsible for their acts and should be held accountable before the law. Two, young people, like all Canadian citizens, enjoy the rights that are protected by the Charter of Rights and Freedoms. Three, society has a right to be protected from crime. Four, juvenile justice laws and procedures must recognize and deal with the fact that young people have special needs because they are at various stages of development and maturity.

● (1845)

Certain provisions of the present law pose problems and it is up to the Solicitor General to deal with these problems, with all our support. Concerns about the handling of youth court records, the ban on publication of offenders' names and the difficulty of enforcing sentences are some of the major concerns which moved the Minister to initiate consultations across the country. He wanted to hear from those who work with the Act every day—judges, police, concerned citizens, youth court workers, Crown and defence counsel—to identify the nature of these concerns and get a good idea of what improvements were required.

The Government recognizes that the provinces and territories must be consulted on such important national matters. Parliament legislates criminal law but it is the provinces which must administer it. That means they have to do their part. In two areas in particular—providing the court with alternatives to sentencing a young offender to prison and providing adequate legislation to deal with children under the age of 12—the provinces have an especially heavy responsibility.

The deputy minister has been meeting with his provincial and territorial counterparts this week and the Solicitor General will be meeting with provincial and territorial colleagues early next month for a final discussion of proposed improvements. As soon as possible thereafter he will present to Parliament a package of amendments that will make the Young Offenders Act much more responsive to the concerns of those who have to work with it. He will be asking for the opposition parties' co-operation in passing the Bill as soon as possible.

Action is required to enable authorities to deal effectively and quickly with young offenders who have, for example, violated probation conditions and other conditions of their sentences. It is required to give police more flexibility in detaining young offenders after their arrest. The present rules at times cause hardship for the police and young offenders. It is required to allow publication of names in those circumstances where a young offender who might be a danger to the public has escaped custody or where public assistance is

needed to apprehend the offender quickly. Action is required to improve the Act's record-keeping provisions, which have caused a wide range of technical and administrative problems. These problems will be addressed and evident omissions resolved. The law will be clarified to ensure that records in cases of acquittal by reason of insanity are kept.

Action is required to ensure that modifications to the Criminal Code provision dealing with counsellig criminal behaviour are made to ensure that no one who abuses children by involving them in criminal acts will be immune to criminal prosecution. The Solicitor General will be discussing this point with our colleague, the Minister of Justice (Mr. Crosbie).

Action is required to ensure that courts are capable of imposing appropriate sentences for new crimes with the result that the total sentence for different offences could be longer than three years.

I thank the Hon. Member for providing the opportunity of discussing this major issue at this time.

## VISIBLE MINORITIES—GOVERNMENT'S NEGOTIATIONS WITH REPRESENTATIVES OF JAPANESE CANADIANS INTERNED DURING WORLD WAR II. (B) REQUEST FOR FURTHER NEGOTIATIONS

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to have this opportunity to review a question that I posed to the Minister of State for Multiculturalism (Mr. Jelinek) on January 16. The date is significant because that is the date we learned of the U.S. Congress plans to move very boldly on three separate fronts with respect to the Japanese American citizens. One front was the personal compensation; the second was a foundation and the third was a general apology. I believe we should use the opportunity to compare what Canada is doing with respect to the Japanese Canadian redress issue.

I am sure my friend opposite will suggest that, looking to the past 43 years, the Government is making an attempt to correct a past injustice. However, the debate should take the perspective of what the Government and the Prime Minister (Mr. Mulroney) promised when he was Leader of the Opposition. We should consider in perspective what the Prime Minister promised on the hustings during the last federal election when he said that the package needs to be negotiated and the wrongs need to be righted.

We should also consider this debate from the perspective of the Minister's predecessor who said in a press release dated December, 1985 that the Government would move on two fronts. First, it would negotiate a redress package and second, it would negotiate it with and through the National Association of Japanese Canadians which happens to be the legitimate body, elected across the country, to represent the views of the Japanese Canadian community. The Minister in his response said: "We are consulting, and I am consulting with the Japanese Canadian Association". I said during Question Period then, and I repeat it here tonight that that is a false and an untrue statement. I have met with membership organizations in Vancouver, in Winnipeg, in Toronto and in Ottawa. They all suggest the great and growing frustration which the community is having dealing with the Government, particularly with this new Minister. He is not consulting with this organization, Mr. Speaker. He is circumventing the organization. The national president of the association only had one opportunity to meet with this Minister and that was in the lobby of the Winnipeg airport for 20 minutes. Is that consulting, Mr. Speaker? Is that what you would call negotiating a redress package? Of course it is not.

• (1850)

The previous Minister stopped the negotiations after two meetings and tried unilaterally to propose a solution to Parliament. That failed miserably. There is movement afoot, words and rumour around Ottawa, that a second unilateral package may be forthcoming.

My question tried to get a commitment from the Government that this Minister would honour the statements, pronouncements and speeches made by his Prime Minister, that he would honour the commitment his predecessor, the former Minister of State for Multiculturalism, made in his accord last December stating the two proposals I outlined earlier.

That is what the Opposition is talking about. We are talking about the Government's promise and the Government's commitment to the Japanese Canadian community. Now we have a Minister who refuses even to meet with the national associations, let alone negotiate. We have also a Minister who is much more political and partisan in dealing with this issue than his predecessor. Not only is he playing up the differences that might exist in the community on a national issue—there are divisions on every national issue we debate, discuss and move in this House of Commons, but there is never unanimity—but after consulting you need to work with the national vehicles and this Minister is not doing so.

Another factor is that this Minister's advisory council on multiculturalism has taken a public stand against a negotiated compensation package. The advisory council is there to advise the Minister. Everyone knows that. In such a delicate and sensitive issue, in an issue the Government has yet to resolve, this Minister allows this council to publicly make the statement it did. The Japanese community, the Opposition Party and Canadians at large know perhaps why that public pronouncement was made. it seems this Minister is preparing the skid. It seems this Minister is asking this council to oil the skid. That is inappropriate. It is inappropriate because it does not give credibility to the commitment, the clear commitment the Government and the Prime Minister made with this Particular constituency.

• (1855)

In closing, I urge the Government to come clean on the matter. If the Minister rises repeatedly, as he does, and says "we are consulting with Canadians and, after we have consulted, we will arrange a package", that is fine. He is a Minister in charge of a national constituency; let him consult. What I

want to hear from the Government is that following the completion of his consultations with whomever he wants, whichever Canadian he chooses, he will return to the negotiating table, present his findings and, in a give and take atmosphere, negotiate a settlement that is not only appropriate and politically acceptable to the Minister or to the Government but also satisfactory to the concerns of the community which a redress package would attempt to address. It is only logical. Let us have the Minister live up to his Government's commitment. Have the consultations, but for goodness sake be honourable, be fair and be just. Return to the National Association and together strike an agreement of which the entire House and the country can be proud.

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, I want to thank the Hon. Member for York West (Mr. Marchi) for raising this most important issue if only to set the record straight.

At the present time, the Minister of State for Multiculturalism (Mr. Jelinek) is consulting broadly with Canadians on how we can show regret in a meaningful way for the past wrongs to Japanese Canadians. This matter is of concern to all Canadians as it relates to the subjects of equality and human rights.

Shortly after being appointed Minister of State for Multiculturalism, the Hon. Member for Halton, called Mr. Art Miki, President of the National Association of Japanese Canadians, representing a major component of their community, to establish contact and organize follow-up meetings. The Minister met with him and other representatives of the NAJC in Winnipeg on September 16, 1985, and again in Toronto on October 31, 1985.

These discussions focused on the following items: first, appropriate wording for a parliamentary resolution acknowledging mistreatment of Japanese Canadians; second, possible changes to the War Measures Act; third, a possible pardon for infractions of war-time regulations; fourth, possibility of restoring Canadian citizenship to those who were deported; and, fifth, a meaningful financial settlement.

The Minister has also met with other members of the Japanese Canadian community in several centres and has come to understand that there exists a wide range of views on the most appropriate solution to this issue. It is well known that the National Association of Japanese Canadians is having a study completed by Price Waterhouse and that they wish to have the results of the study before the Government acts.

I would share the views of the Hon. Member for York West, and I say that it is the hope of the Government that with the good will of all Canadians we will be able to arrive at a just and meaningful settlement to this issue.

[*Translation*]

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.59 p.m.

# HOUSE OF COMMONS

**Friday, January 24, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### REFUGEES

DEPORTATION OF SIKH CLAIMANTS OF REFUGEE STATUS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the Government's decision to resume deporting Sikh refugee claimants to India is causing considerable concern in the Sikh community in Canada. In announcing this decision the Government cited a number of hopeful signs, such as the democratic election of a moderate Government in the Punjab last September. Naturally, we welcome such signs, and we hope that there will be communication and dialogue to bring order, stability, and peaceful solutions to the social upheaval in that part of the world.

At the same time we want to be very sure that the Government's decision is based on the most reliable and up-to-date information available. The ban on deportation was temporary; but a decision to return to normal procedure should be taken only on the basis of carefully gathered and evaluated information which indicates that actual conditions no longer warrant the existence of a moratorium.

* * *

### INCOME TAX ACT

WORDING OF SECTION DEALING WITH BONDS AND MORTGAGES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, today's reading of the Income Tax Act will be from Chapter 16(3) and (4) which read as follows:

(3) Where, in the case of a bond, debenture, bill, note, mortgage, hypothec or similar obligation issued after June 18, 1971 by a person exempt from tax under section 149, a non-resident person not carrying on business in Canada, or a government, municipality or municipal or other public body performing a function of government,

(*a*) the obligation was issued for an amount that is less than the principal amount thereof, and

(*b*) the yield from the obligation, expressed in terms of an annual rate on the amount for which the obligation was issued (which annual rate shall, if the terms of the obligation or any agreement relating thereto conferred upon the holder thereof a right to demand payment of the principal amount of the obligation or the amount outstanding as or on account of the principal amount thereof, as the case may be, before the maturity of the obligation, be calculated on the basis of the yield that produces the highest annual rate obtainable either on the maturity of the obligation or conditional upon the exercise of any such right) exceeds 4/3 of the interest stipulated to be payable on the obligation, expressed in terms of an annual rate on

(i) the principal amount thereof, if no amount is payable on account of the principal amount before the maturity of the obligation, or

(ii) the amount outstanding from time to time as or on account of the principal amount thereof, in any other case,

the amount by which the principal amount of the obligation exceeds the amount for which the obligation was issued shall be included in computing the income of the first owner of the obligation—

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

* * *

[*Translation*]

### SPORTS

TRIBUTE TO PIERRE MONDOU

**Mr. Louis Plamondon (Richelieu):** As a poet once wrote, Mr. Speaker, "*Aux âmes bien nées la valeur n'attend pas le nombre des années*".

A good many residents of my riding have decided to hold a gathering this evening in the fair city of Sorel to tell the young people of Canada what Pierre Mondou has done to show them the way to success. More than ever before Canadian youths need examples of determination, courage, and community spirit. Few of our sports heroes have lived up to such expectations, most of them choosing to bask in their own glory rather than to remain simple and pleasant company. Exceptions are few, but some of them did understand the leading role they were expected to play in our society.

This young man has just put an end to a long and promising career in our national sport, but he has never turned down requests for assistance from sports and social organizations in the beautiful Province of Quebec. He has never failed to promote the aspirations of young people and make them benefit from his advice and experience.

Today I echo the sentiments of the Pierre Mondou celebration organization committee and say to him: Sports-minded people throughout Quebec and the rest of Canada will miss you, but they will always have fond memories of you, your outstanding talent, and your engaging personality.

*S.O. 22*

## SMALL BUSINESS

CARREFOUR PME

**Mr. Marcel R. Tremblay (Quebec East):** Mr. Speaker, again I am pleased to speak on behalf of the small- and medium-sized businesses of Quebec City. Since November 1985 they can avail themselves of the services of "Carrefour PME", an operation which we think is unique.

The purpose of this operation is to encourage small- and medium-sized businesses to use the services and programs of both levels of Government in all matters related to staff recruiting as well as the preservation and promotion of employment. Mr. Speaker, those Quebec City businesses should be thankful to the Canada Employment and Immigration Commission, the Quebec Minister of Manpower and Income Security, the Chamber of Commerce and Trade of Greater Quebec City for taking this initiative.

Congratulations on this common agreement! Mr. Speaker, accomplishments inevitably stem from dialogue. Close to 2,000 companies will benefit from grants to small- and medium-sized businesses. This operation reflects the Canadian Government policy under which small businesses are allowed a free rein to expand. Let us leave our small-and medium-sized businesses operate in the sectors to which they are suited so that we will be able to create more jobs and give a boost to our economy.

Mr. Speaker, we believe in private enterprise and in its freedom of action.

* * *

[*English*]

## REFUGEES

ADVICE GIVEN BY ALLEGED UNSCRUPULOUS LAWYERS AND CONSULTANTS

**Mr. Sergio Marchi (York West):** Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) has recently ordered an investigation in suspected cases of phoney refugees. It is a move that speaks to the need of locating illegitimate cases so as to better facilitate an expeditious and proper processing of the numerous legitimate files. However, the Minister has failed to exercise balance. Yesterday, for instance, Toronto's Portuguese community drew attention to the reality that many of its citizens are lured to Canada and subsequently misinformed and misled by unscrupulous immigration lawyers and consultants. Not only is it an issue of misleading advice but the fees which are being imposed on would-be citizens are grossly exhorbitant.

This latest charge is not a new phenomenon. The practice has been allowed to continue for some time. In fact I have met constituents who illustrated clearly how they have been hoodwinked and cheated of their moneys by so called consultants. Therefore, if the Minister wishes to rid the system of phoney refugees as she should, she should also be prepared to track down the phoney immigration consultants and lawyers who live off the immoral proceeds derived from innocent and trusting individuals.

I call upon the Minister to investigate this crooked practice immediately and introduce regulations which will put an end to this illegal and insensitive gouging practice.

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[*Translation*]

## THE ECONOMY

GOVERNMENT PERFORMANCE

**Mr. Richard Grisé (Chambly):** Mr. Speaker, it is a well known fact that good news generally does not retain the attention of national media, although it has not been lacking since the Conservative team came to power. For instance, after having advised us of the hundreds of thousands of new jobs created by our Government since September 1984, Statistics Canada published this week its most recent data on inflation. For the year that has just ended, the rate of inflation was 4 per cent. Mr. Speaker, we would have to go as far back as 1971 to find such a good performance. The data published by Statistics Canada are a far cry from the skyrocketting rates to which Canadian consumers had been used under the former Liberal administration. The stability of inflation rates over the past few months has created a climate of confidence favourable to economic recovery.

Mr. Speaker, the economic policies of the Conservative Government make it possible for the Canadian people to forget now about the dark years of the Liberal administration. Although they are not widely publicized, those data certainly please Canadian consumers.

* * *

• (1110)

[*English*]

## FISHERIES

GRANTING OF CLAM FISHING LICENCES

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, I rise today to call on the Prime Minister (Mr. Mulroney) to take a hard look at the way his Government is allowing itself to be used by Tories who would put their own financial gain before the welfare of the country. The Cape Breton clam scam is the latest example of the Government's lack of integrity. The Minister of Fisheries and Oceans (Mr. Siddon) overruled his officials to grant two valuable licences to Mother Snow's Fine Foods Ltd. The Minister of National Revenue (Mr. MacKay) lobbied the Minister of Fisheries and Oceans on behalf of the principals of that company. At the same time the Department of National Revenue was trying to execute thousands of dollars in outstanding judgments against those principals.

It is my opinion that the Minister has commited a serious breach of his responsibility and the Prime Minister should immediately demand his resignation. There are serious questions about the financial viability of the company and its principals. They appear to be relying on other companies to supply vessels and on the Government of Canada to supply grants to fund the entire endeavour. Three principals of Mother Snow's are being sued by Kristan Seafoods International for double-crossing it and appropriating company secrets without permission. Statements of claim against those principals and the Minister of Fisheries and Oceans have been issued.

It is my understanding that this company has applied for a DRIE grant of close to $1 million to build interim processing plant facilities. The facts of this case seem to be that a group of individuals whose only assets, intangible as they are, were Rick Logan, the member—

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

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## ENERGY

SELECTION OF MINISTER AS "OILMAN OF THE YEAR"

**Mr. John Gormley (The Battlefords-Meadow Lake):** Mr. Speaker, in the years between 1979 and 1985 the editors of *Oilweek* magazine were unable to reach consensus on the selection of the "Oilman of the Year" award. This traditional feature was then suspended. Undoubtedly, one of the obvious reasons for the lack of an award was the lamemtable state of the oil industry brought on by the previous Liberal Government's National Energy Program. This year *Oilweek* magazine did choose an "Oilman of the Year". With the rebirth of the Canadian petroleum industry, the choice was unanimous—The Hon. Minister of Energy, Mines and Resources (Miss Carney).

**Some Hon. Members:** Hear, hear!

**Mr. Gormley:** The Minister was recognized as the "Architect of Restoration". To illustrate this, one need only look at the Western Accord which will phase out the Petroleum Gas Revenue Tax and the Petroleum Incentive Program. These measures are commitments made and honoured by our Prime Minister (Mr. Mulroney) and Government. The latest figures indicate that oil well completions are up 21 per cent over last year. Even more important, this year's figures are almost twice as high as the 1983 level.

Considering what this outstanding oil person, the Prime Minister, and Government have done for energy policy in Canada, the selection of "Oilman of the Year" should not be a problem in coming years.

*Oral Questions*

## GOVERNMENT APPOINTMENTS

LEVELS OF REMUNERATION

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, in this world there are winners and losers. For example, this week Canadians learned of two people who won huge prizes. One of them was my constituent, Mr. Jean Viau of Green Valley, Ontario, who won $10 million. The interest alone on that amount is over $2,000 per day. On the other hand, Simon Reisman also won the jackpot. He gets $1,000 per day and he did not even buy a ticket. I wonder if he will buy himself a red Corvette as well.

However, life is so unfair. Take Bill Davis, affectionately known as "Acid Rain Bill". He works part-time as well, but only gets $1 per year. It is universally recognized, of course, that he is worth at least twice that much. Meanwhile, the sad reality is that two of my constituents, Mr. Dalrymple and Mr. Cameron, employees of the Department of Public Works in the post offices in Rockland and Hawkesbury, are being fired by the Tory Government because apparently they make too much money at $8 or $9 an hour. That is the reality of the Tory Government giving more to the rich and taking away from my poor constituents.

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## HEALTH

PLIGHT OF NONSMOKERS IN THE WORKPLACE

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, at the risk of incurring the wrath of Canada's five million smokers, let me call attention to the plight of nonsmokers in the workplace. A recent grievance decision involving employees of the Department of Health and Welfare classified smoking as dangerous to the workers exposed to the smoke. The evidence is overwhelming that cigarette smoking is dangerous to health. It is required that each package carry a health warning.

There is cogent evidence that exposure to passive smoke is equally dangerous to health. Why should nonsmokers face an unnecessary risk to their health pursuing their employment? The State of Maine has enacted laws requiring employers to have a smoke-free area in each workplace. The Government of Canada would be wise to consider a similar law.

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# ORAL QUESTION PERIOD

[*English*]

## TRADE

CANADA-UNITED STATES NEGOTIATIONS—MANDATE OF NEGOTIATOR

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Deputy Prime Minister. In an on-going series of personal musings Simon Reisman, our trade

negotiator, today expressed the view that he has yet to receive any mandate from the Government concerning the trade initiative, even though it was announced over six months ago.

Does the Deputy Prime Minister not find it very strange and unusual to be paying someone $1,000 a day to be our chief trade negotiator without giving him any instructions or mandate on what his job should be? Can he tell us when Mr. Reisman will receive his mandate so that he can get on with the job?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think Mr. Reisman has made what his mandate is very clear. His mandate came out of the First Ministers' Conference. It is to work with the provinces to develop a common data base and a common set of understandings of what the impact of the negotiations would be on various industries and various regions of the country. That is what he is working on right now, leading up to the possible start of serious discussions with the Americans this spring.

STATEMENT ATTRIBUTED TO NEGOTIATOR

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I thank the Minister for his answer, but apparently Mr. Reisman does not know that because he is quoted today as saying that he is still awaiting his government mandate. When will Mr. Reisman be given his mandate? When will he be permitted or told to come before committee so that we can find out what his mandate is and so that the public will know exactly what the Government intends to do on the trade negotiations?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I just told the Hon. Member what Mr. Reisman's mandate is.

**Mr. Deans:** Tell Mr. Reisman.

**Mr. Wilson (Etobicoke Centre):** I just told the House what the mandate was, in response to the previous question. I do not think there is anything further to add.

**Mr. Deans:** Is he supposed to watch Question Period to find out?

GRAND CANAL PROJECT

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, in the same interview Mr. Reisman said that he was never associated with the Grand Canal Company which is dealing with water export proposals. Yet in a speech three months ago to the Ontario Economic Council he said that he was closely associated with the company and, in fact, was its chief economic adviser.

Is it not time for Mr. Reisman to submit a conflict of interest report so that he can be held accountable for his associations? Will Mr. Reisman be asked to come before committee so that we can determine what his associations and accountabilities are?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I am surprised that the hon. gentleman would raise Mr. Reisman's character in that light, particularly in view of the fact that when the Member's Party was in government the then Leader of that Government arranged to pay $1,600 a day to a very deserving civil servant to settle the COPE native claims. The kind of statement made from the backbench opposite during Statements, and the kind of aspersions that the hon. gentleman is casting upon Mr. Reisman's character, are totally unwarranted and unjustified.

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## ENERGY

PRICE OF OIL

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, you will have noted that the mystery of high oil prices remains. Today the newspapers tell us that industry does not know why the prices are high. At the same time Imperial Oil reports an increase of $150 million in profits in 1985. Prince Yamani tells us that oil may go below $15 a barrel. Petro-Canada will not comment. Will the Minister of Energy, Mines and Resources please tell us what steps she is taking to solve this mystery on behalf of Canadian taxpayers?

• (1120)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am sorry that such a distinguished Member has trouble understanding what is happening with oil prices. However, I can tell him that revenues earned by the oil companies are being reinvested in new jobs in Canada.

Since the introduction of our new energy regime, the reinvestment ratio of the industry has risen to 70 per cent, which has created 60,000 person years of employment in the last year alone. That is what has been happening in the oil and gas industry and there is no mystery about that.

[*Translation*]

PRICE OF GASOLINE

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the mystery remains. It is quite clear that the Minister does not know at all why prices remain at their current level. Yesterday, however, the Minister of Consumer Affairs stated that he felt—

[*English*]

**Mr. Speaker:** Order, please. This is becoming a preamble to a supplementary. Just a question, please.

[*Translation*]

**Mr. Johnston:** Mr. Speaker, my question to the Minister is therefore as follows: To what level will prices have to fall—they have now reached $18 a barrel—before Canadian consumers can benefit from lower prices?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I should point out that gasoline prices in his home City of Montreal have already dropped marginally since we went to deregulation in June. As the decrease in oil prices moves through the system, he can anticipate further benefits to the consumer.

OIL COMPANY PROFITS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Today Imperial Oil's profits were reported at $684 million for 1985, which is up 28 per cent or $151 million over 1984. Its profit in the final quarter was $250 million, which is up by approximately 50 per cent over the final quarter last year. Obviously the Minister is going to bat for the big oil companies. When will she go to bat for the ordinary Canadian motorist who is continually being ripped off at the pumps?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I understand that the reason the Hon. Member must raise this question in the House is that the turn-out at his press conference was so dismal. Let me point out to the Hon. Member again that it is the moneys being earned by the oil and gas industry which are being reinvested in new jobs right across Canada. I pointed out that 60,000 new jobs were created in the last year alone. Industry investment rose 20 per cent to $10 billion in 1985. Canadians all across the country have benefited from those new jobs.

The Member for The Battlefords-Meadow Lake pointed out that drilling has reached an all-time record. Those benefits are being spread across the country.

**Mr. Waddell:** The Minister sounds like a broken record from the Canadian Petroleum Association.

PRICING PRACTICES OF OIL COMPANIES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, why does the Minister not deal with the facts? Is she aware that the Government's own Director of Combines has said that the big oil companies stamp out competition by shutting down independents, and refusing to sell gas to them and using unfair and anti-competitive contracts? In short, prices always go up. What will the Minister do to break up these anti-competitive practices so that Canadian motorists can take advantage of the dramatic decline in world oil prices?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, if the Hon. Member has any evidence of collusion or activities of that nature, why does he not present it to the Minister of Consumer and Corporate Affairs?

**Mr. Waddell:** I do not know where the Minister has been for the last 15 years. The Department is constantly saying that.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO PETRO-CANADA

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, getting back to the consumers and motorists, the Minister has an opportunity to show some leadership in this case. Is she prepared to move, under Section 7(2) of the Petro-Canada Act, by making Petro-Canada a price setter? Is she prepared to break up some of these anti-competitive practices so that the Canadian consumer will not get ripped off at the gasoline pumps?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, no, I am not prepared to do that and I will tell you why.

**Mr. Waddell:** You just want to be with the oil companies.

**Miss Carney:** If he wants to listen to me, this afternoon I will be meeting with the Minister responsible for the offshore, Mr. Bill Marshall, of Newfoundland. We will be working toward the development of Hibernia in which a major partner is Petro-Canada. That is where Petro-Canada's revenues will go, right into jobs in the offshore, in the oil patch in the West, in British Columbia and in the High Arctic.

PRICE OF GASOLINE—CANADIAN AUTOMOBILE ASSOCIATION TELEGRAM

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, the problem is that Newfoundlanders now need 64 cents a litre to pay for their gasoline. They need those jobs now and they need a lower price.

My question is for the Minister of Finance. I want to read him a telegram from the Canadian Automobile Association. Two million members say "I've had enough":

> I agree with the Canadian Automobile Association that gasoline taxes are too high—I want to know what you plan to do to relieve motorists of this inequitable tax burden.

What is the Minister's answer to those two million Canadians?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Minister of Energy has commented on the way lower international oil prices flow through the system, through the refining and marketing parts of the system, until they reach the consumer. It takes about two months. During that period of time, as the Hon. Minister has just said, consumers can expect to see the lower prices reflected at the pump.

In 1980, in St. John's, the price of gasoline was 32.4 cents a litre. In 1984, after four and a half years of Liberal Government, the price was 54.8 cents a litre.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** That was an increase of about 60 per cent in the price of gasoline. Surely the Hon. Member should be asking himself when he looks in the mirror in the morning: "Why didn't I speak out?" Why didn't the

Hon. Member speak out against the Minister of Energy of his own Government?

REQUEST FOR TAX REDUCTION

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, it was that Member who asked for a reduction in taxes. Why did he increase taxes 58 per cent last year?

If high gasoline prices were a crime, he would be charged as an accomplice.

Will the Minister move to reduce taxes and give us a fair and equitable gasoline price?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member likes to use these big percentage figures. It was 2 cents a litre—2.1 cents to be quite precise, that we increased gasoline taxes.

**Mr. Rompkey:** There is another tax.

**Mr. Wilson (Etobicoke Centre):** Yes, there is another tax that is coming on in due course.

I ask the Hon. Member to think why that is so. The reason is that we were left with a $35 billion deficit which was rising—

**An Hon. Member:** You have other options.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member would just listen to the answer to his question.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order.

**Mr. Wilson (Etobicoke Centre):** If we can get this deficit down—

**Some Hon. Members:** Come on!

**Mr. Speaker:** Hon. Members, please.

**Mr. Wilson (Etobicoke Centre):** If we can get this deficit down, all consumers will benefit because we will have lower interest rates. That is the direction in which the Government is going. If the previous Government had not left us with that huge deficit, we would not have to be doing these things to get the deficit down.

**Some Hon. Members:** Hear, hear!

GOVERNMENT POLICY

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is also for the Minister of Energy. She will know when in opposition on a number of occasions she and her colleagues, through motions and speeches in the House and policy statements, made a pledge to the people of Canada to reduce taxes on gasoline to promote tourism. Now that the Member is in government, why has she changed her mind? In opposition she said taxes on gasoline must be reduced to assist tourism. Now in government she increases taxes. Why did she change her policy? Why did the Government change its policy?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, this Government has done more for consumers in deregulating the oil and gas industry so consumers can experience price decreases. Under the National Energy Program, remember, prices went up 80 per cent.

The Minister of Finance has already answered the question about the requirement to keep taxes on, namely, it was to deal with the horrendous deficit for which we all have to pay.

EXPO 86

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I suspect that the Government knew what the deficit was before it took power.

Considering Expo 86 is about to open, and knowing that American tourists once they fill up in Canada are not going to travel throughout Canada, will the Minister explain once again why the position on gas taxes is different when the Tories are in government than what they had pledged to the people of Canada when in opposition?

• (1130)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I think that question has been answered adequately by the Minister of Finance.

**Mr. Deans:** You are the only one who does.

**Miss Carney:** When he is so concerned about Expo, may I point out that prices of gasoline, net of taxes, are actually down in Vancouver.

**Mr. Waddell:** That is absolute nonsense.

* * *

[*Translation*]

## SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I have a question for the Deputy Prime Minister and Minister of National Defence.

In view of the new statement made by the General Secretary of the Soviet Union, Mr. Gorbachev, is the Government planning to make another proposal and to put pressure on the American Government so that the main obstacle to achieving rapid progress in nuclear disarmement, namely the Star Wars

Project, be put on the table to help find a quick solution to this major problem?

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the hon. gentleman, who I believe was absent yesterday, has not checked yesterday's *Hansard* where the Secretary of State for External Affairs covered that.

**An Hon. Member:** He was here yesterday.

**Mr. Nielsen:** I am sorry, he was here.

**Mr. Hnatyshyn:** He was not in Question Period.

**Mr. Nielsen:** He could not have been listening—

**Mr. Chrétien:** I was listening.

**Mr. Nielsen:** —because it was covered fully by the Secretary of State for External Affairs yesterday.

**Mr. Gauthier:** No, it wasn't; that is the reason for the question.

[*Translation*]

NEW PROPOSAL BY U.S.S.R.—GOVERNMENT POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I can tell the Deputy Prime Minister that I was here in the House and said that this was the weak point in the situation.

Is the Government planning to change its policy in view of the Gorbachev proposal as it did last spring, when, after beginning by supporting the Star Wars project, it then decided not to support this project following pressures by the Canadian public? Does the Government plan to show some sense like last year and put pressure on the Americans to eliminate the major obstacle to negotiations which would bring lasting peace?

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, as to the Strategic Defence Initiative of the United States, the Government position on that has been made clear repeatedly over the months. There is no Government-to-Government participation with that initiative. As to the general nature of the remainder of the hon. gentleman's question, that was covered by the Secretary of State for External Affairs who very clearly set out Government policy on the matter yesterday.

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## FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

COSTS OF MEDICARE AND EDUCATION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Minister of Finance. According to figures produced by Statistics Canada, the federal Government's contributions to medicare and post-secondary education costs have been rising more slowly than the actual costs of those programs. With this in mind, will the Minister of Finance indicate whether he would be willing to let the present Established Programs Financing legislation run its full course to the end of March, 1987? Will he let it go its full course before he makes those cuts?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member is dealing with apples and oranges here. There are many elements in provincial health care costs which the federal Government has never had any responsibility to finance or to participate in their financing. He is including those figures in the calculation which he just used in his preamble. As far as the substantive question is concerned, we have made our position quite clear on it. We will be introducing legislation shortly to deal with this matter, and its effect will take place on April 1, 1986.

CASH PAYMENTS TO PROVINCE OF QUEBEC

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Minister seems to have a problem understanding that costs are increasing in medicare and post-secondary education, but especially in medicare because people are getting older and our technology is more advanced. Will the Minister admit that, as a result of the course of action to which he is committed, the Province of Quebec will actually be receiving less money in cash from the federal Government at the end of this decade than it will be receiving from the federal Government next year? As a result of the program which he is introducing it will actually receive less cash from the federal Government.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sure the Hon. Member understands why that is. There is a formula under which provinces are recompensed in cash plus tax point transfers. Some years back the Province of Quebec opted to take more by way of tax point transfers. Therefore, when changes to the program occur, this only affects the cash element. That is the reason for the change.

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## HUMAN RIGHTS COMMISSION

SOLICITOR GENERAL'S STATEMENTS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Deputy Prime Minister. Last May 27 in the House, speaking about the Solicitor General of the day, the Prime Minister agreed with the Hon. Member for Hamilton Mountain when that Member said that it was not apppropriate for a Solicitor General to comment on a matter which was before a tribunal for investigation. The Prime Minister said that he would discuss it with all members of his Government and "ask them to bear in mind the injunction of which his hon. friend speaks so well". Will the Prime Minister and the Deputy Prime Minister apply this fundamental principle to

the current Solicitor General, in view of what that Solicitor General said in the House yesterday about matters before the Human Rights Commission for investigation?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I do not see any validity in the allegations contained in that preamble. I do not share the view, but if he really believes that he is correct he should be speaking to the Hon. Member for York South-Weston, and perhaps to the Hon. Member for Hamilton East, rather than directing criticisms here.

COMMENTS BY MINISTERS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I am talking about the conduct of Ministers for which the Deputy Prime Minister and the Prime Minister are responsible. I ask him why the Government will not continue to apply the fundamental principle that Ministers should not comment on matters before courts or tribunals, including matters before the Canadian Human Rights tribunal, for investigation.

**Mr. Speaker:** Order, please. I allowed the first question because I understood his dilemma, but my dilemma with the second question, I think the Hon. Member will know, is that since he asked me to rule on the matter as a point of order, and I have reserved on that, I think I should really make a decision and come back on that question prior to these questions being put, with respect.

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## FISHERIES

ISSUANCE OF CLAM FISHING LICENCES

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, my question is directed to the Minister of National Revenue. It relates to the Cape Breton clam scam. Would the Minister confirm that he lobbied the Minister of Fisheries to obtain valuable clam fishing test licences for Mother Snow's Fine Foods, while at the same time the Department of National Revenue was attempting to collect thousands of dollars in unsatisfied judgments against a principal of the company?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think the question relates to the procedure in which experimental licence applications have been invited from a number of different contenders who seek to develop an important economic opportunity off the coast of Nova Scotia. That procedure has been carried out by Atlantic regional officials in accordance with specific criteria, established to be fair and equitable to all applicants. Any representations made to myself as Minister of Fisheries were made by Members of Parliament from Nova Scotia in accordance with their duties as Members representing their respective constituencies.

ROLE OF MINISTER OF NATIONAL REVENUE

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, will the Minister of National Revenue confirm for the House that he admitted in a public forum that he lobbied on behalf of Mother Snow's Fine Foods and its principals when it—

**Mr. Speaker:** Order, please. Would the Hon. Member please resume his seat? The Hon. Member knows that questions can only be placed to Ministers with regard to their administrative responsibilities.

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## SOCIAL SECURITY

SPOUSE'S ALLOWANCE—NUMBER OF APPLICANTS

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, in the absence of the Minister of National Health and Welfare my question is directed to the Minister of Finance. It concerns some disturbing statistics issued to me by the Department of National Health and Welfare respecting the eligibility of widows and widowers between the ages of 60 and 64. Apparently only 30 per cent of 40 per cent of eligible widows and widowers have bothered to apply for the extended spousal allowance. Does the Minister blame his dismal record on the poor advertising campaign to inform the public, or did the Government seriously overestimate the number of persons eligible for that program?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member was correct in that that is a question which is more appropriately put to my colleague, the Minister of National Health and Welfare. He knows that we have gone to a good of trouble, both in direct advertising as well as in advertising through Government cheques, to try to advise all Canadians who could be eligible for this. We believe that the statistics originally set out are accurate statistics. We are still trying to advise people who could be eligible that the program is there. I thank the Hon. Member for his question, because it helps bring that to the attention of Canadians.

• (1140)

REQUEST FOR REMOVAL OF MARITAL STATUS CRITERION

**Hon. Douglas C. Frith (Sudbury):** Will the Minister, with the resulting $200 million in savings, now extend that program as we advocated during the time of debate on the Bill to all people between the ages of 60 and 64 regardless of marital status?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this Government is always looking at various options to consider regarding eligibility of people for programs. I will take his comments as a further representation.

## AIR CANADA

INTERNATIONAL FLIGHTS—PROPOSED TRANSFER FROM GANDER TO ST. JOHN'S NFLD.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, the Minister of Transport knows that the taxpayers have spent millions of dollars upgrading Gander as an international airport, spending over $6 million last year. Gander is open far more often than St. John's, which is as fogged in as the Minister of Justice. He should also know that if Air Canada does move, St. John's would require additional millions spent to accommodate that airline, and that other international flights could then very well follow Air Canada out of Gander. Is the Minister going to let Air Canada undermine the importance of Gander as an international airport?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am sure the Hon. Member would expect me to respond to Air Canada's request to transfer its international flights from Gander to St. John's. It has made that representation to me and I am considering all the facts related to the decision that could be made. I will consider everything the Hon. Member has referred to, in the course of coming up with that decision.

DEREGULATION POLICY INQUIRY

**Mr. Les Benjamin (Regina West):** Mr. Speaker, is it the Minister's policy under his proposals for deregulation to allow airlines to abandon expensive taxpayer supplied infrastructure whenever they want at airports, at great additional expense to taxpayers?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, Air Canada is a Crown corporation and it requested a transfer of flights based strictly on a commercial decision. We will have to respond to that and certainly take all those things into consideration. The Hon. Member talks about deregulation. We are not in the process of deregulation; it is regulatory reform that is going to be the package that will be developed. It will be a policy unique to Canadian needs, which will serve the best interests of all Canadians.

REASON FOR TRANSFER REQUEST

**Hon. James A. McGrath (St. John's East):** Can the Minister confirm that the reason Air Canada is requesting to move its transatlantic flights from Gander to St. John's is that 80 per cent of the transatlantic traffic emanates from St. John's? There is no connecting flight to Gander. The infrastructure to handle that one flight a week is already in place.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, indeed that is the contention of Air Canada. There are others who dispute those figures. That is part of the ongoing assessment in dealing with this very important issue. Those things will be taken into consideration before a final decision is made.



## FISHERIES

EAST COAST—1986 GROUNDFISH ALLOCATIONS

**Mr. George Henderson (Egmont):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. In light of the fact that the 1986 Groundfish Management Plan for the Scotia Shelf cuts the inshore fishermen by 21,901 metric tonnes and increases the allocation for the offshore vessels by 35,978 metric tonnes of fish more than what they caught last year, will the Minister meet with the inshore fishermen of Yarmouth and Digby to reconsider those allocations for a fair and equitable sharing of that resource?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I also thank the Hon. Member for raising this very important question. Indeed, the allocations for the 1986 groundfish season on the Scotian Shelf are slightly reduced from the actual catches of last year. In some cases there have been offsetting increases granted, but the division in cod allocation for 1986 is based on the same formula as the division for 1985. At the present time I am exploring the possibility with my colleague, the Minister of Fisheries for Nova Scotia, of adjusting that division. I will be meeting with him on Sunday to discuss this question further.

INCREASE IN RED FISH QUOTA

**Mr. George Henderson (Egmont):** Also in 4RST, the red fish quota has been increased by 5,000 metric tonnes for the vessels located outside the Gulf. Fishermen who are traditionally fishing the Gulf fishery claim that those stocks are declining. Will the Minister reconsider that extra 5,000 metric tonne allocation that was given to the offshore outside Gulf vessels?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** The decision to add an additional 5,000 metric tonnes to the 4T red fish quota was based on a long-term plan adopted by the previous Government, of which he was a supporter. On the basis of biological advice it appeared there were sufficient increases in red fish stocks to absorb such an increase. That is the basis on which this decision has been made. At the same time we are looking for alternative stocks which might be fished by the fleet in the southern Gulf based in New Brunswick and Prince Edward Island, in order to give them additional advantage as well.

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## THE ECONOMY

EXCHANGE VALUE OF DOLLAR

**Mr. Ian Deans (Hamilton Mountain):** My question is for the Minister of Finance. The Canadian dollar has dropped to 70.72 cents U.S. this morning, the lowest level in the history of Canada. How does the Minister account for this continued devaluation of Canadian currency?

**An Hon. Member:** Blame it on the Liberals.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have made it a practice not to comment on specific levels of the Canadian dollar. The Hon. Member has read a number of stories in the media and they give a range of reasons for the performance of the Canadian dollar. I encourage him to read them.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO BANK OF CANADA GOVERNOR

**Mr. Ian Deans (Hamilton Mountain):** I must say that I find that a cop-out. The Minister of Finance is responsible for financial conditions in this country and should be answering questions about the Canadian dollar. Will he direct the Governor of the Bank of Canada today to present alternative ways of protecting the Canadian dollar other than raising interest rates which will detrimentally affect the positions of millions of Canadians?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me make two comments on that suggestion. First of all, I have said, and will say again to the Hon. Member, that it is not possible for the Governor of the Bank of Canada, or for the Minister of Finance, to wave a magic wand and hold the level of the Canadian dollar or the level of interest rates. Those levels are set by the market-place. The Bank of Canada will moderate movements upwards and downwards in both of those key markets. It is not possible to set the rate.

What I have said, and I will say it again, is that the important thing is that we establish the right fundamental economic environment in this country, and that is what we are working on. This will lead to a degree of stability, and, in time, some increase in the level of the Canadian dollar. We have to get to the fundamentals, and one of those fundamentals is getting the size of the federal government deficit down, and the Hon. Member continually retards our ability by the comments that he makes. That is what we have to be working on, and I look forward to his support on that.

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## AIR CANADA

SEAT SALE—EXCLUSION OF SASKATCHEWAN

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, my question is for the Minister of Transport and concerns Air Canada. Last week our state carrier announced a seat sale which excluded Saskatoon and Regina. Once again it appears my Province of Saskatchewan, a province in which Air Canada enjoys a virtual monopoly, has been excluded. Can the Minister take steps to encourage Air Canada to examine its policy in this regard?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I have raised this question with the President of Air Canada and he has reminded me that the sale proposed by CP was a ten-day sale, a very limited time, for flights between February 1 and March 6, with discounts of up to 80 per cent. He reminded me that Air Canada provides year-round discounts of up to 70 per cent, with other bonuses such as vouchers and certain sun sale fares added on top of that. Indeed, the residents of Saskatchewan are well served by Air Canada, and at competitive prices.

● (1150)

I think it would be fitting for me to say to the Hon. Member that this year Air Canada was named the winner of the 1985 Passenger Service Award by *Air Transport World* which recognizes the high level of service that the airline provides.

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## THE ECONOMY

EXCHANGE VALUE OF DOLLAR

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the Canadian dollar tumbled to 70.72 cents U.S. today—an all-time trading low against the American currency—does the Minister agree that this reflects a judgment by the international community on his Government's handling of the Canadian economy?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, no, I would disagree fundamentally with the Hon. Member's statement. What has been going on for the past ten years—since the fall of 1976—is that the Canadian dollar has been in a downward slide. It takes time to turn that around.

In response to the specific question posed by the Hon. Member, I ask her to read the OECD report, which was issued just before Christmas, in which there were no policy recommendations. Normally, reports from the OECD contain policy recommendations. The OECD said that the reason for that was because it agreed very much with the basic policies which this Government has brought in since September, 1984. It has no advice to give to the Government of Canada because everything we are doing is right.

**Mr. Gauthier:** You never listen anyway. You weren't even in power then.

**Mr. Axworthy:** We give it free every day but you won't listen.

MINISTER'S POSITION

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I know that you would not allow me in my preamble to get into a disagreement with respect to the OECD report. Thus, my supplementary question is simply—

**Mr. Speaker:** Well done.

**Miss Nicholson:** Is the Minister therefore saying that he intends to take no action whatever to prevent the dollar going through the 70-cent barrier?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member knows that I do not comment on specific levels of the Canadian dollar. She knows the intervention policy—

**Mr. Riis:** It's the lowest it's been in history.

**Mr. Wilson (Etobicoke Centre):** —of the Bank of Canada, as I have indicated to her and other Members of the House as recently as two answers ago. If she wishes to disagree with the report of the OECD, I think she will find that there are many more people who would disagree with her than she has indicated.

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## REFUGEES

### INCREASE IN NUMBER OF CLAIMANTS FOR REFUGEE STATUS

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is for the Minister of State for Immigration to whom I gave notice by telephone this morning. As the Minister knows, since the Supreme Court declared ten months ago that the Charter forbids the Canadian Government to deny refugee status to anyone without an oral hearing, the number of refugee claimants in Canada has mushroomed from 14,000 to over 20,000.

When will the Minister take action on the recommendations of the Sixth Report of the Standing Committee on Labour, Employment and Immigration, which was tabled last December, and which recommended just, speedy, and compassionate administrative measures for clearing up the backlog of refugees and reducing the delay, thereby taking away the motivation for the racket of phoney refugee claims?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, I wish to thank the Hon. Member for his question. I want to assure him that the sixth report which was tabled in the House on December 19 is being studied by myself and by my colleagues. We are looking at the whole matter of the backlog and at a new refugee determination system on an urgent basis.

I wish to commend the members of the committee for their very thorough analysis of this troubling issue and to assure them that their recommendations wills be very useful especially at this time, as we bring proposals before the House.

### VISA REQUIREMENT FOR PORTUGUESE VISITORS

**Mr. Dan Heap (Spadina):** Mr. Speaker, can the Minister, then, assure the House that he will not consider imposing a visa requirement on visitors from Portugual, at least until he has taken these just measures to reduce the backlog of refugee claimants and so cut the motivation out from under this phoney racket of refugee claims?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, the Hon. Member raises the issue of a number of people who at this moment claim to be refugees and who are asking for those claims to be tested. I wish to assure the Hon. Member that I have been in close contact with the Portuguese community and that the action of the Government at this time is on those who are encouraging fraudulent claims. I appreciate very much the support of the Portuguese community, and also the support of all communities involved in identifying these abuses. I am now gathering information in that regard and where appropriate prosecutions may be undertaken.

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## HOUSING

### INCREASED STARTS AND SALES IN 1985

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, my question today is directed to the Minister reponsible for Canada Mortgage and Housing. It centres around a recent statement published by the Toronto Home Builders' Association that there was a 71.5 per cent increase in the sale of new homes in the Toronto area in 1985. Can the Minister explain to Canadians how this amazing increase took place? Does he feel that it might just be a once-in-a-lifetime occurrence?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, the Hon. Member brings an increase in sales to the attention of the House. I would also like to say to the Hon. Member that home starts in the last year were up 21 per cent over the previous year. That is as a result of the economic and financial handling of the economy by the Minister of Finance and this Government.

**Mr. Frith:** What about the dollar?

**Mr. McKnight:** The Hon. Member should know that barely into the second year of the mandate of this Government it has created 44,000 more jobs than the Liberal Government created in four and a half years—44,000 more.

**Some Hon. Members:** Hear, hear!

**Mr. McKnight:** Mr. Speaker, one of the reasons for those sales happens to be because interest rates are 2.5 percentage points lower than they were on election day in 1984. Another reason is because the unemployment rate has gone down since 1984—

**Mr. Boudria:** Thank you!

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Hear, hear!

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## INSURANCE

### SOLVENCY OF INSURANCE COMPANIES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday the

Minister of Finance said that the solvency of insurance companies is a federal responsibility. Can he explain to the House why 15 insurance companies cannot pass the test of solvency in accordance with the TRAC report of 1985 published by Colander Publications Inc.? Are we headed for another bank fiasco such as we saw last year?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, my colleague, the Minister of State for Finance, is not in the House today.

**Mr. Frith:** She'll deal with this matter as she did with the CCB matter.

**Mr. Wilson (Etobicoke Centre):** I suggest that the Hon. Member ask the question of the Minister when she is here on Monday.

**Mr. Gagliano:** Supplementary question, Mr. Speaker.

**Mr. Speaker:** In the context of just-to-take-notice, it is a little difficult.

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## CORPORATIONS

MITEL TAKEOVER—EFFECT OF RULING BY BRITISH REGULATORY BODY

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, as we feared and predicted, Mitel's future has been thrown into doubt by the interference of British regulatory agencies. My question is for the Deputy Prime Minister. Has the Minister contacted British authorities to find out what the British monopolies report to the Minister of Industry—which has now been delivered—has actually said, so that some policy responses can be developed here quickly in order to respond to the potential difficulty which Mitel could face?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I will take that very clear and very precise question as notice. I will bring it to the attention of the appropriate Minister who, in turn, will be in touch with the hon. gentleman.

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● (1200)

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR—INTEREST RATE LEVELS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Minister of Finance. During the election campaign of 1984 Conservative candidates across Canada were distributing what they called "Liberal dwindle dollars" worth 75 cents U.S. Will the Minister not now admit that the Liberal dwindle dollar worth 75 cents was a lot better than what his Government has been able to accomplish? Would he specifically tell the House today what he will do to stop interest rates from rising in view of the Tory dwindle dollar worth 70 cents? And how am I going to be able to tell my constituents that their interest rates will not increase as a result of the lack of confidence in the Government?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, what I would suggest his constituents should do is to encourage him to come to the Minister of Finance and say: "Keep up the good work. You're doing a great job".

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The economic policies of this Government are sound now because the OECD simply says they are right. Everyone who is watching what we are doing says we are going in the right direction because we have created 450,000 jobs. We have interest rates down by 2.5 percentage points.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** More.

**Mr. Wilson (Etobicoke Centre):** We have investment up 11 per cent.

**Some Hon. Members:** Hear, hear!

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of 11, presented by Hon. Members on Thursday, January 23, 1986, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Bourassa (Mr. Rossi), the Hon. Member for Vancouver East (Ms. Mitchell), the Hon. Member for Ottawa-Vanier (Mr. Gauthier), and the Hon. Member for Egmont (Mr. Henderson) do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for York-Sunbury (Mr. Howie) by filing with the Clerk of the House also do not meet the requirements of the Standing Orders as to form.

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## MESSAGE FROM THE SENATE

**Mr. Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-7, an Act to amend the Act of incorporation of Pine Hill Divinity Hall, to which the concurrence of this House is desired.

I am in receipt of a notice of a desire to raise a question of order from the Hon. Member for Windsor West (Mr. Gray).

## POINTS OF ORDER

### MR. SPEAKER'S RULING ON SUPPLEMENTARY QUESTION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I wish to raise a point of order for the purpose of seeking some clarification of a ruling you made during Question Period with reference to the supplementary question I asked. Of course, I recognize the point of your comment but I really want to ask about the extent to which one can ask a Minister about the general policy of the Government even though the matter may have been seemingly raised in a point of order earlier.

My question was intended to be about the policy of the Government on Ministers commenting on matters before tribunals and it did not relate to the application of the *sub judice* convention with respect to your work in the House, Mr. Speaker, or comments by other Members.

I just want to add this final point, Sir. The policy of the Government about comments of Ministers regarding matters under investigation is something which applies to what Ministers say, whether or not they are speaking in the House. In fact, the comments by the Solicitor General of the day, the Hon. Member for Central Nova (Mr. MacKay), which were the subject of the exchange between the Prime Minister (Mr. Mulroney) and the Hon. Member for Hamilton Mountain (Mr. Deans) in the House last May 27, were comments made outside of the House to a group of journalists.

So I respectfully submit, by way of conclusion, that my questions were intended to relate to the policy of the Government that Ministers should not comment on matters under investigation by tribunals whether or not the comments were made in the House itself.

**Mr. Speaker:** The Hon. Member for Windsor West (Mr. Gray) makes a fair point and I think he knows that my difficulty at the time was in having to make the decision on the spot as to whether the question related to the matter which is under reservation or to the general policy question. Given what I thought I heard asked, I felt I had no choice but to make the statement I did.

I think the Hon. Member for Windsor West indicates in his comments that he appreciated the difficulty I was under. I also appreciate his submissions on the question and I will be back to the House, I hope, at the earliest possible moment, probably Monday, on the issue itself.

### CLARIFICATION SOUGHT OF MR. SPEAKER'S RULING ON SUPPLEMENTARY QUESTION

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, I wonder if it would be possible for the Chair to review the proceedings today in which the supplementary question I asked of the Minister of National Revenue (Mr. MacKay) dealt with what would appear to be a ministerial requirement to be aware of actions in his Department in which they are attempting to collect moneys owed. Therefore, the question was seeking an answer to the Minister's awareness of his



responsibilities, as Minister of National Revenue, concerning moneys owed by individuals upon which he was undertaking—

**Mr. Speaker:** Order, please. I take it the Hon. Member is asking me to review the question he asked and determine whether in fact, on the spot, I made a correct judgment. I will be happy to do that. I thought I heard a different question than the one the Hon. Member has just described. However, I am prepared to review the "blues".

### PRACTICE OF HOUSE RESPECTING MOTIONS UNDER S.O. 31

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, in view of the Minister's answers to the questions about the falling dollar, I would have wished to move a motion for an emergency debate. Am I right in thinking that the requirements for notice make this impossible today and that it will have to wait until Monday?

**Mr. Speaker:** The Hon. Member is indeed correct, so the House will know, simply because of the requirement to submit a notice in writing in advance, as stipulated under Standing Order 31.

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Point of order.

**Mr. Speaker:** Let me deal with what I think is now going to be attempted procedurally and indicate that if one wanted to try something procedurally along the lines of unanimous consent, it would have to be done at the point at which a Standing Order 31 notice would normally be dealt, and that would come later on.

**Mr. Tobin:** Mr. Speaker, I rise on a point of order. I thought the Speaker was deaf unless he was being directly addressed.

**Mr. Speaker:** That was neither a point of order, nor true.

### PRACTICE RESPECTING FILING OF PETITIONS

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I rise on a point of order dealing with petitions. I tabled some petitions yesterday and I take it today that you have ruled they were not acceptable or did not meet the requirements of the Standing Orders as to form. They were photocopies of originals which I tabled yesterday thinking that your ruling to the Hon. Member for Saint-Denis (Mr. Prud'homme)—

**Mr. Speaker:** I can see where the Hon. Member is going. The Hon. Member knows the rules require that a petition be submitted in its original form. The question I was asked by the Hon. Member for Saint-Denis (Mr. Prud'homme) was whether an Hon. Member could go to the Clerk of Petitions to obtain a photocopy of a petition which had been accepted. I think the Hon. Member may have misconstrued that. He does know that the requirements are that the only petition the Clerks can verify as to whether it is in order is the original petition. A good try, though.

*Order Paper Questions*

# ROUTINE PROCEEDINGS

[*Translation*]

## PETITIONS

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I have the duty to present to the House another petition from residents of Moncton. Once again, these people refer to the concern there now exists in the Moncton area and ask the Government to take action to protect the jobs at the CN shops in Moncton.

* * *

[*English*]

## STRIKING COMMITTEE

CONCURRENCE IN EIGHTEENTH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I would ask that the eighteenth report of the Striking Committee presented to the House on Wednesday, January 22, 1986 be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, question No. 384 will be answered today.

[*Text*]

CANADA-UNITED KINGDOM RECIPROCAL SOCIAL SECURITY AGREEMENT

Question No. 384—**Mr. Young:**

Did the Prime Minister make a representation to the Prime Minister of Great Britain that the Governments of Canada and Great Britain enter into a reciprocal social security agreement and, if so, did the Prime Minister of Great Britain respond to that representation and what was the nature of that response?

**Mr. Len Gustafson (Parliamentary Secretary to Prime Minister):** The question of a reciprocal social security agreement between Canada and the United Kingdom was raised once again during the Prime Minister's visit to London, April 28 to May 1, 1985, at the Senior officials level. Canada reiterated its position that the conclusion of such an agreement remains a high priority and that it would be prepared to start negotiations at any time. To date, the British Government has not expressed any interest in undertaking such negotiations.

[*Translation*]

**Mr. Scott (Hamilton-Wentworth):** Mr. Speaker, I ask that all other questions be allowed to stand.

**Mr. Speaker:** The question mentioned by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## INCOME TAX AGREEMENTS, 1985

MEASURE TO ENACT

**Hon. Ray Hnatyshyn (President of the Privy Council) (for the Minister of Finance)** moved: That Bill S-6 (from the Senate), An Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Cooperative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax, be read the second time and referred to a legislative committee.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, the purpose of this Bill is to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Cooperative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax.

The three tax conventions under review are similar to those which Parliament has approved in the past. As you know, Mr. Speaker, 36 tax conventions are now in force in Canada. Once ratified, the three conventions under review will be the first agreements of this kind between Canada and these countries.

The various income elements in these conventions will receive a tax treatment similar to that provided for under the other conventions already signed by Canada. Actually, the dividends paid to non-residents by Canadian corporations are generally subject to a maximum 25 per cent rate in Canada. As usual, under the agreement signed between Canada and India, the withholding rate is reduced from 25 per cent to 15 per cent. However, the recipient must be a corporation holding at least 10 per cent of the shares of the corporation that pays the dividends, and where they are paid on earnings resulting

from a new capital injection made after the date this agreeemnt was signed, that being October 30, 1985.

In general, interests paid by a resident of one country to a resident of the other country are subject to a 15 per cent tax rate. There are however exceptions, where interests are paid by or to a Government. In the case of Guyana, interest paid to a resident of Canada are subject to a 25 per cent withholding rate.

● (1210)

As far as royalties are concerned, the agreements provide for a general tax rate of 10 per cent in the source country. However, under the agreement with India, a 30 per cent rate will apply to technology transferred under arrangements made or contracts signed after the date the agreement was signed. In Canada, the statutory rate of 25 per cent will apply to royalties paid to residents of India.

The agreements also deal with other items, Mr. Speaker, especially the taxing of capital gains, income derived in respect of professional services or other dependent activities and pensions. In all those cases, Canada has maintained the right to tax those items pursuant to the policy previously in force.

The tax agreements further provide for a relief from double taxation on foreign income of Canadian residents, subject to the limits provided for them by Canadian law. Furthermore, they provide for dividends received by Canadian corporations on the tax exempt surplus of their foreign affiliates residing in the country with whom Canada has reached a tax agreement to be tax exempt in Canada from now on.

Finally, Mr. Speaker, the agreements signed with Guayana and India include provisions about the credit for fictitious income tax. Under such provisions, fiscal incentives granted under a specific statute of those countries will be recognized for the purpose of computing the foreign tax credit in Canada. This means that Canadian investors will benefit directly from those incentives without any possibility of the Canadian tax eliminating them.

On the whole, Mr. Speaker, the provisions of each of these agreements present fair solutions to various problems of double taxation between Canada and those various countries. Each of the countries involved hopes to be able to implement within the shortest possible time frame a valid bilateral tax agreement.

Therefore, Mr. Speaker, I recommend that this House give speedy attention to this Bill.

[*English*]

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, as I said the last time we had one of these tax treaty Bills before us, commenting on a Bill of this nature is always somewhat anticlimactic in that the treaty has already been signed by the Governments concerned, usually after protracted negotiations, and parliamentary approval by both countries is the last step. It is rare for amendments to be made to this kind of Bill, although in 1980 the then Standing Committee on Finance, Trade and Economic Affairs amended a Bill containing 11 tax treaties. They removed approval for one. That treaty was signed in 1976 but not finalized and has never since been renegotiated.

The Bill before us today concerns taxation between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Cooperative Republic of Guyana, and an agreement between Canada and India for the avoidance of double taxation with respect to income tax.

These measures should make for additional convenience for residents of Canada who have either family businesses or other business interests in those countries. It should make for certain additional smoothness in managing their tax affairs. On balance, the terms of the respective double taxation conventions provide an equitable solution to problems of double taxation and should be acceptable to most Canadian residents.

The convention also contains tax sparing provisions in the case of Guyana and India. Under these provisions the tax incentives granted by the domestic legislation of those countries will be recognized in computing Canadian tax. Therefore, Canadian residents will be allowed to deduct the amount of tax which would have been payable in the absence of special incentive legislation in the other country.

In Canada, double taxation of foreign source income of Canadian residents is alleviated by way of a foreign tax credit. In addition, dividends received by a company resident in Canada from the exempt surplus of its foreign-affiliate resident in a treaty country will be exempt from tax in Canada. The right of Canada to tax pensions and annuities paid to non-residents is protected.

Some of the other matters also dealt within these tax treaties include capital gains and non-discrimination. Under the conventions, discrimination on the basis of nationality is prohibited. This will ensure that nationals of a country receive equal treatment to that received by nationals of the other country in the same tax circumstances. However, this does not prevent a country from providing fiscal incentives, for example small business deductions, on the basis of the residence of the taxpayer.

In conclusion, this appears to be a relatively straightforward piece of legislation. We on this side have no particular reason to debate it at length and we would like to see it move into committee.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is a pleasure to have an opportunity to rise to say a few words regarding Bill S-6. Not to prolong the discussions around this Bill let me just say that the previous two speakers have indicated its nature. As the Hon. Member indicated, everything is signed, sealed and delivered and we are going through a formality because it must be done. One can hardly get excited or enthused about something that is really an afterthought. However, it is important that Canada take the initiative to complete these agreements between Canada and, in this case, India, Guyana and the U.S.S.R.

*Double Taxation*

More and more now Canadians are going abroad and involving themselves in entrepreneurial initiatives and doing business in other countries. Of course, until these tax treaties are arranged, it means that people are often taxed twice, once in the country in which they are doing business, and again in the country of their citizenship. In a sense, Bill S-6 ensures that income earned will only be taxed once. I suppose that as far as the Government is concerned that is not a major item, but it is a signal that the Government now sends out to Canadian investors and business people that doing business in India, the USSR, and Guyana will now be made easier. The matter of taxation of one's personal affairs will not be jeopardized by being involved in business or work of one kind or another in these three countries.

• (1220)

Having had the opportunity in the last number of months to travel to both India and the Soviet Union on Government matters, it seems to me that this is a very timely and important Bill. The opportunities for enhanced trade, to do business, and to make deals in the U.S.S.R. and India particularly, are quite limitless. The country of India is booming industrially. It needs a great deal. It can use much of the technology that has been developed to a high level in Canada, whether in telecommunications, transportation, or the construction of hydro electric works. There is an opportunity, not only for Canadians to involve themselves in doing business in these countries, but also for Canada to play a role, particularly in countries like Guyana and India, in terms of assisting their development toward self-reliance and self-determination in economic terms.

I am very impressed with the advances that the poor country of India has made in terms of developing its industrial and communication infrastructure. I was quite amazed that one can actually send a letter from Bombay to Calcutta in one day. This is a country of nearly 800 million people and 800,000 villages. Yet, its mail system is very sophisticated relative to ours. The development of transportation and hydro electric systems is escalating, to a large extent, because of Canadian technology and assistance from both the private and the public sectors.

In the Soviet Union there are many areas in which Canadian entrepreneurs, investors, developers, and exporters and importers could do business. The technology that has been developed primarily in western Canada is directly transferable to the development of a great deal of their petro-chemical industry. Canadians often have a mind-set which prohibits them from doing business in the Soviet Union. I think it would be fair to say that Canadians also have a problem doing business in countries such as India with such a different cultural milieu. It requires a sophisticated and knowledgeable approach. I am pleased to see that many Canadian firms are developing that ability.

Bill S-6 will go a long way toward removing the discrimination which presently exists and accomplishing a system of economic justice for Canadians who choose, for one reason or another, to accept employment in another country. This discrimination is not intentional, Mr. Speaker, but rather the product of lack of co-ordination between the tax systems of various countries or a failure of those systems to accommodate adequately the special circumstances of particular income earners. Under these agreements all income earners, whether employed in Canada or in one of the countries named in the Bill, will now be placed on a much more equal footing. It is our intention, as New Democrats, to facilitate the passage of this Bill to allow Canadians to get on with doing business in these three countries.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Mr. Wilson (Etobicoke Centre), seconded by Mr. Scott (Hamilton-Wentworth), moves that Bill S-6, an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Cooperative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

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

* * *

## CUSTOMS ACT

MEASURE TO AMEND—CONCURRENCE IN SENATE AMENDMENTS

**Hon. Elmer M. MacKay (Minister of National Revenue)** moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-59, an Act respecting Customs.

**Mr. Towers:** Mr. Speaker, I believe there is an understanding that this Bill will go to Committee of the Whole. Is that not right?

[*Translation*]

**Mr. Deputy Speaker:** The Hon. Member for Ottawa-Vanier on a point of order.

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. It does not often happen that the House deals with amendments coming from the Senate and this is in my case a first experience. Consequently, I would need some explanations. I take it for granted that the five Senate amendments will be considered as a whole, meaning that we will be speaking on five amendments and afterwards if we deem it advisable we will pass or reject them and advise the Senate accordingly. Is it the procedure to be followed?

**Mr. Deputy Speaker**: Indeed, it is. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has described exactly the procedure to be followed.

[*English*]

The matter is put to the House as if it were second reading to give Members an opportunity to debate it. Members may agree to the amendments or may further amend the amendments. I will then put the question, after which the Bill will be sent back to the Senate.

**Mr. MacKay:** Mr. Speaker, in answer to my colleague opposite, I would like to ask the concurrence of the House in some minor technical amendments made by the Senate to Bill C-59, the Customs Act Bill. As the House knows, this Bill was given third and final reading here in early November after consideration by the House and by the House committee designed to review it. It was subsequently sent to the Senate, where it was also passed before the end of last year.

During study of the Bill in the Senate it was discovered that some minor corrections were required. There are four technical changes which have been made to Bill C-59 in Sections 64, 142 and 160. Two of these are minor corrections made to the French text so that both language versions of the Bill are identical in meaning. The third is a correction in a cross-reference to a subsection of one of the Bill's clauses. The fourth is the reinstatement of a line which was inadvertently dropped from the printed version of the text. None of these changes have any bearing on the substance of the Bill or alter any provisions in any way. As was stated when this Bill was presented in the House by spokesmen from all Parties, it is a much-needed and long-awaited overhaul of an important federal statute.

We are anxious, as are those who are affected by the provisions of this Bill, to have a new Customs Act in force as early as possible. As a result, with the co-operation of all Members we are working toward a target for proclamation of this new Act as well as the regulations in early June of this year, if possible. Therefore, to help expedite passage of this important legislation, I hope that Members will agree to the minor amendments that I have described in order that we may obtain Royal assent to the measure as soon as possible.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I would like to comment briefly on the matter under consideration, namely the amendments proposed by the Senate. I agree with the Minister that we must act without delay and refer the amendments back to the Senate, if they are in order.

Mr. Speaker, it goes to show that the Senate can be useful. To many of us who used to have doubts about it, this confirms that the Senate really acts as an Upper House of sober second thought on proposed legislation. As the Minister himself admitted, one sentence was missing from the Bill and the Senate reinstated it. Amendments of technical and terminological nature have been introduced.

I think it is a good thing. The Senate should take full credit; it reviewed a rather complex and extremely long Bill, it was able to study it and propose amendments, which proves that the Senate is a worthy institution, an important Upper House.

I agree with the Minister, Mr. Speaker, but I do not want to take too much time. All Parties in the House and all Members agree that a revision of Bill C-59 respecting customs was long overdue. It has to be made easier to read and understand, it needs to be amended to simplify the existing statute, bring the terminology up to date and, for example, eliminate the requirement that importers prove their innocence in a court action; all these are good points.

I have no intention of going into the details of the Bill, but I would simply say that my party supports the amendments. We commend the Senate for its initiative, and we will support these amendments at the appropriate time.

• (1230)

[*English*]

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, we also have no strong arguments to raise with respect to this Bill. The Bill reflects changes upon which both this and the previous administration agreed. On behalf of our spokesperson who usually deals with this subject, I can indicate our Party's support for the general thrust of the Bill.

However, a number of important points that were raised in committee are worth repeating. Union representatives who spoke in the committee raised some questions with respect to the honour system as an impractical vehicle for collecting funds that are owed. They have made some suggestions that might surpass the present approach to sending out several notices with the hope of a return. They believe such an approach could possibly mean that importers will wait until the second notice before paying.

Our greatest concern about this Bill is that it seems likely that it is part of a process to reduce the number of Customs employees who are administering the system. For instance, it is suggested that reductions of perhaps 875 person years could be involved. While some of this will be within the administration cadre itself, there will also be a reduction of operational personnel which will discontinue certain functions and cost 164 positions. There will be a reduction of support staff that will cost another 360 positions.

While we recognize the service at the point of contact with the public, there is a concern that we are cutting back on the level of service which is important to make the Customs service operate effectively and efficiently. Questions have been raised within the legislative committee about the logic of some of those cuts and we are not entirely satisfied with the answers that have been provided.

It is difficult to consider this Bill which will involve such cuts in person years without taking into account the fact that there seems to be a move to cut back positions and reduce person years within the Public Service generally. If this Bill were to be seen as an isolated effort to rationalize and improve

a particular part of Government, rather than being what seems to be part of a broader, almost ideological effort to cut back the Public Service personnel at a time of continued high unemployment, we would have much less trouble approving the Bill. However, given that fact, we cannot help but protest the level of cut-backs which seem to be suggested.

A total cut-back of 875 person years is certainly being questioned by Customs officials within my City of Windsor. It is their opinion that a reduction in this manner cannot be made without ultimately costing the service of the Customs branch itself. We hope that this provision does not detract from other elements of the Bill with which we generally agree.

There is certainly a need to update and streamline the Customs service which our spokesperson has recognized throughout his involvement in this Bill. Therefore, we do not intend to emphasize our opposition to the Bill.

However, we are concerned about some of the pilot projects which are under way in an attempt to achieve this streamlining. The unions which have been asked to implement these streamlining efforts have raised questions about some of these projects. The two projects in particular to which I want to refer are the minimum documentation project in the Toronto region and the postal improvement project taking place in the Montreal region. The object of both these pilot projects is to provide the Department with data on the administration of these elements in the Bill and problems that could be encountered.

We have been made aware of an internal memo of a meeting of senior departmental officials that was held at the end of July, 1985, that contains some rather disturbing notes, particularly with respect to the postal improvement project. According to the estimates discussed at this meeting, the move to allow individuals to receive non-duty paid goods through the mail and then to trust them to pay the duty afterwards will result in lost revenue in the Montreal region. It is expected that the loss could be as much as $100,000 per month. If one extrapolates this throughout the system as a whole, we could be talking about estimated losses in revenue of $6 million annually.

● (1240)

The memo referred to also gives a clear indication that the Department has set agenda on this item as becoming a national program, regardless of the revenue losses. If difficulties are encountered, as the Assistant Deputy Minister informed the committee, the objective will be to solve the collection problem rather than to scrap the system. I personally think that makes sense. If you try to deal with the problem and attempt at the same time to streamline the system itself, one has to ask the question, can this kind of streamlining be done with less cost of personnal and is it not possible to avoid job loss through pesonnel and is it not possible to avoid job loss through transfer of personnel to other duties?

We have heard from union representatives that the early release programs, particularly in the area of mail, could increase the work-load by some 15 per cent. Officials who are charged with inspection of the mail will at the same time experience a reduction in person years of 25 per cent. As a result, there is a work-load increase at the same time as a decrease in personnel.

The Auditor General himself has recognized some of these problems in his recent report in which he states:

—the Department has fewer resources than it had in earlier years, it is coping with a larger workload and has limited information on the public's compliance and on its own success of detecting non compliance.

I continue to quote from the Auditor General:

As a result of our review, we have a concern that the deterrent and enforcement aspects of Customs in some other areas may have diminished.

In short, while Bill C-59 may be a step forward, that progress will falter if the Government proceeds with its intention of reducing the ability of the customs branch to monitor the goods being imported into Canada. Customs officials have to be more than servants of the importers. They carry a very important responsibility to the public as a whole. They deserve our respect. They deserve our support. We would have hoped that person year reduction would not damage the Customs branch itself. As I say, at a time of continuing high unemployment there is certainly concern about this in the Windsor office of the Customs branch. A demonstration took place this week. Customs officials marched with other public servants.

We would urge the Minister himself and the Government to look again at these 875 cuts, which we are told will occur over the next five years. We urge him to examine the arguments we have made and the arguments which Customs workers and representatives have made to try to reflect and honour the service to this country of the Customs officials and to avoid those 875 cuts. Thank you, Mr. Speaker, for this chance to speak on the Bill.

Motion agreed to, amendments read the second time and concurred in.

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## BUSINESS OF THE HOUSE

### DISPOSITION OF BILL S-6

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I rise on a point of order. I have had some consultations with the opposition Parties respecting Bill S-6. We have a proposition to put to the House which I think you will find accepted by unanimous consent.

Notwithstanding the fact that the second reading motion has been passed, we would like to have that motion rescinded and the motion amended to have the reference not to a legislative committee but to committee of the whole. We would then be in agreement to proceed to committee of the whole immediately. Once that is completed, there will be a disposition to proceed to third reading stage, rather than having the Bill sit over in the normal course to another day's sitting.

In essence, I think there is disposition to dispose of this item in all stages today. If my suggestion is acceptable, perhaps you could put the rescision proposition and then put the motion as I proposed to amend it to read to committee of the whole.

**Mr. Gauthier:** Mr. Speaker, in essence the agreements have been reflected in the words of the Government House Leader except, Mr. Speaker, I do not think I can give him a guarantee that the Bill will be adopted today. We accept referral to committee of the whole third reading, and passage of the Bill hopefully sometime.

**Mr. Deputy Speaker:** The House has heard the terms of the proposal of the President of the Privy Council. Is there unanimous consent?

**Some Hon. Members:** Agreed.

Motion (Mr. Hnatyshyn) agreed to.

* * *

## INCOME TAX AGREEMENTS, 1985

MEASURE TO ENACT

House in Committee on Bill S-6, an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Corporative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax—Mr. Wilson—Mr. Danis in the Chair.

**The Chairman:** House in Committee of the Whole on Bill S-6, an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Co-operative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax. Part I, Canada-U.S.S.R. Income Tax Agreement.

Shall Clause 1 carry?

• (1250)

On Clause 1—*Citation of Part I*

**Miss Nicholson:** Mr. Chairman, I have only two brief questions on this Bill. Perhaps the Minister might be willing to deal with them under Clause 1. Schedule IV of the Bill lists certain exceptions for India. For instance, there is a difference in the treatment of India with regard to the rates on royalties and fees. In the case of India, a rate of 30 per cent on royalties and fees for technical services applies, but only in respect of technology transferred under agreements made after the date of signature of the agreement, and in Canada the statutory rate of 25 per cent will apply. I believe that for the two other countries covered in the agreement, the rate is 10 per cent. Could the Minister explain both the reason for the difference and the probable amounts involved? Actually, I do not know which Minister will be answering my questions. Perhaps, since



the Minister of National Revenue was not here at the beginning of my remarks, he would like me to repeat my questions.

**Mr. MacKay:** Mr. Chairman, I apologize to my colleague. I was across the House speaking to another colleague, and I am not too certain what were her questions. Do they concern Bill C-59?

**Miss Nicholson:** We are on Bill S-6.

**An Hon. Member:** The Parliamentary Secretary will answer.

**Miss Nicholson:** Mr. Chairman, since I have two general questions, rather than ask them when we touch upon each clause, it might save time if I just asked them and they were answered on Clause 1. Then I would not have any further questions to ask.

The main issue was the difference in the treatment of India—what were the reasons and what are the financial implications? There is a difference in the treatment of royalties and fees for technical services.

Also, in the case of the Canada-India Double Taxation Agreement, the rate of withholding tax on dividends is reduced from 25 per cent to 15 per cent only if the recipient is a company which owns at least 10 per cent of the shares of the company paying the dividends, and if the dividends are paid out of profits from investments made after the date of signature of the agreement. Could I have an explanation of the different treatment of India and of the possible financial implications of both these measures?

[*Translation*]

**Mr. Vincent:** Mr. Chairman, as I said in my speech at the second reading stage, there are indeed differences in the rates for India, the USSR and Guyana, and this is quite normal. These agreements are negotiated between Canada and various countries and they have to respect the tax laws in those countries.

However, I believe that these differences are minimal. In monetary terms, I am unfortunately unable to provide accurate figures to the Hon. Member because it is only when the agreement is applied that people will be able to benefit and that we shall find out its full financial implications.

However, Mr. Chairman, I repeat that this comes from the fact that Canada has to negotiate with these various countries and that they each have their own tax laws.

Clause agreed to.

Clauses 2 to 18 inclusive agreed to.

Schedules I to III inclusive agreed to.

On Schedule IV—

**Mr. Gauthier:** Mr. Chairman, I simply want to come back to the question asked by my colleague for Trinity (Miss Nicholson) because Schedule IV deals with this issue, namely,

the application of rates lower than 30 per cent to India, Guyana and the USSR. I wonder if the Parliamentary Secretary to the Minister of Finance could assure us that the Government can provide a written answer to the question asked by the Hon. Member for Trinity, which answer would be more detailed than that provided by the Parliamentary Secretary and would perhaps include the financial data which interest us, namely how much this is expected to cost the taxpayers.

**Mr. Vincent:** Mr. Chairman, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) wants us to make projections in advance about future investors in India or in Canada. This is rather complex. I can assure the Hon. Member for Ottawa-Vanier that he will receive a written answer about the 30 per cent rate. As for other figures, we shall be happy to communicate them to the Hon. Member as we obtain them.

**The Chairman:** Shall Schedule IV carry?

**Some Hon. Members:** Carried.

Schedule IV agreed to.

Title agreed to.

Bill reported.

[*English*]

**Mr. Wilson (Etobicoke Centre)** moved that the Bill be concurred in.

Motion agreed to.

**Mr. Deputy Speaker:** When shall the Bill be read the third time? By leave, now?

**Some Hon. Members:** Agreed.

**Mr. Wilson (Etobicoke Centre)** moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

**Mr. Deputy Speaker:** It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

## TORONTO ISLAND AIRPORT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners, as reported (with amendments) from a legislative committee.

**Hon. Harvie Andre (for the Minister of Transport)** moved that the Bill be concurred in.

**Some Hon. Members:** Agreed.

**Mr. Andre (for the Minister of Transport)** moved that the Bill be read the third time and passed.

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I rise with some pleasure to introduce third reading debate on Bill C-76, an Act to amend the Toronto Harbour Commissioners' Acts of 1911 and 1939. Toronto Island Airport serves a large general aviation community and a limited number of commercial air services, one of which uses, Toronto-built DASH-7 and DASH-8 aircraft. They use this airport in the operating of convenient services for the people of Toronto. The airport acts as well as an alternative or reliever airport for Pearson International Airport. It is located strategically on land owned by the City of Toronto, the Toronto harbour and the federal Government. Until June of 1983 the airport was operated by the Toronto harbour commissioners on behalf of the City of Toronto. The lease between these two parties expired at that time, and in the absence of a new operating agreement the possibility existed that the airport might have to be shut down.

• (1405)

With this in mind, and in recognition of the vital role the airport plays in the Toronto area, the federal Government of the day agreed to bring before the House of Commons certain amendments that would correct that situation. The previous Government entered into a 50-year lease agreement in June of 1983 with the City of Toronto and the Toronto harbour commissioners to ensure that the airport, as I have indicated, would continue.

Negotiations leading up to the signing of the long-term lease were protracted, due in part to the environmental concerns raised by representatives of the City of Toronto with respect to the type of air operations that would be allowed at the airport.

As to the good faith of all parties, once again I remind the House that the Hon. Member for Davenport (Mr. Caccia) was a member of the Government at that time, and I mention that because I find it strange that now almost three years later when we are dealing with it he finds areas of concern that did not really give him much heartburn at the time. Bill C-76 should be viewed within the context and the terms and conditions of the lease agreement that was signed by the three parties in June of 1983. The Bill is designed primarily to enable the Toronto Harbour Commission to implement its obligations in the operation of the airport contained in the lease agreement. Specifically, the City of Toronto insisted that certain conditions be included in the lease to prohibit all jet aircraft and aircraft generating excessive noise. Those noise levels are set out quite specifically in the lease agreement, from operating at the airport as a prerequisite to the city entering into a long-term agreement. The former Minister of Transport, on behalf of the federal Government, agreed to make recommendations to Parliament with respect to amendments to the Toronto Harbour Commissioners Act. Such amendments are designed to give effect to the very specific and

clearly set out conditions in the agreement. Such amendments do, among other things, provide the statutory authority to allow the Toronto Harbour Commissioners to make by-laws to prohibit jet powered aircraft and aircraft generating excessive noise from operating at the airport, and will provide a maximum fine of $25,000 upon summary conviction for owners of prohibited aircraft who use such aircraft at that airport. That is not to say that in the event of emergency the airport cannot be used by aircraft generating noises above these specific limits set out in the agreement or jet powered aircraft. The federal Government has invested capital over the last few years and plans further expenditures to upgrade the airport for general aviation purposes. These expenditures were recognized as necessary by all parties to the lease agreement.

The purpose of the upgrading is easiest and shortest to explain, rather than to get into detail, by indicating that the airport at the time was in a state of deterioration leading to conditions that might prove unsafe.

Among the work that is planned and contemplated, already under way are such items as utilities and drainage, sewage treatment, runways, taxiways and aprons, security fencing, field lighting and upgrading or replacing the existing terminal building, and a new control tower.

The start-up for construction that has been noted recently in the press relates to construction that is specifically designed to upgrade the safety of operations at that airport.

The Government will be spending a further $3 million on a new control tower for the airport. That control tower and that construction work is scheduled for completion in 1987. The tower will enable the airport to handle the forecast growth in air traffic in a safe and more efficient manner. The provision of this facility is in accordance with Schedule E, Section 6 of the lease, which gives responsibility for all necessary air navigation systems and air traffic and meteorological services at the Toronto Island Airport to the Minister of Transport (Mr. Mazankowski). I would like to stress that these expenditures have been, and will continue to be, carried out within the terms of the lease agreement and in full consultation with the City of Toronto and the Toronto Harbour Commissioners. All federal expenditures at the site are designed to make the Toronto Island Airport a more modern, safe and efficient facility.

• (1410)

Bill C-76 also includes an additional amendment, at the request of the City of Toronto, concerning the method of appointment of commissioners by the city to the Toronto Harbour Commission. The amendment will allow for members to be appointed by the majority of the Toronto City Council without nomination by the executive committee. This will bring the city's commissioner appointment process into line with city appointments for other agencies and commissions under its jurisdiction.

I wish to advise the House that six minor amendments have been made to Bill C-76 on the recommendation of the legislative committee struck to review the proposed legislation. I might add that the committee heard from several local residents and expert witnesses on environmental issues in the Toronto Island area during its deliberations of the Bill. Amendments related to such areas as expansion of facilities, power of commissioners, prohibition of offending aircraft and fines for offences. These suggestions, where possible, have all been incorporated into the amended Bill which is before us.

In conclusion, in recommending Bill C-76 for third reading, the federal Government is fulfilling its obligation under the lease agreement for the Toronto Toronto Island Airport. The amendments are fundamental to the proper execution of specific terms and conditions of the lease and have the full support of the City of Toronto and the Toronto habour commissioners. They provide the basic framework for the operation of the airport for many years to come for the benefit of users of air services to and from the City of Toronto. At the same time, the lease agreement and Bill C-76 ensure that environmental concerns raised by the city and local residents to preserve the integrity of the neighbouring park land and the harbour area will remain prime considerations governing operations at the Toronto Island Airport.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to participate this afternoon in the third reading debate on Bill C-76. It is a Bill which proposes to transfer the operating and financial responsibility of the Toronto Toronto Island Airport from the City of Toronto to the Toronto Harbour Commission. Despite the words of the Parliamentary Secretary, and the reassurances offered by the Government, my Party has serious reservations about the spirit of the Bill. More important, we are concerned with the holes in it and the sneaky way in which it was drafted.

In 1983, as the Parliamentary Secretary outlined, the City of Toronto negotiated with the Liberal Government of the day a new lease which was to run for a period of 50 years. The City of Toronto, in responding to the concerns of the citizens, particularly the residents of the Island, environmental groups, naturalists' organizations and other interested bodies negotiated a specific lease with specific conditions. It was drafted in 1983 in order to protect the constituencies of the individuals I have just mentioned.

What was contained in the lease? If we look at the agreement between the City of Toronto, the islanders and other interested bodies, we will see that the first issue raised is that there is to be no extension of the existing runways, or construction of new runways. Second, a bridge or a tunnel for vehicles connecting the city and the island will not be built. Third, it was agreed that the lands upon which the airport are located will not be expanded. Fourth, it was decided that no jet-powered aircraft will be permitted to operate from the Toronto Island Airport, except in the case of emergencies. Fifth, aircraft generating excessive noise levels will not be permitted within the Toronto Island Airport vicinity, except in the case of emergencies.

• (1415)

The intention of the agreement to which I have referred was designed to safeguard the infrastructure of the Island, and the

City of Toronto which surround the Toronto Island Airport. One of our major objections with respect to Bill C-76—one which we have had from the outset—is that it is not clear whether this particular lease arrangement is still in force. In fact, in committee we made amendments in this regard and each and every one was defeated. One of the first amendments we proposed was that in respect of the interpretation of this piece of legislation, it should be specified clearly, in black and white, and in simple English, that the terms of the agreement, and the conditions embodied therein, should be in force in the guiding principles of Bill C-76. The amendment was rejected.

Clause 7 of the Bill states:

—the Commissioners shall, in accordance with the terms of any agreement entered into by them, and where there is no such agreement, may . . . make by-laws for the regulation and control of the Airport and all persons engaged in the operation of aircraft at the Airport, including by-laws prohibiting the landing or taking off of

(*a*) jet-powered aircraft, and

(*b*) aircraft of any kind on the grounds that aircraft of that kind generate an excessive level of noise on landing or taking off.

This piece of legislation enables the commissioners to draft by-laws, including by-laws which would prohibit jet planes and other planes which make excessive noise. Conversely, it is clear that they could also make by-laws allowing those jet planes which were not permitted in the previous agreement to operate from the Toronto Island Airport.

When one considers that the conditions of the lease arrangement are not specified in any part of the Bill, and when one couples that with the powers which the commissioners will be granted to draft by-laws, one realises that that is why I say the Bill is faulty and, perhaps, sneaky. The confusion in the Bill provides a window which will allow the commissioners, at some time in the future, the ability to draft by-laws which would permit these types of planes to operate. I am not saying that this would happen this year or next, but it is something that could happen in five years' time.

**Mr. Robichaud:** They won't be here in five years.

**Mr. Marchi:** My hon. friend says not in five years because they will not be in government. That is a very true statement.

What I have pointed out is a serious part of the legislation. While we are proposing to transfer responsibility from the City of Toronto to the federal Government to operate the airport, we are losing some conditions which, in 1983, the citizens fought very hard to include in the lease arrangement in order that their communities and interests would be protected. The Bill is very wishy-washy on those terms and on those conditions.

There is another issue to which we in the Liberal Party took exception, that is to say, that the Government did not permit the right of occasional access for individuals living on the Island. Witnesses who appeared before the committee said that during certain times in winter the ferry they take to get to the Island is not permitted to dock at the regular place and it therefore docks at the Toronto Island Airport. These residents would get off the ferry at that point, cross some airport land and go into their communities and homes. What the witnesses basically said is that they would like some kind of agreement that when they disembark at the Toronto Island Airport, they are permitted to cross those lands to get to their homes. We put that suggestion into the form of an amendment. That amenedment was turned down. We still do not know why. What would be so wrong if we were to allow the right of way, if you will, of these individuals during a particular part of the year to travel a few feet across that land in order to get to their homes? By refusing this, what we have done is to have left this very important tradition, if you will, to the good will of the commissioners, which then becomes simply a discretionary favour. We in this Party cannot explain why the Government did not extend that courtesy to individuals who have already made this their practice over the last number of years.

● (1420)

There is also the question of expropriation. Here again is an indication of the fuzzines and confusion of this particular piece of legislation. In Clause 5(1) there are provisions for the commissioners to extend expropriationary powers, and in Clause 5(2) those powers are removed. Therefore, witnesses came forward to the committee saying that if Clause 5(2) says we do not have these powers, then why bother having Clause 5(1)? The other important question is, why introduce those new powers? It goes back to the terms of the lease. One of the conditions was that the Toronto Island Airport was not permitted to expand beyond its present capacity. Therefore, we would not need the powers of expropriation. For what purpose would you need expropriationary powers if in fact the airport, by the terms and conditions of the lease, was not permitted to expand? Therefore, when individuals living on the Island and interest groups look at Clause 5(1), they are alarmed, and for good reason. They feel that the condition that the airport was not permitted to expand will be undermined. Once again, we made suggestions in committee and the Hon. Member for Davenport (Mr. Caccia) during second reading drew to the attention of the House and the Minister—I believe it was the Solicitor General (Mr. Beatty) who introduced second reading for the Government—the suggestion that he should take a close look at the whole question of expropriation. He enforced that by saying that there was no mention in the Bill of an appeal process for those citizens. The whole question of expropriation is one which gives a very alarming signal to Torontonians, particularly those individuals who live on the Island.

Another aspect of the issue with which this Party cannot agree is with respect to the consulting process which the Government undertook. It was a struggle to get witnesses to come before the committee because Conservative members of the legislative committee who looked at Bill C-76 did not want to hear witnesses.

**An Hon. Member:** Order.

**Mr. Marchi:** They agreed reluctantly to hear only a number of witnesses in a very hurried-up process.

Bill C-76 is not an omnibus Bill. It is a particular and specific piece of legislation which has the greatest impact on the airport, people living on the Island, environmental groups, naturalist organizations and Torontonians in general. Therefore, this Party, through the Hon. Member for Davenport, suggested that it would be logical, sensitive and productive to conduct a public meeting, preferably on the Island, to look at Bill C-76 in order to provide the greatest opportunity for individuals in Toronto to come before that committee and explain their fears and aspirations with respect to Bill C-76. Again, that recommendation was turned down by members of the Government and, again, this Party asks why, as do other Canadians. Why do they turn down an opportunity to allow for greater input into what is basically a very localized issue? It would have only meant an extra meeting or two but it would have assured us that before proceeding in this House we would have the concurrence of individuals who would be directly affected by this Bill. But it seems that the Government just likes to talk about consultation. It tells us it likes to talk to Canadians in order to reach a broad consensus. But when it comes down to the point of whether the Government will do it or not, it does not. It is like the de Havilland situation. The Government said how great the deal was. It told us: "Here is a corporation whose shareholders are Canadians living from coast to coast". Yet it was a struggle to get information from the Government and it was a struggle to get a committee to investigate the de Havilland situation. This particular piece of legislation can be looked at from the same perspective. The opportunity for discussion and input from residents of the City of Toronto, who are involved directly in this situation, was turned down by the Government.

• (1425)

Another matter is the approach the Government takes in looking at Bill C-76. We had an indication of this by the Parliamentary Secretary who quoted statistics about the landings and take-offs, and perhaps more so by the Solicitor General (Mr. Beatty) in his speech at the beginning of second reading in which he told us how many planes land, how many planes take off, and the fact that we are going to expand the airport, that we are going to get a new control tower and so on. But the Government looked at this from a very narrow perspective. It looked upon this issue as purely a landing and taking-off type of operation. It failed to look at the whole infrastructure of the Island.

**Some Hon. Members:** Oh, oh!

**Mr. Marchi:** Hon. Members opposite laugh.

**Mr. Forrestall:** What do you do with an airport except take off and land?

**Mr. Marchi:** Perhaps they laugh because they do not understand the seriousness and complexity of the infrastructure surrounding this particular airport. The Island should not only be looked at as a take-off and landing strip for Dash-7's and Dash-8's. That is only one part of what the Island is used for. It is a beautiful set of islands. Perhaps Hon. Members opposite who are laughning do not understand that on Ward Island there is a beautiful community of individuals and families. They also probably do not understand that there are parks and trails on these islands and that this is a green oasis for some 250 bird species. Millions of birds are counted annually on that island. There are countless environmental groups, naturalist organizations, and visiting children who go to the Island each and every single day.

The islands are used as a recreational and environmental centre for Torontonians. In the hub of one of the largest cosmopolitan cities in the world, these islands represent an escape valve, an environmental treasure. So it is fine to look at the question from the aerospace perspective, but that should be complemented by the other issues I have outlined. We cannot separate the two because the entire infrastructure is there on the Island. Therefore, to look at the islands as just a take-off and landing pad is a mistake. We in this Parliament are also responsible to the individuals who live on the islands and their recreational and environmental aspects.

• (1430)

That brings us back to the initial terms and conditions arrived at in 1983. It did not happen by chance or by accident that those terms and conditions were drafted as they were. They resulted from public hearings and input from environmental groups and residents of the City of Toronto. It was only then that the federal Government negotiated the agreement which secured the viability of the islands for the various individuals and groups. This Bill could have offered the protection those individuals and groups were looking for if the Government had at the very outset, in the interpretation clause, specified very clearly once and for all that the terms and conditions of the lease agreement are still in force. Had that been done, we would not have needed to talk about expropriation. We would not have needed to give additional powers to the commissioners to write by-laws. The conditions would set the course and determine how the airport was managed.

The Parliamentary Secretary said that the Hon. Member for Davenport all of a sudden has concerns that he did not have some years ago. Of course he has come concerns now because in 1983 there was no cause for concern. The concerns were addressed in the lease arrangement. He is concerned now, as am I and my Party, because those terms and conditions are very fuzzy and iffy because they are not referred to in this legislation. Therefore, even though we are at third reading, I had hoped the committee and the Government would have accepted the amendment we put forward to indicate very clearly that the terms and conditions fought for and on behalf of the City of Toronto residents, Island residents and environmental groups and organizations, would still be respected. That is not the case and that is why we fear this legislation is not as strong as it should be.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am partly in agreement with the Hon. Member who has just spoken. This Bill is not what it should have been. However, I think on one

major point the work of the committee may have been useful, although the Parliamentary Secretary gave me some reason to be uncertain about that. The main concern expressed is that this should not become a jet port or an airport which will accommodate noisy planes or such a large volume of planes as to disrupt the surface traffic patterns downtown. The main reason for a large volume would be the landing of jets, quite apart from the question of their noise. This was the central part of a debate in Toronto City Council for several years which resulted in that lease arrangement referred to. That allowed a STOL port but not a jet port. The main concern of our Party was to focus on that and make sure this Bill was written in a clear enough way so that the conditions of the lease regarding the use of jets could be protected.

Our concern was in part whether the lease would be superseded by the legislation. Various opinions were given. However, there was an amendment agreed to by the Government as follows. Where it says that the commissioners shall, in accordance with the terms of any agreement entered into, and so on, make by-laws for the regulation and control of the airport, et cetera, it refers to jet-powered aircraft. In other words, they shall do this in accordance with the terms of any agreement they have entered into. That, I take it, includes the lease. It also says that they may, in a like manner and subject to like conditions, as in the case of by-laws, make by-laws and so on, but where there is no such agreement they may or may not. But where there is an agreement, they shall do it in accordance with the agreement. I am hopeful that that amendment will protect the effect of the lease signed three years ago. I was made a little less certain of that when the Parliamentary Secretary said that jets are now permitted to land there in an emergency.

**Mr. Forrestall:** Of course they are.

**Mr. Heap:** He adds: "Of course they are".

**Mr. Forrestall:** If you lost your wings and there was a runway under you, where would you go?

**Mr. Heap:** However, he has opened the prospect, through enlarging the runways and bringing in more sophisticated control equipment, of encouraging a great many more emergencies.

**Mr. Mazankowski:** You would rather see the passengers perish?

**Mr. Heap:** We know the Government of Canada has traditionally had a very flexible idea of what is an emergency. That is to say, there are emergency powers under the War Measures Act, which the Government has liked to use in other times than wartime or even when there was not an emergency. An example would be during the four years following World War II. I hope it is not the intention to redefine "emergency" to allow frequent or even regular landing of jets on the Toronto Island Airport. There are some other concerns as well, but that is the central concern and I am very happy that the Hon. Member for Beaches (Mr. Young), with the support of the Hon. Member for Davenport (Mr. Caccia), was able to persuade the committee to introduce at least that amendment. Perhaps had there been more foresight we would have asked for a better definition of the word "emergency". I understand the Minister agrees with his Parliamentary Secretary because he was shouting that we do not want them to have to use parachutes.

**Mr. Mazankowski:** No, I did not say that. I said I don't want the pilots and passengers to perish. That is what I said. Perish. Die.

**Mr. Heap:** I thought you said parachutes. No one is asking that they should perish. What I am concerned about is that future regulations of Government do not stretch that word "emergency" beyond what is absolutely necessary for life. It should not be used as a regular alternative landing field instead of Pearson Airport.

Some of the other concerns dealt with the matter of the tunnel. Nothing in the amendments prevents the building of the tunnel except the terms of the lease. The terms of the lease can be changed with the agreement of City Council, as can the terms reflecting the use of jet planes. However, there can be pressures put, through extension of the runways and facilities, such as to make it almost impossible to refuse the use of a tunnel. In other words, there will be a creeping extension of the airport which will perhaps some day include a tunnel. This is something that the people of the City of Toronto and Toronto City Council will need to watch very carefully.

• (1440)

A tunnel at the Toronto Island Airport could have two very destructive results. It could eventually bring an unlimited number of private automobiles onto the Toronto Island. At present there are some vehicles there which are strictly under the control of the Metro Parks Department. The Island is a wonderfully quiet and restful place for that reason. In the area in which there are several hundred houses people can walk and children can play without dodging cars. There is no traffic noise there and it is a very restful place. The whole park area is, likewise, restful. There are a few maintenance vehicles such as the fire engine and the police vehicles, but they are driven by public servants who operate with that sense of obligation. The park is a very valuable resource for 200,000 to 300,000 people who live in the downtown area of Toronto. Many other people go there as well, but it is particularly used by people from the downtown area where there are very few parks and there is a great deal of hot concrete in the summertime.

It is predicted that by the end of this decade the number of passenger movements will be increased by one-third from 150,000 to 250,000 per year. Presumably they will be further increased after the end of this decade. There is a concern that the tunnel would provide a means of bringing cars onto the Island as well as bringing passengers to the airport.

A further problem exists with that tunnel at its other end. The harbour front is becoming a residential and recreational area for the people of Toronto. Residential buildings to house

2,000 or 3,000 people will be built immediately adjacent to the parking lot for the present ferry terminal in two or three years. There are already residential buildings approximately one-half mile to the east, but these will be directly adjacent to the terminal near the foot of Bathurst.

To have the airport eventually linked up to a renewed Spadina Expressway, to the terminus of a Scarborough expressway, and to the terminus of the 400 extension from the northwest, all pointing to downtown Toronto and carrying an immense amount of traffic to the Toronto Island Airport, would considerably disrupt the present fairly stable life of downtown Toronto. The commercial areas as well as the residential areas there are at present in a reasonable equilibrium, but are full to completion. A motivation for bringing new expressways downtown would endanger considerably the present balance of life in downtown Toronto.

The fears of many people were confirmed by the news stories published as soon as this Bill passed committee hearings. The news stories indicate that the purpose of this legislation is more than meets the eye. It is more than simply to take the financial burden off of City Council, the reason given for its introduction. The news stories reflected the Minister's speech given at the beginning of this debate. They say that there could be a $20 million expansion of the airport including refurbishing of the terminal building, more modern control towers, state of the art computerized landing equipment, increased parking facilities, and so on. Another headline in the same Liberal paper, *The Toronto Star*, says that the door is now open to an island tunnel. A similar headline in *The Globe and Mail* says that the tunnel to the Toronto Island Airport is likely.

That could be a serious matter, Mr. Speaker. The suggested purpose for this expenditure of public funds is to enable the airport to be privatized. In other words, the suggestion is that the Government will be following the pattern of pouring public money into a losing public project until it is almost at the point of viability, as it did with de Havilland, and then, having made it profitable with more public money, it will sell it off to a private entrepreneur. In that case controls on the use of the Toronto Island Airport will be far more difficult to maintain. We will find that by-laws and leases will be treated very lightly after it has been made a valuable plum for sale by the Government and sold to a private entrepreneur.

The Bill will go through, and the principal and immediate problem felt by a great many people in the City of Toronto appears to have been placed under some control by the amendment regarding the lease. However, there is still a considerable danger that those who have had the effective control of this, such as the Hon. Minister of Transport (Mr. Mazankowski), will be using public funds for the up-grading of the Toronto Island Airport so that it can be sold to private entrepreneurs who, of course, are the friends of the Government. The Government refuses to use those funds to upgrade effectively bus transport or rail transport, such as that in the Windsor to Quebec City and Toronto to Ottawa corridors. We are still running old rattletrap trains there, when they are not broken down or running late.

The Minister is presumably going to refuse to put more money into a mode of transport that can carry everyone at an economic price, and will, rather, be pouring those dollars into the airport. The people of Toronto will be watching to see what the Government does in the next year or so with the airport that Toronto produced but that other people now wish to take over.

**Mr. Forrestall:** Mr. Speaker, it might be useful to Members if I begin by reiterating briefly the comments I made in my opening remarks with respect to any capital structural changes. All investments at the Toronto Island Airport will be carried out only after full consultation with the City of Toronto and the harbour commissioners, and within the terms and conditions of the lease agreement. The Hon. Member has raised a very legitimate question. The lease very specifically prohibits the construction of a bridge or vehicular tunnel from the mainland to the Island. While the lease would in fact permit the construction of a pedestrian tunnel only, it is the position of the Government, which was also the position of the previous Government, that, unless the City of Toronto agrees to and supports the construction of a pedestrian tunnel, the Department, as a signatory to the lease itself, would not support any plans for any form of an access tunnel including a pedestrian one. I thought I would make those two points, which may set the hon. gentleman's mind at rest.

• (1450)

The previous speaker had some concerns about embracing the right of access in the Bill. The difficulty with that is that no one has ever had a right of access. In order to maintain safety and control of the ninth busiest airport in Canada, people cannot be allowed to cross a very active runway on their own volition. It must be in the control of the operators of the airport.

Historically, access across airport land has been a matter of negotiation between the people on the Island and the operators of the airport, and it has seemed to work very well. So far there has not been any difficulty and, quite frankly, we do not foresee any difficulty in the future.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I want to intervene briefly in this debate on Bill C-76. My colleagues, the Hon. Member for Beaches (Mr. Young) and the Hon. Member for Spadina (Mr. Heap), were active in the committee as well as at second reading stage of the Bill. Of course, the Bill is of more direct concern to them and other Members from the Metropolitan Toronto area.

However, there are developments in this case which are very similar to developments in other airports that will occur particularly in the months and years ahead. I believe this should be brought to the attention of the Ministry.

With the expansion of air traffic, the number of aircraft, the landings and take-offs, the number of passenger airlines, the infrastructure for airports and the personnel required to oper-

ate them and protect the public interest must also increase. I believe that this infrastructure must increase before, not after the fact.

The Canadian Aviation Safety Board recently announced that it would hold a public inquiry into the risk of collisions involving aircraft on the ground, in response to a dramatic increase in near misses since 1983. There were 73 reported incidents in 1983, 124 in 1984, and over 200 in 1985. I agree that this increase justifies such an inquiry, especially when one considers the economic changes contemplated by the Minister's office in the form of deregulation, reregulation or a new regulatory regime. One must also consider the fact that the Department of Finance and the Treasury Board have a hypnotized attitude about the deficit and have applied pressure to cut costs and the size of the Public Service.

Of course, there are appropriate areas in which cuts or delayed expenditures can be made. However, some areas should not be cut, including some for which there is no complaint from the taxpayers about how much of their money is spent. These areas include proper, safe and secure facilities whether it is airports, railroads or other facilities. I have yet to hear a taxpayer of any political stripe complain about such expenditures. In fact, they would support increased expenditures in that area.

The situation will not improve if the same number of people or fewer must monitor the movement of increased traffic, whether it is at Toronto Island Airport or anywhere else.

Another statistic which needs the attention of the Canadian Aviation Safety Board, the Minister and the Government is the equally dramatic increase in what are called internally operating irregularities while in the air. In 1984, 92 incidents were reported where public safety may have been jeopardized and the minimum separation between aircraft was violated. The number of such incidents in 1985 was 164. This is of particular concern at a place like Toronto Island Airport with its high and ever-increasing volume of general aviation traffic. According to my information, Toronto Island Airport currently has the required number of traffic controllers to do the job. However, that is not the case for all airports. I urge the Minister and the Government to re-evaluate their policies of reducing the number of air traffic control staff by some 142 as a result of the A-base review.

Not only is an inquiry on ground near misses and air near misses necessary, a complete study of ground control and air control needs for the future must be conducted, including a clear assessment of our flight service station needs and airline dispatcher requirements. If the Government intends to move in the direction of more local control of airports, the structure of monitoring those aspects of air safety must be strengthened. There must be as many inspectors in the field as necessary, even a few more than necessary, to ensure that the job is done and to keep tight control while we undergo these changes in both regulation and jurisdiction.

As I mentioned to the Minister in Question Period today, once the taxpayer has committed and spent millions of dollars to build and maintain a large airport infrastructure, and deregulation or a new regulatory regime allows an airline to pull out of an airport simply to suit its convenience or meet its "sound business practice", it would seem to leave the taxpayers in the lurch, with an airport on which they spent tens of millions of dollars. There must be some reasonable provision so that expenditures for such an infrastructure are not left idle, underused or wasted.

Last year, the people of Canada spent over $6 million at Gander airport to improve it as an international airport. We do not know how many more millions of dollars were spent in the years prior to that. If Air Canada can decide, in the interest of "sound business practice", to pull out of Gander and go to St. John's, what will other international airlines do? If we enlarge the international operations out of St. John's, the taxpayers who have already spent a great deal in upgrading and improving the Gander airport will then be called upon to upgrade, improve and enlarge the facilities in St. John's. Other airlines operating internationally will say: "Well, this has all been done by Air Canada. Now that the Government has improved and enlarged the facilities in St. John's, we want to pull out of Gander too and go to St. John's."

● (1500)

There are two questions. What about the people and the employees at Gander, and what about the investment we have in Gander? It seems to me that some kind of long term planning needs to be done, although I know my good friends across the way are not noted for what is called long term, and in their books, there is paranoia about state planning, but in this area and in this instance it is more than justified. Then you allow your transportation industry, in this instance the airlines, to operate relatively freely within the context of that long term planning.

What I said earlier about Toronto Island Airport is now applied to Gander, so let us go back to Toronto Island Airport. That airport will need more improvements, not only a control tower but other items as well. It will need more personnel because traffic is bound to increase. It will need all of that and so will a lot of other airports in the country. You can do none of it if you continue in an atmosphere of paranoia and hypnosis about cut-backs, restraint, reducing the budget in an area that has to do not just with public convenience and the convenience of airlines or general aviation operators, but with safety and security. Those surely are not the kinds of areas you cut back on.

The cut-back of 142 controllers as a result of the A-base review, whatever the dickens that is, is the opposite direction. My colleague and good friend, the Hon. Member for Fraser Valley East (Mr. Belsher), the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) and I along with other colleagues were in Washington the last three days. If there was any one thing that was urged upon us from people both for, against and in the middle of deregulation, it was not to make the same mistakes they did. The main one and the one urged upon us by people from both sides of the argument was to put in place, before opening the entries and exists, a sufficient

number of trained inspectors to allow for a 10 per cent, 20 per cent, 30 per cent increase in aircraft. This would require a proportionate increase in inspections and enforcement of regulations having to do with safety and security.

They told us that after the 1978 legislation in Washington which brought in deregulation in transportation, because of the drive to reduce the deficit, to cut-back and show restraint the Americans chopped 200 inspectors from the Federal Aviation Administration. They have had to frantically try to replace them.

As I recall, and my colleagues will correct me if I am wrong, they have replaced 166 of them and are now rushing to get trained, hired and put in place something in the order of 150 to 200 more inspectors this year and 250 or 300 next year in an effort to catch up with the growth and increase in airline and general aviation traffic. That kind of preparation in advance is particularly applicable to the high volume airports. I believe I heard someone say today that Toronto Island is fourth or fifth highest in the country in movements—

**An Hon. Member:** It is ninth.

**Mr. Benjamin:** That makes it a pretty high volume airport. You do not wait until after you have that increased movement to put in place people who have to be there to provide more than sufficient air traffic control, inspection and enforcement of regulations. That situation applies to every airport in Canada.

Therefore, if you are going to be ready for increased activity at Toronto Island, if you are going to be ready under whatever kind of regime the Minister wants to bring in, you better start now. Budget increases had better be reflected in some very quick Supplementary Estimates which would have the support on all sides of this House. If the Minister has a problem with the Treasury Board, the Minister of Finance (Mr. Wilson) and the Minister of National Revenue (Mr. MacKay), he will have the support of Members from all sides to get the increases required to train, hire and place more inspectors, more air traffic controllers, better enforcement capabilities and a better investigative capability.

We all know, and we were told in Washington earlier this week, that the increase in violation, whether loss of separation in the air, near misses or even the odd accident on the ground, is just not tolerable. The increase in Canada in the same kinds of incidences is not tolerable. We do not have the capacity to deal with it. I do not blame our lack of capacity on the present Government.

I remember a reduction of something like 19 inspectors as per the Estimates back about 1976 or 1977 when we needed more inspectors, not less. This was at the time of the six and five program of cut-backs, restraing and whatnot. The Government cut back in the wrong places which increased risk and increased the possibility of problems. Let us quit waiting until there is some kind of a tragedy, when we all rush to close the barn door after the fact.

We need to be more prepared to handle certain situations with our present volume of air traffic. We must be prepared ahead of time for an increased volume. I am making a wild guess, but I suspect the Minister needs at least $100 million or $200 million in his budget for the training and placement of inspectors, for investigations capacity, air traffic control and the facilities and structure they need to carry on a proper job.

What is being done here today with the Toronto Island Airport requires more than just looking at what a new contractual agreement will be with the City of Toronto and the Toronto Harbour Commission and the federal authority. It is what is done before, during and after the entering of such agreements. If we are going to be slack and lacking as we have been and as we are now, we are just asking for that much more trouble, and we increase the odds that we will get a lot more trouble.

• (1510)

I hope the Minister will be hearing from his colleagues who were in Washington as well. We should learn from their mistakes. We cannot copy everything they have done, because our situation is very much different. However, we can and should learn from their errors, about which they were quite candid in telling us. If we do not learn from them, we place in jeopardy the people in Canada who have to travel.

Motion agreed to and Bill read the third time and passed.

* * *

## PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, as reported (without amendment) from a legislative committee.

**Hon. Don Mazankowski (for the Minister of State for Finance)** moved that the Bill be concurred in.

**Some Hon. Members:** Agreed.

**Mr. Mazankowski (for the Minister of State for Finance)** moved that the Bill be read the third time and passed.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, Bill C-82 is an important piece of legislation. In fact, it can be considered a cornerstone of the Western Accord which was announced by my colleague, the Hon. Minister of Energy, Mines and Resources (Miss Carney), on March 28, 1985. This event marked the end of more than a decade of dispute between the federal Government and western provincial Governments concerning energy pricing and taxation.

As my colleagues on this side of the House have emphasized in the preceding debates on the Bill, the Act to amend the Petroleum and Gas Revenue Tax Act contains the necessary

changes to speed the oil and gas industry along the road to recovery.

To refresh the memories of Hon. Members, the Bill contains four significant policy changes to the PGRT. It will completely phase out the PGRT by reducing the existing tax rates applied to both conventional oil and gas production and synthetic production in a gradual fashion over the next three years, ending up with a zero per cent rate in 1989.

A second change is designed to stimulate new activity immediately. The Bill allows a full tax exemption for revenues from new wells drilled after March 31, 1985. In addition, enhanced oil recovery projects including waterfloods are provided with options that will result in a more favourable treatment during the remaining years of the PGRT. Major new projects will also be exempt.

A third change was introduced which will assist companies that are able to realize income tax savings from new exploration and development expenditures under the regular income tax. A new mechanism was included in the Bill which will allow 30 per cent of the value of new unused exploration and development expenditures to be applied against the PGRT.

The final new measure included in the Bill is a $10,000 annual deduction for individuals starting with the 1986 tax year. This measure will remove the burden of the tax for several thousand Canadians who have very small amounts of royalty income from producing oil and gas wells. I commend the Bill to all Hon. Members for their approval.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am glad to participate in the debate on Bill C-82. Our critic, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), had to be absent from the House this afternoon. He has asked me too make a few comments on it.

I have gone over the speech of the Minister at second reading and have looked at the debates in committee. I tried to imagine how a person from Ottawa-Vanier, a consumer like me, would look at the proposed legislation to phase out the PGRT over a period of three years, in terms of what it does for consumers and for multinational oil companies, in terms of what it does for those who have received so much from the Government and for those who are still expecting so much from the Government.

By removing the PGRT, which was worth about $2 billion per year in revenue to the Government, the Government gave in to the wish of the industry. During the election campaign, the PGRT issue was indeed a hot one. The Leader of my Party, The Right Hon. Member for Vancouver Quadra (Mr. Turner), made a commitment to review this measure which was considered harsh by many and which was taxing revenues but not taxing income. In my view, and in the view of many people who think in similar terms, it was a fair object of review.

With the removal of the National Energy Program, the Government gave away a lot of revenue to the oil industry, to the oil companies operating in Canada; so much so that predictions indicate that their incomes will increase by about 160 per cent by the end of the decade. The elimination of the PGRT by itself will increase profits to the companies in the order of 75 per cent in the same decade. At the wave of the magic wand, the Government gave up revenue or income for the Canadian public and gave it to the oil companies.

I return to my original thought concerning what a consumer like me will get from all this. We want lower prices, and I think consumers can expect them. I will get to the debate on lower prices for oil because market prices for oil are going down these days. It is apropos that we will be talking to that subject in a few minutes. However, before dealing with that subject matter, I want to review some of the comments made by the Minister of Energy, Mines and Resources (Miss Carney) and to look at the promises made by her Party during the last election campaign. When the Energy Minister was speaking to the Cities and Energy Conference in March, 1985, in Vancouver, she described deregulation as "much better" for consumers. She said:

> This is especially true in today's world of falling international oil prices.

That is very interesting, since deregulation of the industry on June 1 the consumer has seen prices rise mainly because of the increased taxes with which the Government has burdened the consumer. The Government removed the PGRT so that oil companies would not have to pay the tax and told consumers that they would have to foot the bill. Today we see that prices at the pump are going up.

World prices started to waver, to quiver and to show some decline when the OPEC countries started to have difficulty getting along and world prices were dropping in January. The price paid at the pumps in January this year took another jump. Remember, the Government added another 1 per cent sales tax, from 10 per cent to 11 per cent in January. That was reflected immediately in the cost of gasoline at the pump. Yet the Energy Minister said things would be much better for consumers. It possibly is much better for the consumer, and being a chiropractor I think it is good that people should walk more. If you are earning a living, and if you are a salesman, a farmer, or if you are travelling for any type of income then you have to pay higher prices at the pump because the oil companies are getting a nice generous gift from the Government.

• (1520)

I just want to come back—

**Mr. Boudria:** If the oil companies don't get you, the Tories will.

**Mr. Gauthier:** I want to refer to a table that was leaked after the last Budget. It is entitled "Direct Impacts of Budget Measures by National Accounts Component". This document, interesting as it was, reveals that the indirect taxes and the increase in the energy excise taxes will bring into the Government about $395 million additional in 1985-86, $930 million in 1986-87 and $915 million by 1990-91.

The removal and the phasing out of the PGRT, interestingly enough, was going to cause—

[*Translation*]

—what is called in French a "*manque à gagner*", I am not sure what it is in English. So we are talking about a $125 million less revenue in 1985-86. The Government will lose $125 million in revenue in 1985-86, $920 million in 1986-87, and $2.449 billion in 1990-91. It means that the Government will have to get the money from Canadian consumers. It means that it will be forced to raise taxes, as it has done already. The sales tax increase from 10 to 11 per cent will generate just about enough money in 1986-87 to compensate for the $920 million gift the Conservative Government gave to the companies through the PGRT. Consumers will pay $930 million more in taxes, so it works out to the same thing. They take the money from someone's pocket and put it in someone else's pocket. All we have to know is from which pocket the Government likes to take the money.

**An Hon. Member:** From both pockets!

**Mr. Gauthier:** Well, it seems obvious enough. From both pockets! Hopefully the new Budget will do justice to corporate taxes. We hope, we do not know, but we will see. Maybe there will be some justice in the system one of these days, but right now the consumer is the one who picks up the tab and gives the money to the Government which hands it out to the oil multinationals. You will all have time to speak. Do not worry, we have plenty of time. You will have an opportunity to rise one after another and repeat your partisan spiels.

**Mrs. Mailly:** Be objective!

**Mr. Gauthier:** Objectivity is my strong point.

[*English*]

In the same conference in Vancouver in March of 1985, which I referred to a few moments ago, the Minister told us, and I quote her again, "We can't be complacent that lower prices will continue over the long term". Therefore we have to do two things. The first is to build protection for consumers if international oil prices surge. The second is to get on with the job of conservation. International oil prices are not surging. They are falling drastically. The consumer in Canada does not benefit, and the question is why not? I could read a whole series of articles published January 22, 23, and 24. "Oil prices continue to fall but not at gas pumps". "We could wait months before gasoline prices drop", Carney, *Toronto Star*. "Oil prices continue to fall but not at gas pumps", *Gazette*. "Mulroney confuses PetroCan's role", *Toronto Star*, and it goes on.

"Carney predicts lower prices at gas pumps". "Rip-offs at the pumps", *Calgary Sun*. "Excessive gas prices cost us $8.5 million a day: Broadbent". "Wilson won't lower PetroCan's gas prices", the *Gazette*. I can go on, Mr. Speaker. In the *Toronto Sar* today "It is true, it has the right colour, it is true", on the headline. I am happy to see all my friends around here on a Friday afternoon. They are all welcome because we love to have these Friday afternoon debates. I was wondering if Petro-Canada would come across, as we thought it should, as it was intended it would. And for Canadians the window on the industry—

**Mr. Marchi:** Now it's the broken window.

**Mr. Gauthier:** It was to bring stability, it was supposed to assure adequate supply at fair prices. Remember, those were the things, a window on the industry, adequate supply and fair prices.

We see the oil prices tumbling and it is not easy to explain. I do not understand that. I am not an oil specialist. We look at the *Toronto Star* today and try and find out. Some of us have to rely on thenewspapers to get information sometimes. I see where the oil prices on the world spot market have plunged below $20 U.S. a barrel today, and that is $28.13 Canadian at yesterday's exchange rate. While Canadian oil is now supposedly deregulated and reacts to world prices, Canadian light crude oil is priced between $30.20 and $30.80 Canadian. That is $2.07 to $3.67 Canadian above world spot prices.

We are not at this time reflecting what I thought was a mandate of Petro-Canada to be the window and to keep prices at a fair level. No, we are telling the Canadians the spot price, the heck with it.

The next question is how do Canadian oil companies set their price on the barrel? A journalist, Mr. John Spears of the *Toronto Star* asked the question how Petro-Canada sets its price for a barrel of oil. The answer of Petro-Canada was no response, "we are not talking". Great help, that is a great window. As one of my Members said, somebody broke that window some time ago. No one at the Calgary head office of Petro-Canada, conceived as a window on the oil industry, could answer how, or explain for that matter how the price of a barrel of crude oil is fixed in Canada. He went to another company, Imperial Oil. In his own words, Imperial Oil Limited was more forthcoming. It has posted its price for crude lower than Petro-Canada at $30.20 Canadian or about $21.50 U.S. Again, a dollar and some cents above the spot market, the world price.

We wonder how these Conservatives, supposedly well informed Members of Parliament on the Government side can continue to support such a policy as transferring wealth from the consumers of Canada, the Canadian public in general, to those oil compagnies which will not have the decency to even give us an answer. I can see that you are indicating I have but five minutes left, Mr. Speaker. I think that I have unlimited time on third reading. I would appreciate if Your Honour would advise me as to how much time I do have since I have some notes I would like to go through.

• (1530)

The Minister told us that market prices were at work. She said that we have to rely on the market because the market sets the price. She told us that her Government believes in deregulation and in market prices. Some of us would like to know what the market is doing. We would like to be able to explain to our constituents why it is that when they get to the gas pump they have to pay a 58 per cent increase in taxes on

gasoline. This is the amount they had to pay last year. I will repeat the figure for the Hon. Member for Gatineau (Mrs. Mailly)—58 per cent.

**Mrs. Mailly:** Yours was 80 per cent.

**Mr. Gauthier:** Right now this is costing Canadians about $1 billion. In 1990 it will cost Canadians about $2.5 billion in lost revenue, which the oil companies will receive. How can the Hon. Member stand up in her riding and tell the tourists that come to Gatineau, whom she wants to draw there—

**Mrs. Mailly:** Gas costs less in Gatineau now than when you were in power.

**Mr. Gauthier:** How can the Hon. Member justify that to people in her riding?

**Mrs. Mailly:** By creating jobs. People once working in Alberta have now come home to work.

**Mr. Gauthier:** I want to talk about creating jobs. In Nova Scotia, for example, oil and gas searches were carried out by the private sector under PIP grants. Do Hon. Members remember the Petroleum Incentives Program?

**An Hon. Member:** We remember it!

**Mr. Gauthier:** It created jobs.

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** It created jobs in the Beaufort Sea and in the Atlantic.

**Mrs. Mailly:** It created jobs in Belgium!

**Mr. Gauthier:** All the urban Tories who are in the House are laughing. All the urban Tories who are laughing should talk to some of those people in the eastern provinces just to find out how many rigs are working right now in Nova Scotia. There was but one rig working last year. When PIP was in effect there were many rigs working, sometimes up to a dozen, and at other times even more than that.

**Mrs. Mailly:** They were in the States.

**Mr. Dick:** They could buy them. You gave the money away to the rich people.

**Mr. Gauthier:** You will get your chance to speak on this later.

**Mr. Dick:** You gave them $2 billion.

**Mr. Gauthier:** Mr. Speaker, I take it that I do have unlimited time—

**Mr. Deputy Speaker:** No, you do not.

**Mr. Gauthier:** If I do not have unlimited time, then I would like to get on and deal with what the Government is doing in terms of oil conservation. I take it that the Tory Members in the House believe in energy conservation. I take it they believe in insulation as well. What has the Government done in this respect? It took away the insulation program. The Government even imposed a tax on wood stoves, which is a way to heat homes. I hope that over the weekend I will be doing some wood stove heating because it is agreeable and it saves energy. We did not tax wood stoves before.

**Mr. Boudria:** The Tories did that?

**Mr. Gauthier:** The Tories did that.

**Mr. Boudria:** Unbelievable!

**Mr. Gauthier**: They should tell that to the farmers in their constituencies. That was a great progressive move.

**Mrs. Mailly:** They don't have to pay capital gains on the sale of their farms.

**Mr. Gauthier:** What does the Conservative Government do with the taxes? It gives them away to the oil companies.

I see, Mr. Speaker, you are indicating to me that I have but two minutes left.

**Some Hon. Members:** Too bad!

**Mr. Dick:** You are usually more rational.

**Mr. Gauthier:** I would just like to put some statistics on the record, which is something I am sure the Hon. Member for Gatineau would love me to do. Let us consider how much taxes have risen in the 12-month period from October 1984 to October 1985. As I have said before, the Government raised taxes by 58.1 per cent. That is incredible. In the United States motorists have been benefiting from the falling oil prices. The Americans have kept up with the times, they have not had any tax increases. In fact, their level of taxes has remained steady.

In Halifax, in October of 1984, the price of a litre of regular gasoline was 52.6 cents. In October 1985, the price of a litre of gasoline in Halifax had risen to 57.7 cents. This is as a result of a policy put into place by a Government which states that when gas and oil prices decline it will impose more taxes just in case the consumers should have an advantage over the big friends of Government. I am speaking of the big oil companies. The Government makes it difficult for the consumer, and especially hard for farmers. I am looking at my friend, the Hon. Member for Mississauga North (Mr. Horner).

**Mr. Horner:** There is not one farmer in my riding.

**Mr. Gauthier:** He does not have one farmer in his riding. He should have. It would make him more sensitive to their needs. Farmers have to buy gas and oil. If greater taxes are imposed on farmers, their profits are reduced and they have a difficult time with the administration of their farms. As an urban man the Hon. Member should understand that.

The Minister says that it will take a few months before lower priced oil works itself into the system. That is a very interesting point. When oil prices were going up, the oil

companies were saying: "We have to ratchet the price of oil right now because it is going up". However, when the price is going down the Minister says that the product has to work itself through the system and that market forces are at work. That is excellent logic. The oil companies ratchet the price—

**An Hon. Member:** What does ratchet mean?

**Mr. Gauthier:** It means to ratchet up. That is what the Government has been doing with these taxes. That is how it gains income. It is affecting the consumers in the country to the extent that today they are paying through the nose for things they should be getting at a fair price, which was the idea at the inception of the National Energy Program. We assured Canadians that they would have a constant supply of oil at a fair price. Now, Hon. Members on the Government side should get their act together and tell the Minister to keep oil prices down. They should be telling their Minister to keep the price of gasoline down at the pumps as well.

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** Are there questions or comments? The Hon. Member for Calgary North (Mr. Gagnon).

**Mr. Gagnon:** Mr. Speaker, I have a comment with respect to the remarks made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). First, he should be congratulated on his remarks. I have never heard a speech with so many half-truths and so much misinformation. He has certainly shown that this is a subject about which he knows very little.

I would like to deal with some specifics. The PRGT is a unique tax on one certain extractive industry, that is to say the oil and gas industry located in western Canada. Can the Hon. Member point out to me a comparable tax which is levied on other extractive industries, such as the nickel industry in Sudbury, or the copper ore industry, or the iron ore industry which is found in Labrador and Quebec, or on the asbestos or gold industry? Is there a gold revenue tax? The Hon. Member must remember that this measure was simply a grab for a great deal of money—in fact, $2 billion a year.

The second point the Hon. Member fails to mention is that the consumer receives the money. If he were to look at the facts he would see that part of the National Energy Program gave $1.7 billion a year in dividends to the oil companies. Another $500 million a year went through the system under the Petroleum Compensation Charges. Who received that money? Again, it was the oil industry. And the Hon. Member says that the consumer pays! The oil companies are the ones who have benefited the most, the Essos, the Gulfs, the Mobils, the Shells and the Domes—the big, big companies. All that and the Hon. Member has the nerve to say that the consumer pays. I suggest the hon. gentleman get his facts straight.

**Mr. Gauthier:** Mr. Speaker, the PGRT helped to pay for the PIP grants. I accept that, and I think it is a fact. The PIP was to encourage companies, especially Canadian ones, to explore and find new supplies of oil in areas which were not being explored through conventional measures by the oil companies at the time. I am thinking about the Canada lands and the offshore and the Arctic lands. Evidently, to encourage these large companies to explore lands in the north—

• (1540)

**Mr. Dick:** Drilling for money, not for reasons.

**Mr. Gauthier:** —we had to encourage them through the Petroleum Incentives Program.

**Mr. Dick:** All they did was drill for money. They drilled to get the money.

**Mr. Gauthier:** The Hon. Member says they were drilling for money. Does anyone else drill for anything else? They were drilling for oil and they found some—

**Mr. Dick:** Very little.

**Mr. Gauthier:** —which we now have—

**Mr. Dick:** Where are they putting it?

**Mr. Gauthier:** —and unfortunately with this Government it will be difficult to bring it down here because its policies are making them go bankrupt and getting out of there.

**Mr. Dick:** They love it.

**Mr. Gauthier:** That is the difficulty with this Government. It does not understand—

**Mr. Dick:** You don't know anything about the oil industry. Why don't you admit it?

**Mr. Gauthier:** —that basically at the time the program set in place was to make the PIP program available to industries so that—

**Mr. Dick:** Don't believe it.

**Mr. Gauthier:** —they did better and could better explore in Canada.

**Mr. Dick:** You don't know what you are talking about.

**Mr. Gauthier:** I think that assured Canadians of a constant and sure supply of Canadian oil and that was basically why the PGRT was put in place.

**Mr. Dick:** Mr. Speaker, I was interested to hear the Hon. Member for Ottawa-Vanier (Mr. Gauthier) talking about a subject about which he knows nothing.

**Mr. Gauthier:** I will admit I am not the expert you are.

**Mr. Dick:** I do not intend to get into it because I do not think I know as much as some of the people who live in the area where the oil is found. I will not try to embarrass myself by trying to talk about something I know nothing about.

Would the Hon. Member for Ottawa-Vanier not agree that when the oil prices were going up in the mid-1970s that his

Government introduced a policy that it could not pass on the new higher rates to the consumer for three months because it took that long for the oil to work through the industry and get to the pump? Will the Hon. Member agree to that?

**Mr. Gauthier:** Mr. Speaker, the National Energy Program, as I understand it, and as I understood it—

**Mr. Dick:** Not the national energy policy. It was in the mid-1970s.

**Mr. Gauthier:** Does the Hon. Member want to continue his question or does he want me to answer the question?

**Mr. Dick:** Then why don't you answer it?

**Mr. Gauthier:** I am trying to answer the question, if the Hon. Member would give me a chance to start. The National Energy Program indeed tried to equalize prices for Canadians. It indeed subsidized the east. Wherever acted increases were put in place—and there were some increases. I would like to remind the Hon. Member that in 1972 when I came here, a barrel of oil was about $2.50 a barrel and a bushel of wheat was about $3.50 to $4. The bushel of wheat is still $3.50 to $4, yet a barrel of oil right now is about $20 U.S. although it was about $38 a barrel.

Yes, indeed, there was a crisis at the time. Yes, indeed, the OPEC countries were establishing their right to their natural resources, and I do not disagree with that. I do not think I would argue very long with the Hon. Member about the need to increase the oil prices and the exchange rate on oil versus grain. I don't think any argument can be made there. I do not think anyone here would disagree with the fact that oil, which is no-renewable, had to command a higher price than $2.50 a barrel. None of us would argue with that.

**Mr. Dick:** I know that.

**Mr. Gauthier:** Yet, it would have been economically difficult for Canadians at that time to be the object of the "seven sisters", of the big oil companies which had control of the industry, world-wide, at the expense of those companies in Canada. Therefore we tried to put in a system which would be a buffer and which would give the oil a chance to work its way through. Yes, there was a three-month delay in trying to get the increases, but at the pump.

**Mr. Dick:** Okay. I agree.

**Mr. Gauthier:** It was done pretty well immediately on the barrel of oil, I admit that. I have researched today and I will do more research on it tomorrow but every time the oil prices went up, every time there was even a rumour of oil prices going up, the gas prices went up at the pump.

**Mr. Dick:** Three months later.

**Mr. Gauthier:** That was the official policy of the gas companies and the Governments, and I do not believe that the gas and petroleum distributors, the persons selling gas at the pumps—

**Mr. Dick:** Your Government ruled they couldn't do it for three months.

**An Hon. Member:** Let him answer.

**Mr. Gauthier:** I am talking about at the pumps. They usually increased the price and they are still free to do so. By the admission of all of the companies today their distributors are free to set the price they want. Is that not true?

**An Hon. Member:** No.

**Mr. Gauthier:** Yes, it is. Look at the papers, look at the Government's policies, phone the companies; I did. I may not be the oil expert of the Hon. Members opposite but I know what to do and that is to do a bit of research and to make a few phone calls. When I found I was going to speak this afternoon, I made a few phone calls and I do not think I am wrong in stating the fact that the oil companies have told us that at the pump the distributor is free to set the price. It was the market force at that time. If the market force operates in that way all of the time, then there are some difficulties, but the Canadian energy program we put in place—

**Mr. Dick:** You insisted on a 90-day lag.

**Mr. Gauthier:** —was set on the oil prices as a whole which represented about 30 per cent of the input to the gas pump.

**Mr. Dick:** I want to compliment your Government for putting in the three-month lag.

**Mr. Gauthier:** If the Hon. Member wants to debate, why does he not get up? They cannot hear him on television and they would love to hear him.

We are making an argument in debate and we should be able to understand each other. I am telling the Hon. Member that, yes, there were some workings in those days of allowing for the increases but it was buffeted by the National Energy Program.

**Mr. Dick:** I agree.

**Mr. Gauthier:** Thank you for the agreement.

**Mr. Dick:** Mr. Speaker, I rise on a point of order. The Hon. Member for Ottawa-Vanier finally did agree that there was a three-month lag for which I want to compliment his Government and he should recognize that there is also a three-month lag when the prices come down for the same reason.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I rise to speak on third reading of this Bill. I must say to people who are perhaps watching this debate on television that it is a beautiful afternoon in Ottawa. The skating rink is full. I was enjoying skating on the canal about 12 minutes ago—

**Mr. Towers:** That is something you know a lot about.

**Mr. Waddell:** —and they managed to find me and get me into this debate, and I do not object at all.

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** It is an important debate and I do not mind being here to speak on the Bill, if my friends will listen.

**An Hon. Member:** You are on thin ice.

**An Hon. Member:** You had better start skating.

**Mr. Waddell:** I hear the heckles that it's thin ice and I had better get skating. I hear all the comments and I opened myself up to them. However, let me say a few things—

**Mr. Boudria:** That's all you need, an executive manner.

**Mr. Waddell:** —about this particular Bill because it is an important moment to again bring the Bill before the House since all week we have been debating in Question Period the rising energy prices. I do not accept for a minute that it is going to take three months or so for oil prices to come down at the pumps. It should not. That is what I was trying to point out in Question Period today. If we had a competitive system instead of this system, which is really not very competitive where four large companies basically run the whole show, we would in fact get prices coming down for Canadian consumers. I believe the Minister of Energy, Mines and Resources (Miss Carney), who has been the rising star of this Government, and who has received all that good publicity, has finally had the chickens come home to roost because there is a motorists' revolt going on. They are tired of paying these high prices for gasoline at the pumps when they see world oil prices dramatically declining. Even without world oil prices dramatically declining, in the last six months they have come down from $29 a barrel to $26 a barrel U.S. but they did not come down at the pump. Forget about the $20 a barrel which is what it came down to today, the price did not come down at the pumps. We should be asking ourselves why the Canadian motorist did not get a break. I will not go into the Donato cartoon which says it takes some time to get through the system.

**Mr. Boudria:** I saw the oil can in your hand.

**Mr. Waddell:** I want to talk about this Bill and I want to tie it in with the gasoline prices. Before I speak of the PGRT, I would like to remind Hon. Members that the Minister said in this House today, in response to a question put by my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis)—I don't have the *Hansard* so I will paraphrase what she said—if we look at British Columbia, we see the prices there have gone up only because of the tax increases which they had to impose because of the deficit.

● (1550)

I have two things to say about that. One, the Tories did not have to increase taxes because of the deficit. It was because the Government is giving $5.5 billion to the oil companies in this Bill we are debating. That is the reason for the tax increases which motorists have to pay. Second, the Minister is wrong. She is not really telling the facts as they are. I looked into this. In British Columbia the price of regular unleaded in September, 1984, was 50 cents a litre. In January, 1986, the price was 56.2 cents a litre. Where did that increase come from? This is what the Leader of the Opposition (Mr. Turner) is missing. He said it came from tax increases. That is not accurate either. Tax increases were only 2.8 cents a litre. Where did the other 3.4 cents come from? It was the oil companies increasing prices.

We had oil prices declining from U.S. $29 a barrel to U.S. $26 and prices at the pump went up. The reason for that is that the Government is increasing its taxes and the oil companies are piggybacking increases at the same time. All this in a declining market. Why? Because we do not have a competitive system. We had 1,000 letters about this over the last few days delivered to the eight NDP Members of Parliament from British Columbia. These letters are from motorists who are mad. They have had enough and the Government had better watch it.

This Bill repeals the PGRT. What is the PGRT, asks the very knowledgeable Member for Calgary North (Mr. Gagnon). The PGRT is what James Laxer once called Ottawa's most effective tax instrument for taxing petroleum companies which have been masters of tax loopholes. It was directed to revenue from well-head production of gas and oil. The Conservative lament is that the tax is not profit sensitive. That is, it is difficult to wriggle out of paying it. This tax really hit the oil companies. For once they actually had to pay the tax. My friend says it is a unique tax. Well, it is sort of a unique industry.

The price of oil went from $3 a barrel in 1973 up to something like $38 a barrel. That was a tremendous windfall and the companies were making tremendous profits. It was just revealed today that last year Imperial Oil made $650 million, this in spite of the National Energy Program and so on. The figures have been constantly going up except for one brief period during the recession. Imperial Oil made $250 million in the last quarter of 1985 while motorists were paying more and more at the pump, yet this Government proposes to give the companies more money. Then the Minister wonders why I say she sounds like a broken record from the Canadian Petroleum Association.

As a result of this Bill, the federal treasury, over the next four years, will hand over to the oil companies the proceeds it would normally have collected from the PGRT. That is $2.4 billion a year. You do not have to believe me. I am just a little socialist, five foot six, not five foot three, from British Columbia. Let me quote Peters and Company in Calgary, a respected energy analyst. They have projected that in 1986 the loss to the federal treasury will be $430 million. That is a result of this Bill we are debating right now. In 1987 it will be $680 million. In 1988 it will be $1.36 billion. The following year it is $2.79 billion. By 1990 it will total $5.26 billion. This Bill means we are giving up in taxes some $5.26 billion. What

is the Government's excuse for doing this? This is a rich industry. It received windfall profits when we went to world oil prices. They had a lot of old oil in the ground which was priced at about Canadian $28 and then went to Canadian $38. That was a nice windfall and who benefited? Texaco, Imperial, Shell; the big boys.

Then this tax is removed. Why? The Government is not stupid. It is not doing it just because it is totally in the pockets of the oil companies. The Government's argument is that this will get more money to the oil industry and it will create jobs. Government Members wave around the figure of 300,000 jobs. No doubt by giving all that money to the oil industry some jobs will be created. That is good. It is also good that the economy of Alberta picks up. However, they have swallowed the line of the Canadian Petroleum Association hook, line and sinker.

**Mr. Towers:** Point of order, Mr. Speaker. Is the Hon. Member honest enough, does he have enough integrity, to admit that the PGRT killed the economy of the Province of Alberta?

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

**Mr. Waddell:** That is called smuggling a question in on a point of order. I do not think the PGRT killed the economy of western Canada. There was a recession. It affected the United States, too. The PGRT hurt some companies.

**Mr. Towers:** Killed them.

**Mr. Waddell:** The Government then moved to alleviate the problem. It made exceptions up to $500,000. As a matter of fact, when the Conservative Government came in the Liberals had all but abandoned the NEP if you want to know the truth. The oil industry was making good profits. Do you know what the profits were for the majors in 1983? From 1982 to 1983 Gulf went from $201 million to $218 million. Imperial went from $289 million to $332 million. Shell went down from $133 million to $102 million. In 1984 it went up to $158 million. Texaco went from $275 million to $344 million. Does that look like the oil industry was killed? Look at the revenue sharing. You can get this information from the Government's own Petroleum Monitoring Agency as I did. Look at how much money the industry made and how much there was to share. In 1980 the industry had as its share $6.3 billion. In 1981 it was $6.7 billion. In 1982 it was $9.4 billion; in 1983, $10.6 billion and 1984, $11.6 billion.

There is no doubt there was a recession in Alberta. There is no doubt that the tax, when it was originally put in place, had an effect on the industry. It hit some smaller outfits. However, that was changed. The fact is that this was a tough, effective tax which actually took money out of the pockets of the oil companies for a change and put it in the federal treasury. It was a tremendous fight between Trudeau and Lougheed. Lougheed accepted it in the end. Trudeau and Lougheed toasted the deal they had made. The Conservatives need not complain; Lougheed made the deal. Alberta put in place a form of PIP grants and so on. Let us not talk myth, let us talk reality.

I do not know how much longer I have, Mr. Speaker? One minute?

**Mr. Towers:** Too long.

**Mr. Waddell:** Too long. All right. I was making the argument before I was interrupted that the Conservatives were not stupid. They argued that they needed to give the oil companies more money so more jobs could be created. I was saying that the figure of 300,000 jobs was taken right out of a brief we got in committee from the Canadian Petroleum Association in 1984. It was exactly their brief. The Conservative energy program was exactly the proposals in that brief. So they bought it, hook, line and sinker. Big oil has its own agenda as it has always had. They want more tax breaks so that they can invest money and—I am sorry, Mr. Speaker, you said I had five minutes left.

• (1600)

**Mr. Deputy Speaker:** You have six minutes left to be used the next time the matter is debated in the House.

**Mr. Waddell:** Well, Mr. Speaker, could I conclude today?

**Some Hon. Members:** No.

**Mr. Waddell:** I think I was mislead. I thought I had six minutes today.

**Mr. Deputy Speaker:** You cannot use the remaining six minutes unless you have unanimous consent.

**Mr. Waddell:** I just want to conclude in one minute.

**Mr. Deputy Speaker:** There are six minutes left in the time allotted, but he may conclude now in a few seconds.

**Mr. Waddell:** I will just conclude by saying that the Government is going to have tremendous problems because of this Bill. The Government gave up tax revenues of $5.3 billion until 1990. The Government has a deficit problem. Where is it going to get that money? Although I hate to say it, because the price of oil is falling dramatically I do not think it will be raised through the oil companies reinvesting and creating 300,000 jobs. They will just not create all those jobs and the Government will not get that additional revenue. The Government has a real problem with its energy policy and deficit. This Bill is a tremendous mistake and the Government will live to regret it.

[*Translation*]

**Mr. Deputy Speaker:** Order, please. I recognize the Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I do not want to comment further on your ruling to the effect that the time of the Hon. Member in response to the motion is

limited to 20 minutes, but I think it would be necessary to set the record straight for the future.

I would simply remind you that pursuant to Standing Order 36.(1) the length of speeches and comments in response . . . I will read the Standing Order:

36. (1) Unless otherwise provided in these Standing Orders, when the Speaker is in the Chair, no Member, except the Prime Minister and the Leader of the Opposition, or a Minister moving a government order and the Member speaking in reply immediately after such Minister, shall speak for more than twenty minutes—

Today, Mr. Speaker, you gave the floor to the Parliamentary Secretary of the Minister of Finance (Mr. Vincent) who spoke on behalf of the Minister, or so I thought. When you recognized the Member of the Opposition who replied or responded to whomever I thought was the Minister—his Parliamentary Secretary or the Minister, it is the same to us—you told me that the limit was 20 minutes.

Mr. Speaker, in the future would it be possible to know if, in a case like this—perhaps I should have risen after the Minister's motion and asked you to give me the floor before giving it to the Parliamentary Secretary, but according to our tradition we do not do that, we let the Minister or his Parliamentary Secretary make his remarks—Mr. Speaker, could we have this matter cleared up next week, namely how should we interpret the Standing Order in the future?

**Mr. Deputy Speaker:** I am quite aware of the fact that Standing Order 36.(1) can be interpreted in two different ways, and that is why I will ensure that you are given a final ruling on this matter next week.

[*English*]

It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### INTERNATIONAL PEACE AND GOODWILL DAY ACT

MEASURE TO ENACT

**Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington)** moved that Bill C-258, an Act respecting International Peace and Goodwill Day, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to be able to present to this House for consideration and second reading debate an Act respecting International Peace and Goodwill Day. The purpose of this legislation is to change the name associated with December 26 from Boxing Day to International Peace and



Goodwill Day in honour of Canada's commitment to world peace. This Bill is a direct result of my great concern about the world's present situation and what kind of future we are building for ourselves. I strongly believe that we are masters of our own fate. We, as Members of Parliament representing peace-loving Canadians, have an opportunity to further stress the importance of international peace and goodwill by supporting this initiative.

Never before in the history of the world has there been a more crucial time to demonstrate the need for peace and goodwill. We are living in a world constantly threatened by nuclear war. We are collectively held hostage in fear as each new act of terrorism is committed. Acts of terrorism and the build-up of nuclear arms must be stopped.

Nuclear war became a very real threat to the world once the first nuclear bomb was dropped on Japan. This event was recently brought to our minds yet again when His Excellency the Prime Minister of Japan spoke to this House. No other country has experienced the horrible reality and aftermath of nuclear war. We have a duty to ourselves and the rest of the world to ensure that this does not happen again.

Somehow we have been sidetracked in our peaceful goal. Instead of trying to stop the growth in numbers of nuclear weapons, we became obsessed with equalling our powers, not limiting them. We have lived in a world where the major global powers have been consumed with preparing for a nuclear war, not preventing one. There are presently enough nuclear weapons to kill, several times over, each human being on earth.

In that past year we have seen some very real and positive steps taken toward limiting the arms race. It was most heartening to see the two superpowers, President Reagan and General Secretary Gorbachev, come together for the first time in a summit meeting on disarmament. The Right Hon. Secretary of State for External Affairs (Mr. Clark) reminded us yesterday that decades ago Canada chose not to acquire nuclear weapons. This was a practical contribution to the control of nuclear arms. We are continuing to encourage and facilitate any meetings or discussions to further the goal of world peace.

The whole world seems to be growing in its awareness of the terror and futility of nuclear war. The United Nations has designated 1986 as International Peace Year. This comes at a time when all citizens of the world are becoming more and more aware of the need and urgency to seek lasting peace. Mr. Speaker, we are responsible for the future of this planet, and we have not been doing a very good job. It is time we took stock of what our actions have brought about. We must take a close look at the obvious consequences we will face if we allow this world situation to worsen. We must redirect our thinking and rid ourselves of any arrogance toward earth and each other and replace those negative attitudes with respect and love for this planet. It is our home and we are responsible for the shape of things to come. Our citizens are crying out for world peace. We have a duty to seek that which our citizens want.

We are a fortunate country and have long enjoyed the benefits of a peaceful and prosperous nation living in a free and democratic society. Our history shows how often Canada has been in the forefront by helping other countries through troubled times. We have consistently demonstrated our compassion and goodwill toward others. This is another opportunity for Canadians to take the lead.

Designating December 26 as International Peace and Goodwill Day will demonstrate to the rest of the world that Canada and Canadians are committed to the goal of world peace. Such a change in name will not detract from any of our traditions. No one is more aware of customs than I am. My strong belief in our traditions are on record as a descendant of the United Empire Loyalists who carved a great society out of this harsh Canadian climate. I believe that such a name change will in fact enhance our historical view of Boxing Day. The traditional concept of this day, being one to honour and celebrate goodwill toward mankind, will be expanded and enriched as we include the whole world in our goal of world peace. Unless we recognize the imminent danger we face, not just as Canadians, but as human beings, we run the risk of losing everything.

Our goal today should not only be to respect our traditions, but to learn from our mistakes and make a positive legacy for future generations so that they will have an opportunity to enjoy and appreciate what we so often take for granted. We must work toward world peace if we are to have a world in which to carry on our traditions. There are many concerns, challenges and battles which face all of us on a daily basis, but without lasting peace this may be our last challenge. It is only fitting that we mark a day of peace directly following the day we celebrate the birth of the Prince of Peace. This can be a concrete reminder to us all where our hope should be placed.

• (1610)

In conclusion, may I again stress that the creation of International Peace and Goodwill Day will demonstrate to the world Canada's commitment to continue seeking world peace while maintaining the principles of our tradition. I urge all Members of the House to support this legislative proposal. I realize that as a Private Member's Bill it may take a long time for this idea to become reality. Therefore, I would not be against withdrawing this bill as long as the subject is referred to the relevant standing committee of the House.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to participate in the debate on the motion brought before the House by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet). Certainly no Member takes exception to the spirit of the matter we are debating today and I believe there is unanimity in the House when we talk about peace and goodwill. Therefore, I believe the proposal to designate an International Peace and Goodwill Day certainly has much merit. I hope the Government and the Prime Minister (Mr. Mulroney) will take note of this proposal made by one of their Members.

I have one concern. If we consider this motion in greater detail, perhaps we should determine whether this day should replace the other tradition of Boxing Day. Rather than replacing one tradition with another, perhaps we should be adding another tradition in this country. For instance, there has been much discussion about allocating a day in the second or third week of February as a day of celebration for our heritage. Perhaps International Peace and Goodwill Day could be considered in the same scope.

Recently I received a letter from one of my constituents who read an article about the Hon. Member's proposal. While she is not against peace, obviously, she feels that Boxing Day is also part of her heritage and part of a tradition. Therefore, I think it would be valuable for a parliamentary committee which is reviewing this motion to study it from the perspective of how we deal with the tradition Canadians have come to know as Boxing Day as opposed to the International Peace and Goodwill Day proposed by the Hon. Member.

A day that is devoted entirely to thinking about peace is significant in itself. The Hon. Member noted very well that the designation of such a day will certainly not solve the ills of the world or reduce the number of nuclear warheads but it might force Canadians to focus some of their thoughts and attention on the whole issue of world peace.

We discuss a wide variety of issues in the House of Commons which may make the news in *The Globe and Mail* or concern our constituents. These issues develop a political momentum which gives us the food for debate in this Chamber. These debates sell newspapers and allow constituents to determine the views of the Government and Members about certain issues of the day. However, as a new Member of Parliament, I have found that this House sometimes loses sight of the more significant issues of the day and what are the international and national forces at play in every corner of the world. Parliament should be addressing those issues and this motion reminds us and all Canadians of the real and important issues.

While the other issues with which we deal in Parliament are important, there is nothing more important in our priorities and nothing more crucial or urgent than the question of peace and goodwill. We were reminded of that in the United States recently when they celebrated for the first time the day devoted to Martin Luther King Jr. That celebration revived a sense of what America is about and brought to mind where America still must go in achieving the dream of Martin Luther King, for which he fought so valiantly. Perhaps we can parallel that sense in this country so that our young people especially can take the time during such a day to value the peace we enjoy in this country and consider what we can do as a nation to ensure that the peace we enjoy is spread across the globe.

In that spirit, I will conclude my remarks so that other Members may contribute to the debate. As far as I am concerned, the Hon. Member's idea has merit and deserves the attention of the Government. Hopefully we can work out a structure in committee whereby the tradition that Canadians have come to enjoy on Boxing Day can be complemented by a special day for peace and goodwill. I congratulate the Hon. Member and hope that the parliamentary committee will

begin discussion to ensure that the Hon. Member's idea will become reality and Canadians can be proud that we enjoy peace and are attempting to ensure it spreads throughout all countries.

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, I rise to speak to the proposed Bill respecting International Peace and Goodwill Day which, in effect, would substitute that day for our current Boxing Day holiday.

At the outset, I want to congratulate the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet) for bringing this important matter to our attention. Let me also throw a bouquet to the Hon. Member for York West (Mr. Marchi) for his very thoughtful remarks which I share, as an individual Member of Parliament.

This is a very important matter that we Canadians keep before us, those ideals and aims dear to our heart and that may, as in this case, have great portent for our freedom and our very existence. Next to the food and shelter that help keep us alive, I suggest that the peaceful enjoyment of life is of supreme importance. Whatever we may think of the effectiveness of naming a holiday to promote an ideal, I am sure that no one in the Chamber doubts the importance of peace in the world. International peace has long been a major interest of Canada and we are by no means alone in our concern for peace. Indeed, the United Nations has chosen this year, 1986, as International Peace Year.

The extreme seriousness of widespread belligerence is pointed out in a recent United Nations study which found that more than 20 million people have been killed in approximately 150 armed conflicts since 1945, when the 51 founding member states signed the United Nations Charter. For every 100,000 people on earth there are 600 soldiers but only 85 doctors. The average world military expenditure for each soldier is over 50 times that of average public spending on education for every school-aged child. Global military spending has reached approximately $1 trillion a year, with developing countries spending 20 times more for military purposes than for economic development. In view of these alarming facts, it is clear that the U.N. Charter's main objective: "To save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind", remains a goal and not an achievement. While a global war may have been averted since the founding of the U.N., peace remains elusive in some regions of the world.

● (1620)

There are two opposing philosophies on the means of maintaining international peace. One of these calls on the major powers to build up such a terrifying potential for massive mutual destruction that no sane person would risk ending the world as we know it. The other is to outlaw the weapons of war altogether. Certainly in a world still experiencing quite shocking starvation in some regions; a world in which the more fortunate nations are responding with great generosity to human need, the enormous expenditure of energy and human ingenuity in developing the means to destroy life is incongruous, to say the least.

The Government of Canada recognizes the need to have a defence capacity, but has a firm commitment to promote peace and encourage the superpowers to draw back from the current dangerous level of nuclear weaponry. Our Ambassador for Disarmament, Douglas Roche, tells us that many individuals and groups throughout Canada are working to inform the wider public of the critical issues of peace and security facing the world today. He says there are tens of thousands of teachers, religious leaders, lawyers, scientists, students and parents committed to devoting their energies to a wide range of activities, both political and educational in nature.

The long term educational activities of this widening body of Canadians are having a profound effect. The numerous public seminars, conferences and debates held throughout the country, as well as the hundreds of publications produced, are of fundamental importance in making the terrible complexities of the arms race comprehensible to the public.

Non-governmental organizations are uniquely and strategically placed to help develop an informed public opinion. It is this public opinion that will contribute to the political process and thereby the construction, development and support of policies which will advance the cause of peace, with freedom and justice. The Canadian Government maintains a disarmament fund to help promote public discussion and education on this vital subject.

During the 1984-85 fiscal year, allotments to this project totalled $575,000 while research and publication contracts totalled another $178,000. There were 53 recipients, including the McGill Centre of Research on Air and Space Law and a coalition of 26 women's groups which organized a conference entitled "Women's Alternatives for Negotiating Peace", at Mount St. Vincent University in Halifax in June 1985.

Other recipients included the Canadian Institute for International Affairs, Science for Peace, the Canadian Coalition Conference Planning Committee and the Canadian Disarmament Information Service. Disarmament Fund contributions, mainly for the organization of conferences, were also provided to a number of post-secondary institutions including the University of Moncton, Laval University, Carleton University, Simon Fraser University, the University of Manitoba, St. Mary's University, Trent University, York University and the University of Toronto.

May I say that the Bill put forward by the Hon. Member is a really important first step. It is particularly appropriate in this International Year of Peace as decreed by the United Nations. I would agree with the Hon. Member who moved this motion, and I think I would gain the sympathies of all Hon. Members in this House to move the following: I move:

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

Bill C-258, an Act respecting International Peace and Goodwill Day, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Miscellaneous Estimates.

*International Peace and Goodwill Day Act*

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I am pleased to speak since we are debating the motion of the Hon. Member for Hamilton-Wentworth (Mr. Scott) as opposed to the Bill originally proposed by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet), although I am pleased to speak to either one of the two issues. Both will do precisely the same thing.

I want to congratulate the Member for Hastings-Frontenac-Lennox and Addington for moving this motion and presenting this idea to the House of Commons. I hope the House adopts this motion as a matter of policy. It is not partisan in nature. Most of all my hope is that the matter does not die on the Order Paper.

We do many things as a House of Commons in Private Members' Hour. Very many valuable issues are raised by this process on occasion. Sometimes the issues that are raised in Private Members' Hour are more partisan than others. Either the Government or the Opposition uses the occassion to talk the Bill out, a procedure we use to put a Bill at the bottom of the list. This effectively kills the Bill because it has been talked out of the House. We do not want to do that with this issue. Generally, I hope, we would not do that with any issue. Be that as it may, the Bill we are discussing now is fundamental to all of us in terms of asserting the authority and supremacy of Parliament and enhancing the role of the private Member in this non-partisan issue. Most fundamental of all, we are discussing world peace.

I congratulate the Hon. Member for York West (Mr. Marchi) who said so eloquently in his remarks that many times we miss the point when we are discussing issues which are somewhat trivial when you compare them to the issue we are discussing today. The symbolic gesture that we are attempting to pose as Canadians to the rest of the world is the special place in our hearts for peace and disarmament.

We know we have that place in our hearts and we have had it all along. The role we have played as peacemakers during the 1950s, during the Suez crisis and the other United Nations peacekeeping forces in which we have participated is testimony to the fact that we are very much interested in those kinds of issues. The initiative of Mr. Trudeau in the last year or so prior to his departure from office in his world-wide attempts to promote peace is noted by all of us, and other Prime Ministers and leaders of this country have done these things throughout the ages.

We remember Canada's participation in both World War I and World War II where we distinguished ourselves. We have worked hard at various international forums to ensure those kinds of atrocities would never happen again.

● (1630)

As sad as those incidents were then, a war today would be far more catastrophic than what occurred during those wars. Not long ago we celebrated the fortieth anniversary of the dropping of the bomb on Hiroshima. The time we take today to remember this event is indeed time well spent and reminds us of how important it is to have peace. Over 200,000 lives were destroyed in August of 1945. Needless to say, the bomb exploded that day would be miniscule when compared with the fire power of the world today. It has been estimated that the nuclear powers now have enough capacity to destroy our planet 40 times over. If it were desirable—and of course it is not—to have enough to destroy it even once, one really wonders what is the purpose of having 40 times that capacity to start with. This is happening at a time when many children on the face of the earth are dying of starvation. We are spending almost $2 million every minute of every hour of every day on armaments generally. When we know that only a small percentage of the interest on that money could totally alleviate world starvation, we have to speak more about the kinds of issues which the Hon. Member for Hastings-Frontenac-Lennox and Addington brought to our attention.

J. Robert Oppenheimer, known as the father of the bomb, recalled thinking of words from a Hindu book and said:

> I am become death, the shatterer of worlds.

It is important for us to remember that today and to take every action we can as legislators to indicate our commitment toward peace.

Perhaps for some of my constituents Boxing Day is symbolic, but many of them do not even know what that day signifies. The only thing they know is that it is the day after Christmas. Be that as it may, it has an historical significance for some people. Of course in Britain, the day after Christmas represented the day, so I am told, that rich children gave the boxes from their toys to the poor children to play with. Perhaps the day could be symbolically important in terms of our assistance to people who are experiencing poverty. However, most people have long forgotten what Boxing Day stands for or stood for. Everyone knows how catastrophic a war would be. Everyone knows how important it is to play our small part as a nation domestically and to indicate internationally that we recognize at least one day as having that symbolic importance.

In conclusion, I congratulate the Hon. Member. I am happy to have had the opportunity to participate. With the measure which we are adopting today, we will at least go a small way in beating our swords into ploughshares.

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** It has been moved by Mr. Scott (Hamilton-Wentworth), seconded by Mr. Cadieux:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "Bill C-258, an Act respecting International Peace and Goodwill Day, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Miscellaneous Estimates."

Is it the pleasure of the House to adopt the amendment to the main motion?

**Some Hon. Members:** Agreed.

Amendment (Mr. Scott, Hamilton-Wentworth) agreed to.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion as amended?

**Some Hon. Members:** Agreed.

Motion, as amended, agreed to.

**Mr. Deputy Speaker:** Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Miscellaneous Estimates.

Order discharged and Bill withdrawn.

**Mr. Deputy Speaker:** Shall I call it five o'clock?

**Some Hon. Members:** Definitely.

**Mr. Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired. It being five o'clock, this House stands adjourned until Monday next, at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 4.35 p.m.

# HOUSE OF COMMONS

**Monday, January 27, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Friday, January 24, consideration of the motion of Mrs. McDougall (Minister of State (Finance)) that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the third time and passed.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-82, a Bill with respect to the petroleum and gas revenue tax. The Government, in deleting this tax, promised a great deal. It promised us that this would be the haven of the oil and industry in western Canada and that, as a result of this Bill, the funds which were being freed up from this tax would be put back into the oil and gas sector. It told us this would ensure for us in Canada continued expansion of the oil and gas industry. We are now hearing a very different tune from the Government.

As we on this side of the House speak on behalf of the consumers of Canada, we are told that the prices are the way they are because we have to pay for our social programs and for the development of the oil and gas industry in Canada. I myself and Hon. Members on this side of the House thought we had already paid for the development and expansion of the oil and gas industry. The Government told us when the PGRT was done away with that this was going to be the vehicle through which we would have continued expansion. In the words of the Minister of Energy, Mines and Resources (Miss Carney), this was to be the engine for growth in the oil and gas sector. That evidently is not what the Government is saying at the present time. It is saying that high prices are the guarantee of expansion in the oil and gas sector. The oil companies are now declaring higher profits. They have had the benefit of the funds which were freed up as a result of doing away with the petroleum and gas revenue tax and they have not been taxed on any windfall profit for the old oil they discovered years and years ago. So they are enjoying quite a good deal out of the policies of the Government. However, the Canadian oil companies and the consumers lost the benefit they had through the new oil reference price and by losing that benefit they are placed in the same position as the multinationals but do not have these large reserves of old oil on which they can rely. What we have now with prices going down is a Western Accord, an Atlantic Accord and a Budget presented on May 23 which did not take into consideration the needs of the consumers. Yet the Government is steadfast in saying that the high prices of oil and gas are the answer.

It has been said again and again that it is lower gasoline prices in Canada that are good for the economy, that lower prices will reduce inflation and will allow the manufacturers, industrialists and entrepreneurs a little leeway so they can look after the indebtedness they incurred as well as be able to modernize and expand, and that their backs will come away from the wall in many cases. But the Government is steadfast in its belief, and why? Because it assured the Canadian public that by doing away with the petroleum gas revenue tax the oil and gas industry was assured that its expansion and steady growth would not waver. This is not what Canadians believe. Canadians believe that the Government is callous with regard to the needs of the consumers. They believe they have been forgotten. The Government told the country that it wanted to do away with the petroleum and gas revenue tax in order to develop the energy sector, then immediately it passed along the benefits to the multinational oil companies without any regard to the needs of the consumer. In fact, any regard to the needs of the consumers was negative because the Government immediately proceeded to put on a further tax in September and then again in January of this year.

The Government spent over $1 billion to bail out two banks. On the other hand, our own Crown corporation, Petro-Canada, on two occasions over the last three months raised the price of gasoline. When that company was brought into being the then Minister of Energy, Mines and Resources, Donald Macdonald, told Canadians it would assure us of a supply of oil and gas at a reasonable price. That was the purpose of Petro-Canada initially. What has it now become? It has now become a vehicle for this Government to increase the price of gasoline. Members of this House, like Canadians generally, see Petro-Canada's prices as being higher than those of other companies. Yet the Minister of Energy, Mines and Resources stated last week that she did not know anything about Petro-Canada's higher prices. Why is Petro-Canada doing this? To serve the Government's crazed ambitions.

● (1110)

**Mr. Skelly:** Crazed ambitions?

**Mr. MacLellan:** Yes, crazed ambitions. The short-term reason, the Government says, is that it is not satisfied with the profit on the downstream activities of Petro-Canada. Yet this same company took over another company, Gulf Canada, which had a more successful downstream operation, and it is now preparing to get rid of the employees of Gulf Canada who were responsible for this more profitable downstream operation. It just does not make any sense, but then again the oil and gas policy of this Government does not make any sense.

The long-term reason for Petro-Canada increasing prices is that the Government wants to put Petro-Canada in as profitable a position as possible so that it can be privatized. When the shares are sold in the market they will be much more attractive because of this more profitable position of Petro-Canada. The Minister stated on television last evening that it was the Government's intention to privatize Petro-Canada but the Government says it does not know whom that will be. How does the Government expect to fool the Canadian public, by using their money? It is the public who is paying higher gasoline prices. It is the public's money that the Government is giving to the multinational oil companies by doing away with the PGRT. It is the public's $1 billion this Government is using to bail out bankrupt banks. If the Government continues this policy the public will be using their money to buy back from themselves their own Crown corporation. Given the economic difficulties being experienced by people in this country, this is not inequitable, it is immoral.

Higher gasoline prices do not hit just wealthy Canadians; they have a much greater effect on low-income Canadians. Increased prices are hitting very, very hard. Yet gasoline prices have been going down in all other parts of the western world for months.

It is unfortunate, but the Government's policies are having a very derogatory effect on Canadians' opinion of Petro-Canada. Canadians know that Petro-Canada is the leader in these price increases. As a result, they are developing a more jaundiced attitude towards this Crown corporation. What they saw as a very positive step, a most encouraging beginning, has now become a nightmare. The Canadian consumer is being consumed by the policies of this Government through this Crown corporation being used in this way. How long can this go on? How long can Canadians continue to pay these prices? We have been told by the Minister that the world-wide reductions in the price of oil will be passed along to the consumer. We do not know how long that is going to take or to what extent the price reductions will be passed along. Why? Because we do not know whether the oil companies are going to give the full benefit of these reductions to the consumer or whether they are going to increase their margins. We certainly do not know what the Government is going to do with respect to its tax policy regarding gasoline. However, we do know that if the price of gasoline went up, consumers would be paying more tomorrow. There would not be any of this waiting for two or three months until they use up their present reserves and then pass along the increase to consumers. Oh, no, that only applies when the price goes down. When it goes up, the increase is passed along to consumers the next day. That is not what we had in mind when Petro-Canada was formed.

The Government has told us that we should not complain about higher oil and gas prices because the Husky upgrader, the Hibernia field and the Venture deal are at stake. The Government is saying it needs these higher prices so it can pass along the profits in order to develop these projects. People may have believed that story last spring when the Western Accord was signed, but to give out that same story a second time as being the reason for higher gasoline prices is just not going to wash anywhere in this country. It is time for the Government to come clean with Canadians and admit that the reason it is letting prices go up is that it wants to do away with Petro-Canada, privatize it and make it look as good as possible with regard to profits so that it can get the best possible price for a private issue of shares. Also, the Government has made a commitment to the multinationals, the major players in the oil and gas industry, that they will be looked after.

• (1120)

The Government has not given that same assurance to consumers recently as it did during the election campaign. During the election campaign, that was only one of many promises that the Government made to the people of Canada. The Government has not made that promise lately because it knows that even it cannot give that kind of assurance with the picture so grossly balanced in favour of the companies and against consumers.

This is becoming a major question in the country at the present time. Consumers are angry. They are furious with the Government, not only because of the higher prices or because the Government led them believe one thing and then did another, but because the Government is now insulting their intelligence by dragging out the same answers that it dragged out last year and the year before during the election campaign. The Government is telling Canadian consumers that it is giving them the right answers and they should believe them. However, not only are the Canadian consumers not believing but, with each maladjusted reason that the Government brings forward, the hypocrisy of the Government, its lack of concern for consumers, and the complete loss of confidence of the Canadian public in the Government becomes more apparent.

**Mr. Skelly:** Mr. Speaker, would the previous speaker give us an indication of what the effect on taxpayers will be if the revenue from the PGRT is removed? Would he give an indication of the type of thing that will happen to Government services and the type of thing that will happen to the tax burden on people in Canada and, in particular, in the region of the country which he represents, because of this ill-conceived plan of the Government?

**Mr. MacLellan:** Mr. Speaker, I would be pleased to do that. By 1990 the reduction of the PGRT will cost the Canadian taxpayer between $2 billion and $3 billion in taxes, which the multinationals, the oil and gas producers, will no longer have to pay and which will be passed along to the Canadian

consumer. In addition, in the last year the Government has given over $1 billion to bail out two banks in the country.

How is the Government going to replace these revenues? It is going to replace them with the earnings of the people of Canada. At the same time as the Government is partially deindexing family allowances and exorbitantly taxing gasoline, again taking from those who need help the most and who can least afford to bear this tax, it is giving to the largest corporations in the country. Therefore, not only are people being taxed more, but they are not getting the benefits of this taxation. It is going to companies which, for the most part, are owned outside of Canada. In the case of the banks, the largest amounts were owed to groups, individuals, and corporations outside of Canada, not to mention the corporations in Canada which could afford to bear the cost of these losses more easily than could individuals in the country.

As well, the Government is reducing the number of civil servants. It is telling the Canadian people that the reason we have such a high deficit is that the Public Service has not been doing its job. The Government says there are too many civil servants and that they are lazy. The Government is using the public servants, former Governments, and the people of Canada as a scapegoat for its activities and poor policies. It is one thing to act in this way and another to use innocent parties who have laboured hard in good faith in the country as a scapegoat.

**Mr. Gauthier:** Mr. Speaker, I remember hearing the Member ask the Minister of Energy, Mines and Resources (Miss Carney) a question last week about the fact that Petro-Canada was increasing the price of gasoline, in other words, moving with the pack of multinational companies in moving up the price of gasoline. If I may paraphrase, the Member asked the Minister why Petro-Canada, which was supposed to be our window on the industry and was supposed to have been established to ensure fair and equitable prices on the market, was following the pack like sheep. He asked, secondly, whether it was the policy of the Government to increase the profit picture of Petro-Canada so that it could be sold to the general public. Over the weekend we heard the Minister state on TV that that was her policy. Could the Member give us his views on Petro-Canada and on how he feels about the promise of the Minister to privatize it?

**Mr. MacLellan:** Mr. Speaker, as I have said before, I think this is one of the most insidious features of the Government's policy with respect to oil and gas. The Minister stated on television last evening that it is her design to privatize Petro-Canada. When I asked her last week why Petro-Canada was leading price increases and why, during the last three months, Petro-Canada increased the price of gasoline on two occasions, she said that she had no idea and did not know of these price increases. I have grave doubts about the response of the Minister of Energy, Mines and Resources in this regard. I think it is becoming increasingly clear why the Government is allowing Petro-Canada to increase its gasoline prices.

The irony is that it is beautiful for the multinational oil companies to have Petro-Canada leading the price increases because when Petro-Canada increases its prices the other companies come right in behind and increase their prices by the same amount. What can the Government do to prohibit this when its own Crown corporation is leading the way? The multinationals get a free ride. They can increase their prices without the Government being able to say anything to them.

Where is the report of the Restrictive Trade Practices Commission, which has been repeatedly postponed, which the consumers of the country have every reason to believe will do something to help them? It is being postponed and postponed until the Government feels that it can be released without any of its aims, such as the privatization of Petro-Canada, being hindered. This is not a Government acting in the best interests of consumers or of the people of the country.

**Mr. Marchi:** Mr. Speaker, I listened attentively to my hon. colleague. He is right when he talks about consumers being upset with respect to increasing prices at the gas pumps. This is something that cuts across all lines. It is not specific to a certain region or community of the country. It cuts across all economic and class lines and is something that all individuals and families can appreciate. At the very time when the price of world oil is dropping at a very significant rate, they are going to the pumps and paying more. One response given by the Minister of Energy, Mines and Resources (Miss Carney) in the House of Commons is that it has not worked its way through the system and the drop in world prices have not been reflected at the gas pumps. Yet this morning I had an interesting conversation with a visitor from Nebraska who said that prices in the United States are continuously dropping. Somehow, just to our south, that price decrease has worked its way into the system, yet we have a response that it has not worked its way through our system to be reflected in the price at the gas pumps.

• (1130)

Is the Minister's response a valid statement or is it just an excuse? The prices in the United States are definitely working their way to the pumps at the gas stations but we have not seen that happen in Canada. Why?

**Mr. MacLellan:** Mr. Speaker, I thank my colleague for that important question. It highlights the difference between Canada and the United States where consumers have the benefit of a price decrease within a matter of days. In fact, in certain places in the United States where the price is lowest, such as the State of Maryland, Americans are paying approximately half of what Canadian consumers are paying for gasoline. That is an unconscionable difference, to the detriment of Canadian consumers.

The Minister tells us that we will have the benefit of this world price decrease but it may take two or three months to be passed on to the consumer.

Not only have we not seen a price reduction, there has been an increase in the price of gasoline even though the Minister

was telling us at the time of the Western Accord and the Budget that deregulation would mean lower prices for Canadian consumers. That is what we were led to believe, but the prices continued to increase.

Even if the Minister wants the price to go down, there is no guarantee that the oil and gas companies will pass those reductions on to the consumer. The oil and gas companies in this country know that they have the Government under their thumb and that it dances to their tune. It is the oil companies rather than the consumers who will tell the Government what its policy on oil and gas will be.

**Mr. Skelly:** Mr. Speaker, who will be the primary beneficiaries as a result of the elimination of the PGRT? Can the Hon. Member indicate one resource company in Canada that would be the largest beneficiary of the removal of this tax and tell us where the enormous profits earned by it might be disposed of other than in Canada?

**Mr. MacLellan:** Mr. Speaker, the beneficiaries from the elimination of the PGRT will be the major oil companies in this country. The reason is that the five major multinationals in this country own 75 per cent of the old oil. This is $3 a barrel for oil that was found prior to 1974. Today, the world oil price has been reduced to under $20 U.S. a barrel from some $28 U.S. a barrel a few months ago. That is still a major difference from the $3 a barrel for oil which these multinationals found and still have locked in their reserves. They will still make a major profit.

They are complaining that lower prices mean that they cannot go ahead with upgraders in the West and cannot proceed with offshore projects like Beaufort, Hibernia and Venture. That will simply not wash in this country.

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, today's debate is very interesting because it illustrates the irony of the Liberal Party's position. My remarks are not intended to detract from the excellent speech made by the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) who clearly pinpointed the problem. I see that the Minister of State for Finance (Mrs. McDougall) is nodding her head in agreement. No doubt she feels guilty about participating with a group who is ruining this country. I believe she understands the problem, and if she had a greater voice in Cabinet, there would be much less danger of the Government pursuing this road to destruction. Perhaps there should be a Cabinet shift, as my colleague points out, to place her in charge of energy.

However, it is ironic that the Liberals complain about cutting the PGRT because it is they who started the ball rolling. I recall making many of the same arguments in the last Parliament that the Member for Cape Breton-The Sydneys are making in his speech about the devestation that would follow this kind of action.

I believe that the basic problem is that the PGRT is a very large source of revenue to the Government of Canada. It is essentially a royalty that is imposed on reserves that we hold and that revenue is guaranteed during the good and the bad times. It can be used to provide services and benefits for Canadians.

It is my understanding that Imperial Oil is the largest holder of old oil in Canada. I understand that at one time the cost of production of that oil, which was discovered years ago and is still in the ground waiting to be produced, was something in the order of 50 cents a barrel. Let us assume that it is slightly higher, if the Tories cannot accept that figure. Nevertheless, the cost of production was very modest compared to today's prices.

Imperial Oil, which holds the largest conventional reserves of old oil stands to be the largest beneficiary. If this tax is eliminated, it will be an absolute windfall to Imperial Oil and the other major multinational oil companies, without any benefit to Canadians. Imperial Oil can decide to invest those profits in the South China Sea or elsewhere in the world. This Bill will add to its $600 million profit this year.

Furthermore, the tax revenues to the Government of Canada will drop while the profits to Imperial Oil and the other large multinational oil companies will rise. The oil companies will pay less taxes on their profits as a result of the tax incentives to oil companies contained within the provisions devised by the Minister of Finance (Mr. Wilson) and the Minister of Energy, Mines and Resources (Miss Carney). While they will pay less tax under the guise of exploring for oil and guaranteeing the security of supply, the revenues to the Government will decrease by more than $2 billion. The dramatic rise in profits of the oil companies will not be taxed because of the tax incentives that have been proposed allegedly to help with exploration and improved upgrading of the technology.

The fact is that the Government has given the major oil companies an absolute windfall which it does not intend to tax. The net result for the taxpayer will be reduced Government services. For instance, post-secondary education will suffer, job creation will suffer and health care will suffer because the Government will simply not have the money if it continues to do this on every front. It will simply destroy its source of revenue and be unable to provide the services required by the people of Canada. Moreover, if the Government intends to maintain these services and the oil companies do not have to contribute, you can be sure that the Canadian taxpayers will have to pay more. Let me just say as a brief summary on that line of thought that this initiative was the product of the past Government. Because of the ideological fixation of the present Government in power, this was an ideal opportunity to continue down the same misguided track, basically providing windfalls for banks, oil companies and shafting ordinary Canadians.

• (1140)

In terms of the energy policy at work in the Government, the point was made by the Minister of Energy, Mines and Resources last night who mentioned that she would like to privatize PetroCan, which does not surprise anybody.

**Mr. Nickerson:** Hear, hear!

**Mr. Skelly:** Hear, hear! Another philosophically fixed individual, excellent. I think it is time the Government stood up, came clean with Canadians, and told them exactly what its game plans are. There is no doubt the Government wants to privatize a company upon which Canadians have spent billions and billions just to get a foothold on the energy industry in Canada.

In the past, energy has been controlled by multinational corporations. Decisions have been made outside Canada and Canadians have suffered enormously for the failure to have any kind of a window on the industry or any kind of control over it. The present Government would turn the industry back to the multinationals and allow the future of Canadians to be mortgaged to them.

We had PetroCan put together, but it would have been a very different operation had it been struck under an NDP Government. In about October, 1973 the concept was first laid out in this House in a speech by Tommy Douglas who outlined the basic principles under which a national energy corporation should operate. Had those principles been followed, we would not be looking at a major oil company in Canada that was as much as anything a price leader and a participator in price fixing, but at a price leader in terms of giving benefits to Canadians and leading in price reduction.

Ultimately it struck me that the purpose of Petro-Canada was to allow Canadians to have an influence in the way that energy was developed and that would involve benefits to Canadians, not to the multinationals. Where possible, Petro-Canada would form joint ventures with other multinationals in the development of resources to give guidance and establish directions of benefit to Canadians and so make sure that Canadians stayed ahead with exploration and technology. But the Conservatives would have privatized that. They want to put their faith in the multinationals who have shafted us in the past and, given a chance, will shaft us in the future.

What about security of supply, Mr. Speaker? I believe the President of Imperial Oil prior to the energy crisis in the early 1970s said that we have 900 years worth of oil, and after that, he said, we will be out of oil.

**Mr. Turner (Ottawa-Carleton):** They lied.

**Mr. Skelly:** They lied. What do we have though in terms of any adequate information on direction and development of the energy industry in Canada without at least something on the scale of Petro-Canada?

I for one am pleased that the Conservative Party has finally come clean and told us what it wants to do with Petro-Canada. It wants to get rid of it and take away the investment that has taken years to build up which put the corporation in the position of having some influence on the direction in which energy development goes in Canada. To dump it borders on absolute negligence. I am certain people on the benches opposite will be held accountable for the decisions Cabinet has taken.

It will be interesting to watch gas pricing come the next election. In British Columbia gas pricing has had a terrible effect on communities, especially rural communities and those farther away from the main centres where the price of gasoline runs between 60 cents and 70 cents a litre. What about the cost of doing business in those communities? British Columbia is probably one of the provinces in Canada that has had the least recovery after the devastating recession. The communities I represent on the coast of British Columbia are having an extremely difficult time getting involved in the recovery that appears to be going on in central Canada and in other areas of the country one of the main problems being the cost of energy. When you are paying 60 cents or 70 cents a litre, it is an extremely large share—

**Mrs. Sparrow:** In B.C. they don't pay.

**Mr. Skelly:** Nobody pays 60 cents to 70 cents a litre?

**Mrs. Sparrow:** In B.C. they don't.

**Mr. Skelly:** It is time to provide a little proof for the Member. Communities in B.C. cannot get involved in an effective recovery because of the cost of ferry travel, the cost of air travel and the cost of doing business, of which freight is an extremely large percentage. Consumers are being shafted.

Gas pricing will have an effect on the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway). It would be nice to hear him talking about the effects of gas prices in his riding. It would be nice to hear him say that we should get rid of Petro-Canada. I suspect people will put two and two together and suggest that a properly run Canadian owned oil company would change that direction.

But the problem goes back to the nature of the Government. The Minister of Energy, Mines and Resources indicated that she is going to privatize and get rid of an important asset which the Canadian people have built up. I think the ideological fixation that the Government has that everything must go back to the private sector and that there is no place for a mixed economy is fairly interesting. That is the kind of thinking and action that has brought the Conservatives from about 52 per cent support, according to the Gallup poll, to 38 per cent. I would suspect that this fall is not finished. It is not just the Government's failure to do anything effective with gas pricing and the failture to do anything constructive with Petro-Canada to set some price decrease in place that have caused the drop; a lot of other things have influenced people, such as, as one example, patronage activities that would even have embarrassed the previous Government, which was a patronage leader.

People believe that the Conservative Government is the government of big business, a government for banks, oil companies and for everybody but the ordinary Canadians. That is the bottom line. Thirty-eight per cent support in the Gallup poll is not the stopping point for this outfit either, Mr. Speaker.

It is a real tragedy because there was a crying demand for a change to set a different course of action from the stale Liberal Government that was stuck in its ways, that made patronage an art, and that did not represent the wishes of Canadians. It was past time for the Liberals to go. They should have gone well before they were sent to their just reward in September, 1984.

For this Government to turn around and commit political suicide in a year and a half is astounding. The people never endorsed what the Government proposed. People were looking for a sound change, not the kind of disaster that is being inflicted on them by questionable activity.

• (1150)

It is interesting that those back-benchers are silent on this PGRT Bill.

**Mr. Blenkarn:** Oh, come on!

**Mr. Skelly:** They are silent on gas pricing. I hear one of them moaning and groaning now. They should jump up and tell the Prime Minister (Mr. Mulroney) that he is dead wrong. One example I love is that the Prime Minister said that they had to cut the old age pension, that it was the best thing since sliced bread.

**Mr. Valcourt:** He never said that.

**Mr. Skelly:** They fought in the trenches for days, weeks and months on that. After his back-benchers had returned to their ridings and told people that there had to be a cut in indexation and that the deficit had to come down, the Prime Minister turned around several months later and said: "I guess we were wrong; we do not have to do it". The upshot is that he made his back-benchers look like fools. I do not know how they can return to their ridings and explain "Tunagate", the clam scam or the many other things for which the Government will really be remembered.

**Mr. Valcourt:** A drop in unemployment and a drop in interest rates.

**Mr. Skelly:** The Hon. Member is talking about the fortuitous accidents that happen to befall the Government.

**Some Hon. Members:** Oh, oh!

**Mr. Skelly:** Prior to the last election it was predicted that there would be a recovery. They are the beneficiaries, standing there with their hands open and their minds empty. It is incredible to watch them claim responsibility for the upturn in the economy. That is complete rubbish, and Canadians know it. I ask them to look at the Gallup poll. If they think Canadians believe them, why is the Gallup poll at 38 per cent? Canadians think that the Government is the worst thing that has happened to the country since it was formed. One does not have to travel very far to get that opinion. They were the same people who had tremendous expectations that there would be the dawning of a new era; it was really the dawning of a disaster. Enough suffering over a five-year period will convince Canadians generally that the course of action was a bad one and that they will have to look at something different from the Liberal Party and of course something completely different from the Conservative Party. If we are talking about the PGRT, it is time to turn this around. If we are talking about protecting pensions and post-secondary education, it is time to turn this around. The back-benchers of the Conservative Party cannot sit over there and say nothing. They have to rise and criticize the Prime Minister. They have to rise and condemn the Cabinet for the direction being taken. Where will their seats go? What are they doing to the people they represent?

**Mr. Valcourt:** You are worried about my seat! Don't worry about my seat.

**Mr. Skelly:** I find that surprising. The PGRT concerns us all. The Hon. Member who just spoke out should tell the people whom he represents about the wrong-headedness of the Government, the wrong direction it is taking and the harm which will come from it. If he were truly representing his riding, he would tell them how he dissociates himself from the direction of the Government. Then I think he would have his seat, but he probably would have crossed the floor by that time. When the lights go on and he realizes the direction which should be taken, he will certainly look at some other option.

There are few people over there with the courage of their convictions, able to stand on principle and represent the people in an effective way. So far we have had one, that is, the former Minister of the Environment and Minister of State for Transport. She has risen and said: "I have had enough of this; this is the wrong direction in which to be travelling". I predict that there will be more. Not everyone on those benches can continue to carry the line. I hope, when the next speaker for the Conservative Party rises in her place—

**Mr. Keeper:** Do you think she will?

**Mr. Skelly:** —to comment on the PGRT, that as one of the back-benchers in the Conservative Party she will speak in the interests of ordinary Canadians, not just in the interests of banks and oil companies. I am convinced that that will commence, that there will be a change, a move toward principle. That is what will turn around the Prime Minister and turn around the ideological fixation of the Cabinet. Then the harm to Canadians will be stopped, and they will proceed in a different direction. I see that my time is drawing nigh. If someone would pit me a question, I would certainly be glad to carry on for another 10 minutes and develop some of the things which I had to let sit in my speech.

**Mrs. Sparrow:** Mr. Speaker, I rise on a question and comment. I thought I would take this opportunity to inform my colleague just what the PGRT was. He related it directly to reserves. The PGRT was a well-head tax on gross revenues from production; it had nothing to do with reserves. The phase out of the PGRT does not hand billions of dollars to the oil companies. The moneys which were generated from this unfair

tax went mainly to PIP, plus a very expensive means for keeping an artificially low-priced crude and natural gas in the country. This is one of the main reasons that we have got into so many difficulties.

**Mr. Axworthy:** Did she say "artificially low-priced crude and natural gas"?

**Mrs. Sparrow:** Also I want to inform my colleague that oil and gas investments are up by some $2 billion or more in the past year, that is, up by 25 per cent. This investment is creating thousands of new jobs across the country by stimulating exploration, an activity which creates energy security. The number of wells drilled is up by 23 per cent, and land sales are up by 73 per cent. Could I ask my colleague what he has against creating 25,000 new jobs directly related to the oil industry? What does he have against creating new jobs or new investment for the country?

**Mr. Skelly:** Mr. Speaker, I thought the statement of the previous speaker was an excellent one. Her statement that the Liberal Government had kept the price of oil, gasoline and other fuel products artificially low during its term of office is astounding. It summarizes the position of the Conservative Party. There is no denying it; everyone in the House and in the country heard her say that during the Liberal regime of the last few years they kept the price of gasoline artificially low. That is a farce. Everyone knows what happened to the price of gasoline. Next to interest rates it is probably the worst thing that has happened to Canadians. I draw as a conclusion from what she said in her statement that the Conservatives would like to see the price of gasoline rise. They would like to see the profits of Imperial Oil continue to rise and sky-rocket as they have.

**Mrs. Sparrow:** Do you know about supply and demand?

**Mr. Skelly:** It is astounding. I have drawn from her statement the following conclusions—first, that the price of gasoline has been kept artificially low over the years and that the Conservatives will increase it; and, second, that they will not tax the windfall profits of oil companies from dramatically increased prices of oil and gas as a result of these incentives. Therefore, with fewer government revenues, services will have to be cut and it will basically be a disaster. I firmly believe that, and I think down deep she does as well.

**Mrs. Sparrow:** No.

**Mr. Skelly:** I think she is a little reluctant to speak out at this time. There is not that many of them speaking out against the direction of the Government, and the consequences are very serious. I had hoped that when she spoke we would have a situation where another Conservative was taking a more independent position in the interest of ordinary Canadians.

**Mrs. Sparrow:** You bet we are interested in ordinary Canadians.

**Mr. Skelly:** I cannot understand what they are taking which would affect their perception in such a way as to distort the facts concerning the 25,000 new jobs. It is the recovery which is going on in some areas of the country. It is happening in spite of the Conservatives, in spite of the Conservatives. There would likely be more jobs if the Conservatives would simply get out of the way and stop throwing obstructions in the way of development and expansion of employment. Only 38 per cent of Canadians believe the nonsense that was included in the statement of the previous speaker, who is simply repeating the nonsense of the Prime Minister. At any rate, thank you for your tolerance, Mr. Speaker.

• (1200)

**Mr. Hawkes:** It is amazing to sit in this Chamber year after year. There was an election sought in 1979 on the issue of taxation at the gas pump. Our Party proposed we increase taxation at the pump. We lost that election and we got the PGRT. Here is a member of the New Democratic Party supposedly standing up for the ordinary man.

Mr. Speaker, five years later, after having supported that program, he fails to understand that a tax which is levelled at the well-head, the PGRT, is a tax which works its way through the entire refining process. It shows up at the consumer level, not on gasoline that goes into a Cadillac, not exclusively on that. It shows up in the budget of every senior citizen in this country who has to heat his or her home.

He stands up here as if he were the champion of the downtrodden and those who cannot afford it. Well, he defeated a Budget that had taxation on gasoline so that those who drove a Cadillac paid more, those who drove a small car paid less, and those who drove no car paid nothing. His Party in turn came and supported the PGRT, which took money out of the pockets of senior citizens who they could not avoid paying it because they had to heat their homes. His Party turned down a tax credit that was to go to those same senior citizens that would have reduced costs for the poor segment of society. That is the kind of proposal that this Party has made time after time, year after year. It is working; the poor people in this society are better off today because we are the Government. The 500,000 who are working today are ordinary Canadians drawing an ordinary income, and they love it.

For the Hon. Member to speak with that kind of hypocrisy is almost more than this House should be required to bear.

**Some Hon. Members:** Hear, hear!

**Mr. Hawkes:** Let's get rid of the PGRT.

**Mr. Skelly:** We have seen over the last century people who have distorted history to fit their own needs. I have never heard a better example of it. The Hon. Member does not recall the Member from Alberta admitting after that particular election that he was wrong and saying: "Yes, I was wrong. I take full responsibility for the Budget and the foul-up and everything else". What happens is that the distortion is enormous. The man stood up after the election and said, "I

screwed up, it was my fault. I made a dumb move". Now, we all accepted that, why can't you guys? They wanted to go to the polls. With the Social Credit Party and the Government there was a one-seat margin, that was unsustainable. He came in with a housing tax credit and went to the people, and the people felt about him the same way they feel about the present Government. It is time to get rid of it. If you called the vote today you would not be sitting on that side of the House. Unless some of you guys start standing up and speaking out on behalf of Canadians and against the Prime Minister and the Cabinet and the direction they are taking, you are going to go the way of the 1979 Parliament. You are going to be a memory around here and a picture on the wall. I would be glad to continue, Mr. Speaker.

**Mr. Speaker:** Resuming debate.

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, this is an interesting paradox. We are here debating a Bill whose time has passed. Outside in the world around us the whole structure of the oil industry and oil pricing is shattering into pieces. The whole premise upon which the Western Accord was built has not been totally erased. Oil prices have now dropped something like $7 in the past three weeks, $5 billion worth of revenues have been lost, and as a result the basic philosophy that was contained in the Western Accord is under severe and total disruption.

Here we are in Parliament debating a Bill which is going to put in place a structure that is already obsolescent, that is no longer relevant to the conditions of the oil industry and the conditions faced by Canadian consumers. It is perhaps a prime example of how the machinery of Government grinds slowly. In this case the machinery of the Government has become totally immobilized, frozen in its tracks. The reason is that the ideological basis upon which the whole Western Accord was built has now been totally challenged. Like all good ideologues, the Conservatives are incapable of being able to adapt to new conditions. They are frozen and immobilized in the cast of their own preconceived thought and therefore can no longer adapt or change or respond to new conditions.

As a result, we are being faced with a policy that is beng put in place that in fact will be running counter to the economic vitality and growth of this country. Just look at the PGRT that was defended just a moment ago by the Member from Calgary. I want to quote to you an article which just recently appeared in the Western Economic Review. I guarantee you, this is not a magazine that is put out by any Liberal source. It is called "Macroeconomic Impact of the Western Accord". It was printed in the fall, 1985 volume. It said:

> The 1990 federal deficit will be $3.9 billion higher than it would have been otherwise as a result of the elimination of the PGRT.

I would guess that, since this Government was elected to office that about a million times, maybe two million times we have heard the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and the Prime Minister (Mr. Mulroney), plus every Conservative Member of Parliament and I do not think there has been one who has not said that the primary objective of the Government of Canada is to reduce the deficit. Is that not what all of you have been saying? Once we get the deficit down, unless we get our economic machinery in order, the economy will not thrive. That is your stated objective. The number one single objective of the Conservative Government was deficit reduction. If you look at the economic analysis, the cumulative loss from 1985 to 1990, according to a very objective economic analysis of the macroeconomics, based upon the proper forecasting method, will be $12.2 billion. I quote again from page 105 of this article which reads:

> The net cumulative loss for the federal Government is $12.2 billion between 1985 and 1990.

It may come as a matter of some suprise—

**Mr. Speaker:** The Hon. Member for Calgary West (Mr. Hawkes) rises on a point of order.

**Mr. Hawkes:** I am having trouble following the speech. Could he tell us what is price assumption there for a barrel of crude so we can follow that argument?

**Mr. Axworthy:** Mr. Speaker, I would be glad to submit this article to the Hon. Member so perhaps he could start his education at some point of time.

The fact that we are trying to make—

**An Hon. Member:** Education both ways.

**Mr. Axworthy:** Some people I know are beyond retraining, but those of us who are Liberals always have an optimism about the basic flexibility of human nature, so there is always hope for the Member from Calgary.

● (1210)

The fact is that the primary goal established by the Conservative Government is being totally contradicted by this Bill. The Government is countering its stated goal of reducing the deficit by eliminating the PGRT in the way it has been done.

Let me deal with a further point made in the same article to which I had referred. It is pointed out that in addition to the net loss of revenue coming from the total elimination of the PGRT, the imposition of new excise taxes will add an even further burden to the economy. The article indicated that the excise tax offsets the impact of the Western Accord in terms of whatever employment stimulation or growth potential there might have been. I believe those are facts that should be taken into account.

We cannot measure the effect of the Western Accord in isolation. We must measure it in relation to the substantial increase in excise taxes that have been imposed on the Canadian consumer. This will reduce consumption and have a negative effect on employment. The Government's policies are running headlong into one another. There is no rhyme or reason to them, there is no symmetry to them. If we wonder why Canadians are losing faith and confidence in the Government, it is because they realize that the Minister of Finance and the Minister of Energy, Mines and Resources (Miss

Carney) do not talk to each other any longer. They have put totally contradictory policies in place.

The kind of analysis contained in this particular article to which I have referred becomes even more serious and dramatic when taking into account the conditions we now face. The entire Western Accord was built upon the basic assumption that oil prices would remain flat or decline only marginally. There is a very small range of gas prices upon which the Western Accord was based. Those are not my words, Mr. Speaker. In the Western Accord itself, there is a contingency plan which indicates that if prices increase dramatically or decrease dramatically, the Government will have to step in to impose a new regime. That is part of the policy of the Western Accord. Yet the Government is frozen from doing anything about it.

The Western Accord was based upon a very narrow price range for oil at the well-head, a price range that already in the past week has been totally exceeded. What answers have we got from the Minister of Energy, Mines and Resources? She has shrugged her shoulders and said that it is the market-place that will decide. The market-place is not deciding. The fact is that there is no connection between pricing and demand at this point in time. Again the facts totally contradict the premise of the policy.

At the same time that the Government said it would deregulate the oil and gas industry by removing taxes, it was coming at it from the other flank by imposing a whole new set of federal taxes to offset totally, contradict, eliminate and wipe out the benefits of that deregulation. The question of credibility is a very important one for a Government. This Government probably holds the record for losing the confidence of the Canadian people faster than any other Government. It has even surpassed the incredible diminution of support for Mr. Diefenbaker's Government. This has happened not because the Government is malevolent but just because it does not know what it is doing.

The energy policy was supposed to be the centre of the new economic order which was the basis of the entire Conservative Government campaign. Energy was to be the driving engine of growth. The Hon. Member for Calgary South (Mrs. Sparrow) rose to say that there would be 25,000 new jobs created and new investment. I would ask her if that is going to happen with a $5-billion loss in revenue in the past month.

**Mrs. Sparrow:** It already has.

**Mr. Axworthy:** No, it has not happened. I am sorry. What is going to happen to Hibernia? Where is the Husky upgrader? Has a decision been made on that? No, it is still in limbo. What about the various heavy oil projects and the frontier exploration? What is going to happen to all the major oil projects as the price begins to fall dramatically and there is no cushioning? What is going to happen to the engine of growth? What is the Government doing about it? It has a Bill before the House to eliminate the PGRT based upon an analysis done three or four years ago. It has nothing to do or say about the conditions we face today.

Taking a macro-economic or budgetary point of view, the thrust of the Government's other economic policies is running totally counter to the elimination of the PGRT. It strikes me as exceedingly hypocritical for a Government to be lauding its efforts to reduce the deficit while we know full well that the increase to the deficit will be $3.5 billion.

The Government had alternatives. A series of papers were produced by the Economic Council about a year and a half ago dealing with changing the tax regime on the oil and gas industry as it should have changed as conditions changed. There is the possibility for an excess profit tax as a way of recapturing some revenue. Certainly a Liberal Government would never have introduced the kind of heavy burden of additional excise taxes that has created the counter-movement to the results of the elimination of the PGRT. Surely Conservative Members of Parliament and of Cabinet would have enough wit to realize that if they take taxes off from one side and increase them on the other, they will totally eliminate whatever benefits are supposed to be created. If the PGRT is eliminated and a substantial amount of cash revenue is added to the oil industry, one would assume that there would be more investment. That was the risk that was being taken. It is a different philosophy but we have to accept it.

We had a different point of view. We felt that revenue should be more broadly shared and that the Government should have a larger part of that revenue so it could be allocated toward social programs and other programs of economic benefit. I would repeat to Members from western Canada that a direct result of that was the ability to change the western grain transportation system, something which in itself is generating a large economic impact in the West through new capital investment. That was paid for by the recovery of revenues through the PGRT. We felt that there were other economic initiatives in western Canada that had to be financed including the modernization of the railway system to meet the demands of the coal and grain producers for a modern transportation system. We had to recover revenue somewhere and rather than having it all concentrated in one industry, we tried to share it. Conservative Members were against that and they won the election. That is fair enough. Why then should they turn themselves up on their heads by introducing a whole new set of excise taxes that negate that influence?

The rationale for the Conservative position was put very clearly by my colleague this morning. Who is being taxed? Conservative Members feel that it is much fairer and more equitable to raise taxes from the consumers than from the industry. That is the difference between our two positions. That is the real nub of the issue. The Government will put the taxes directly on to the consumer, in this case, except that it lost just one small piece of economic rational thinking, namely, that taxes are taxes are taxes, and that when we draw that money from the consumers, it will also have an impact upon the energy industry itself because it will reduce consumption. It will reduce growth and it will draw money away from consumers in terms of the purchase of other goods and services

including the products of the oil industry. That is why this particular study in the *Western Economic Review* properly points out that:

● (1220)

Furthermore, an examination of the impact of the increase in the motive fuels excise tax suggests that attempts to recoup the revenue losses from other sectors of the economy may undo much of the positive impact of the accord—

There is, I think, fairly clear and irrefutable evidence that we are debating a Bill which simply does not make much economic sense. It should be sent back and be redrafted. It should be looked at not only in relation to the larger budgetary objectives of the Government, but it surely must be reviewed and re-examined in light of the new conditions of the oil and energy sector of our economy. Surely we can expect that from a Government who has representatives from the oil producing sector in good numbers, people who claim they know the oil industry well, and we take them at their word. When those Hon. Members went back to their constituencies this weekend, they must have heard what the concerns were. There is a major dislocation and disruption taking place. If those Hon. Members have not heard that, then I suggest they get out of the isolation ward in which they exist, because I certainly have heard it. Oil industry people have talked to me in the last 48 hours and they have told me what is going on. Equally so, if those Hon. Members are not, at least, talking to people in the industry, I suggest they talk to the people who put their ballots in the box on September 4, because they are the ones who are going to the gas pumps every day. They are now starting petitions right across Canada demanding to know why it is that at least the promise made by the Minister of Energy, Mines and Resources when she spoke at a conference was not kept. She said: "Falling oil prices will immediately result in better deals for the consumer". They are asking why that has not occurred.

It strikes me that if there is to be from this Government any sense of responsiveness to the interests of the people of this country, then surely it must open its eyes and ears, listen, watch carefully what is taking place in our energy sector and try to come to grips with it.

Before I conclude I would like to comment on the point which was raised by my colleague, our energy critic, when he said that what was even more disturbing were the comments made by the Minister of Energy, Mines and Resources last weekend concerning Petro-Canada. We know that this Government is hell-bent on privatization, but there should be one fundamental test of whether one privatizes a Crown corporation or keeps it in the public sector. Does it serve the public's interest? Petro-Canada was established for a number of reasons well known to this House. It was primarily to make sure that there was some ability for Canadian interest to help shape energy policies and, more important, to provide some leadership on behalf of the public. There was a very wide suspicion that not always did the oil industry, the multinationals, work totally in the interests of the consumer and that it would be helpful to have a countervail. I believe that Petro-Canada, over the initial years of its functioning, served that purpose. What we have had revealed to us this weekend is really a secret conspiracy, that even before the Government privatizes and puts the shares on the market, it has basically given the mandate to Petro-Canada to be a gouger like everyone else. Rather than trying to lead the industry, at a time when oil prices are falling to bring prices down, to be responsive, in fact the Government was responsible for two substantital wholesale price increases. The Crown corporation which was established to serve the public interest is being encouraged in fact to pump up its own revenue base so that the share offering can be at a higher level when the Government wants to privatize.

If anything is more nefarious than that kind of shenanigan, that kind of financial inflation by the Government of the Petro-Canada revenue base, I do not know what it could be. The Government has distorted and destroyed the public interest in that Crown corporation, and that, I think, is one of the most serious indictments that can be raised. The Government is not coming clean with the Canadian public and it is using an agency of Government, not to serve the public interest, but to work against it.

**Mr. Deputy Speaker:** Are there questions or comments on the speech of the Hon. Member? Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is the following one. Mrs. McDougall, seconded by Mr. Oberle, moves that Bill C-82, an Act to amend the Petroleum Gas and Revenue Tax Act and the Income Tax Act, be now read the third time and passed. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the yeas have it.

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Call in the Members.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(*Division No. 187*)

YEAS

Members

| | | |
|---|---|---|
| Andre | Bradley | Charest |
| Belsher | Brightwell | Clark |
| Bertrand | Brisco | (Yellowhead) |
| Bissonnette | Champagne | Clark |
| Blenkarn | (Saint-Hyacinthe-Bagot) | (Brandon-Souris) |

Members

| | | |
|---|---|---|
| Cochrane | Hnatyshyn | Nickerson |
| Collins | Jourdenais | Nielsen |
| Cook | Kelleher | Pennock |
| Cooper | King | Redway |
| Cossitt | Ladouceur | Reid |
| Côté (Langelier) | Landry | Ricard |
| Crofton | La Salle | Scowen |
| Crosbie (St. John's West) | Layton | Sparrow |
| Dantzer | Lewis | Stevens |
| Desjardins | Lopez | Taylor |
| Dick | MacDonald (Kingston and the Islands) | Towers |
| Dorin | Mailly | Tupper |
| Duguay | Mantha | Turner (Ottawa-Carleton) |
| Epp (Provencher) | Masse | Valcourt |
| Fennell | McCain | Vankoughnet |
| Fretz | McDougall (St. Paul's) | Wenman |
| Gérin | McGrath | White |
| Graham | McInnes | Wilson (Swift Current-Maple Creek) |
| Greenaway | McKinnon | Wilson (Etobicoke Centre) |
| Gurbin | McLean | Winegard |
| Gustafson | Merrithew | Wise—79. |
| Hardey | Minaker | |
| Hawkes | Murta | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Gagliano | Mitchell |
| Axworthy | Gauthier | Nicholson (Trinity) |
| Baker | Gray (Windsor West) | Nystrom |
| Benjamin | Hopkins | Orlikow |
| Berger | Jewett | Parry |
| Blaikie | Keeper | Penner |
| Caccia | Langdon | Robinson |
| Cassidy | MacLellan | Rossi |
| Chrétien | Manly | Skelly—32. |
| Deans | Marchi | |
| de Corneille | McCurdy | |
| Fulton | | |

● (1250)

**Mr. Speaker:** I declare the motion carried.

Bill read the third time and passed.

**Mr. Speaker:** Shall I call it one o'clock and introduce the next matter at three o'clock?

**Some Hon. Members:** Agreed.

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

At 12:59 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

**Mr. Speaker:** Before calling Statements pursuant to Standing Order 22, I am advised that there may be a desire to have a special brief period of statements and to have procedures delayed accordingly. At the conclusion of this round of special statements, we would then call Statements under Standing Order 22.

*The Late Gérard Duquet*

[*Translation*]

## THE LATE GÉRARD DUQUET

**Mr. Gaston Isabelle (Hull-Aylmer):** Mr. Speaker, it is with great sadness that I face my task today of announcing to the Members of this House the passing away of a former colleague, the former Member for Québec East, Gérard Duquet.

Mr. Duquet was extraordinary: always courteous, smiling, friendly, and diplomatic. As a Member he was always ready to serve.

On his many trips as an official representative of his country, he always conducted himself with honour and distinction, and those who had the pleasure of travelling with him will remember the eloquence and pride with which he spoke of his love for his native country, Canada.

He was elected in 1965, and although as a Member of Parliament, his great dedication often exceeded his physical strength, he never let this show.

During his long political career, his greatest joy was to be a faithful representative and intimate associate of the community he represented in Parliament.

He held a number of positions in the House, but those he preferred and in which he made a major contribution were the positions he held on the Standing Committee on Management and Member Services.

A fierce defender of the rights of his colleagues, he always represented the voice of experience, rational thinking and logic. Finally, he was a true parliamentarian, and his colleagues will remember him as a paragon among members, dedicated to his country and to his constituents. Mr. Speaker, he belonged to the elite of our parliamentary system.

I am sure all my colleagues will wish to join me in addressing our sincere condolences to his wife, other members of his family, and to his friends.

**Hon. Roch La Salle (Minister of Public Works):** Mr. Speaker, I cannot but agree with the words spoken by the Hon. Member for Hull-Aylmer (Mr. Isabelle), who knew the former Member for Quebec East, Mr. Duquet, personally, and perhaps even better than I did.

When I arrived in the House of Commons in 1968, I had the pleasure of getting to know our colleague, and, Mr. Speaker, I wish to express my deepest regrets at his passing away. I also would like to say I believe Mr. Duquet was always very much respected on both sides of the House, for his speeches as well as for his actions. He was a politician who, through his achievements, demonstrated his lively interest in the province of Quebec and his country. I know that practically his whole life was dedicated to politics. I think I can say, without exaggeration, that he did so out of a desire to serve his fellow men.

Today, speaking on behalf of all my colleagues, the Prime Minister of Canada (Mr. Mulroney) and the entire Cabinet, I wish to offer his family the customary condolences, and I want them to know we shall remember with respect his contribution to the House of Commons and the manner in which he served a community which he represented so faithfully and so well.

[*English*]

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I want to join with my two colleagues in paying tribute to Mr. Gérard Duquet for his service both to Canada as a whole and to his community in particular. Mr. Duquet, as I had come to know him, brought to the House of Commons a considerable breadth of experience, not only in matters parliamentary but in terms of the community which he served and the business world. He was very highly regarded by his associates in business throughout the time leading up to his election to the House of Commons. He brought to the many committees of the House that he sat on a perspective which is so necessary in coming to decisions.

● (1405)

He was also representative of a large number of the people within the province that he served so well, representing them not only here but within the many organizations that stem and flow from the Province of Quebec. I want to extend on behalf of my colleagues, and to join with those of other Members of Parliament, our deepest sympathies to his family and to his friends.

**Mr. Speaker:** I am sure the House would want to show its respect and its sympathy in the usual way.

[*Editor's Note: Whereupon the House stood in silence.*]

**Mr. Speaker:** We will now proceed to Statements Under Standing Order 22 with eight minutes extended.

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## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### AGRICULTURE

SUGAR-BEET INDUSTRY IN ALBERTA AND MANITOBA

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I want to spend a few moments talking about an industry in western Canada that is in danger of dying, an industry which has importance for something like 50 communities, and which is now desperate for some assistance from the Government. I speak of the sugar-beet industry, which over the years has provided a very important source of income and employment in the Provinces of Alberta and Manitoba.

Unless a decision is made this week on a national sugar policy, that industry will not be in a position to plant a crop next year. That will mean the livelihood of many farmers and producers, as well as of many workers in the sugar refining plant in Winnipeg, will cease to exist. That is not necessary since there have been widespread consultations and many promises.

There have been commitments for action on the part of the Government. What has been missing is an answer to the serious plight of that industry. The time is growing short, and unless some specific response is made within a matter of a few days we will no longer have a very important industry in a very important region of our country.

I rise today to urge the members of the Cabinet to come to grips with the sugar-beet problem in Canada and to come forward with a policy so that industry can survive.

* * *

[*Translation*]

### TAXATION

INCOME TAX ACT 1985

**Mr. Mike Cassidy (Ottawa-Centre):** Mr. Speaker, since my colleagues conducting the New Democratic Party's 1986 tax review are already in Winnipeg today to start our national tour and consult with Canadians on the tax system, I would like to demonstrate the straightforwardness and clarity of our legislation with a reading from the Canadian Income Tax Act, 1985.

This is Section 110.1(3):

**(3) Idem.** For the purposes of this section, subject to subsection (2), interest included in computing a taxpayer's income for a taxation year shall be deemed to include

(*a*) the amount by which the aggregate of all amounts each of which is an annuity payment included by virtue of paragraph 56(1)(*d*) in computing the taxpayer's income for the year exceeds the aggregate of all amounts each of which is the capital element of the payment as determined or established under paragraph 60(*a*);

(*b*) the amount, if any, by which

(i) the aggregate of amounts each of which is an amount included by virtue of subsection 148(1) or (1.1) in computing the taxpayer's income for the year in respect of the disposition of an interest in a life insurance policy

exceeds

(ii) the portion thereof arising from a disposition described in subparagraph 148(9)(*c*)(ii) in respect of that policy; and

(*c*) the aggregate of all amounts each of which is an amount included—

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

* * *

● (1410)

[*English*]

### ABORTION

DISPOSAL OF BODIES OF ABORTED BABIES

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, Statistics Canada's figures show that from 1975 to 1983 there were

548,133 abortions in Canada. What a grizzly compendium! Half a million babies were murdered in the womb.

What did we do with these babies that were aborted? They had no burial; instead, their cut-up bodies were treated as medical waste and incinerated with hospital garbage. Doesn't that make you sick?

I have no evidence that this is going on in Canada, but in some countries foetuses are commercialized and sold to manufacturers. At the Swiss-French border in 1983, guards intercepted a truck loaded with frozen human foetuses destined for a cosmetic factory. U.S. hospital authorities revealed that they had collected $68,000 from commercial firms for organs of aborted and dead premature babies.

Canada does not keep statistics on the number of aborted babies born alive. Sometimes something goes wrong in the abortion process and a baby is born alive. In the U.S., some of these babies have lived while others were left to die. In fact charges have been laid against people who stood by and did nothing to save the life of a live aborted child.

We seem to have rights for everyone except the unborn. It is high time that we recognized, by legislation, the rights of the unborn; their right to live!

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## VOLUNTARY ORGANIZATIONS

### TORONTO POLICE FORCE'S AID TO COMMONWEALTH CARIBBEAN ISLANDS

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, last October I was contacted by the Metropolitan Toronto Police Force which requested my assistance in securing transportation for surplus goods it had collected and was donating to communities in various Commonwealth Caribbean islands, particularly Jamaica and Grenada. This program, initiated by the Commonwealth Caribbean Committee operates without a budget and solely on the volunteer time donated by concerned individuals.

On behalf of the Commonwealth Caribbean Committee, I wish to extend my thanks to the Minister of National Defence (Mr. Nielsen) for agreeing to provide cargo space aboard Armed Forces Hercules for hospital equipment and educational material destined for the islands. In a letter to me, the Toronto Police Force said of this assistance:

> This program is important to needy communities and children in these Commonwealth Caribbean islands. It also shows them that Canada is a nation that cares about others less fortunate than we are.

Not only does the Government care about the underdeveloped areas of the Caribbean, it is backing this up with action, action that will directly benefit those who are most in need. This is a Government with a heart.

*S.O. 22*

[*Translation*]

## INSURANCE

### NATIONAL SKI TEAM—COST OF LIABILITY COVERAGE—GOVERNMENT POSITION

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, we hear that the cost of liability insurance for our national ski team has increased by 420 per cent, so that the association will have to spend $150,000 more than it was expecting to pay this year.

We wonder whether the Conservative Government was serious when it announced last week it would help our Canadian skiers. The result is so disastrous that the Canadian Ski Association is not sure it is going to take out this insurance, owing to a lack of funds. Is the Conservative Government going to act responsibly and pay the difference of $150,000, and thus make it possible for our athletes to take part in international competitions? The Conservative Government is actually letting the insurance companies hold our athletes to ransom.

This morning, Mr. Speaker, we heard that—

[*English*]

> Soaring insurance costs may force parachute worlds to move from B.C. in '87.

How can the Government allow this to happen?

* * *

● (1415)

## INCOME TAX ACT

### CALL FOR SIMPLIFICATION

**Mr. Dave Nickerson (Western Arctic):** Today's Income Tax Act can only be described as a compilation of incomprehensible mumbo-jumbo. Why has something which is relatively simple in concept grown to be such a monster? The answer lies in the Liberal-NDP approach to taxation which has prevailed over so many years. The socialists have looked upon income tax as primarily a means of redistributing income from the productive to the non-productive sectors of society. During their tenure in office, successive Liberal Governments, egged on by their friends in the New Democratic Party, added layer upon layer of obfuscation and incomprehensibility.

The time has come to make a real effort to simplify and render understandable our tax legislation. The basic idea behind taxation must be to raise, in as painless and equitable a way as possible, only those moneys required for necessary public purposes.

We must strip away the yellowed layers of socialist varnish to reveal a fair, honest, equitable, and understandable tax system.

*S.O. 22*

## HEALTH

GLUE SNIFFING RE-EMERGENCE IN WINNIPEG

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, glue sniffing has re-emerged in Winnipeg as an urgent concern and it probably has national dimensions as well. It involves the abuse of common household dimensions as well. It involves the abuse of common household products such as nail polish remover and contact cement. The effect of glue sniffing is to cloud the brain. It encourages vandalism, the exchange of sexual favours, and it has even killed young people through accidental over exposure.

The Winnipeg Indian Family Centre burned down recently. The community sought the causes of glue sniffing and found it in unmet human needs, lack of recreational facilities, and in free access to the product.

We had a bylaw in Winnipeg which regulated the sale of these products, kept them behind the counters and limited the age of people allowed access to them. The bylaw worked and the incidents of glue sniffing decreased in numbers. However, the courts threw the bylaw out. It is now a federal responsibility. The federal Government must act. We need to know whether the federal Government cares enough about community concerns and children, or if it will only respond to the business desire for the products to remain unregulated. These products can kill. Something can be done—

**Mr. Speaker:** Order. The Hon. Member knows the rules against displays. The Hon. Member for Swift Current-Maple Creek.

* * *

## THE ECONOMY

EFFECT OF GOVERNMENT DEFICITS ON EMPLOYMENT

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, the head of the Canadian Labour Congress recently stated: "Government should realize their concern for jobs for all Canadians must override their preoccupation with deficits". What an incredible statement! If deficits are the answer, then why do so many remain unemployed after years of deficit financing? If, according to the Liberals and the NDP, deficits create jobs, why is it that 1.5 million Canadians were out of work when we took office? The truth is that deficits do not create jobs, they cost jobs.

Deficits rob Canadians of financial, social, and human resources. Money used to pay interest on the outstanding debt are simply not available for other government purposes, or indeed, to reduce taxes.

September 4, 1984, marked a watershed. For the first time in a generation we have a Government which is willing to face up to the deficit. The goal is job creation all right, but job creation through responsible deficit reduction. During the first seven months of this fiscal year the deficit actually went down. We have created more jobs in 17 months than the Liberals did in the previous five years. These encouraging figures are concrete proof that the policies set forth in the May Budget are paying off. This represents a clear break with a trend established by successive Liberal Governments which pushed an ever-increasing deficit burden onto the backs of Canadians and nearly destroyed our economy. Stay the course, Mike Wilson, you are on the right track!

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## INDIAN AFFAIRS

NEW BRUNSWICK—PROVINCE'S POSITION ON CONTROL OF EDUCATION FUNDS

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, Indian control of Indian education is supposed to be a long-standing policy of the federal Government. The policy recognized that if Indian students were to have the same opportunities that are available to other Canadians, Indian communities would have to participate in making basic decisions about schools and curricula. Unfortunately the Conservative Government of New Brunswick has given notice that it will no longer recognize a 1967 Indian education agreement with the federal Government.

The province does not agree with the section which allows individual Indian bands to control their education funds directly. The Kingsclear Indian Band in New Brunswick has asked for its education funding directly from the federal Government so it can purchase education services as desired by the Band. Instead of co-operating with the Band, the Conservative provincial Government has chosen to end the agreement. As the federal Government now claims to support Indian self-government, it should support the New Brunswick chiefs on this issue. Talk about self-government is a meaningless fraud unless Indian people have control in areas, which, by departmental policy, they already should have control.

* * *

● (1420)

## ROYAL CANADIAN MOUNTED POLICE

SEXUAL HARASSMENT ALLEGATIONS—ROLE OF LIBERAL MEMBERS OF PARLIAMENT

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, I rise to express the opinion that the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for York South-Weston (Mr. Nunziata) should rise in this House and issue a formal apology to the two female peace officers whose privileges were abused by the actions of those two Members last week. They should also write a formal letter of explanation to the Commissioner of the RCMP so that the personnel files of the two peace officers contain a clear explanation showing that the Hon. Members acted on their own and without permission of the two peace officers concerned.

As Members of Parliament we have an awesome power to do good or bad. In this case the two Members put their political interests above the personal interests of the two female peace officers. Women in the workplace have enough problems without MPs adding to the load. I am sure our colleagues will do the honourable thing and issue an apology, as well as a letter of explanation to the Commissioner.

**Some Hon. Members:** Hear, hear!

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF AUSTRALIAN MINISTER FOR RESOURCES AND ENERGY

**Mr. Speaker:** May I advise Members—

**Ms. Copps:** The Solicitor General should stop interfering with the system of justice.

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Shhh!

**Mr. Speaker:** Order, please.

May I advise Hon. Members, of the presence in alphabetical order of the presence in our gallery today of the Minister for Resources and Energy of Australia, Senator Gareth Evans.

**Some Hon. Members:** Hear, hear!

PRESENCE IN GALLERY OF CHINESE MINISTER OF PHYSICAL CULTURE AND SPORTS

**Mr. Speaker:** As well may I advise of the presence of the Minister in charge of the State Physical Culture and Sports Commission of the People's Republic of China, the Hon. Li Menghua.

**Some Hon. Members:** Hear, hear!

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# ORAL QUESTION PERIOD

[*English*]

## EMPLOYMENT

VANCOUVER FOOD BANK EMPLOYMENT GRANTS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week her Department cut off grants to the Vancouver Food Bank which will affect 10 full-time employees. Since food banks in several cities, together with other charitable organizations, are dealing directly with the sick and needy, why would her Department choose to cut off the food bank at this time?



**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member knows that the programs in which my Department is engaged are now directed toward the training of people for long-term employment. We are making very real contribution to the way in which people will be able to take advantage of the job development and job-creation programs, and in employment growth in our country. It is for that reason I was pleased to see that in British Columbia the number of new jobs created in the last month increased substantially.

EFFECT OF NEW PROGRAMS ON CHARITABLE ORGANIZATIONS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, that answer is not going to impress the thousands of people who have to line up at food banks to feed their families, I tell you that.

The Minister has changed the rules. That threatens the future of thousands of charitable organizations dealing with the sick and needy. Her bureaucracy is now insisting that charitable organizations like the Vancouver Food Bank fire their existing employees and hire new ones so they can qualify under her program. Would she look into it because it is a mess?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am very pleased with the way these new programs are developing. I can tell the Hon. Member that in British Columbia some 1,650 new job training and job-creation projects have been created this year. Some 7,200 are now involved in these projects which will give them new opportunities for the future. This involves the expenditure of some $56 million this year which has already been allocated. I feel that in doing this we have not only supported those projects directly involved in the training of people in co-operation with the private sector, but 70 per cent of them are operating in co-operation with community organizations which are dedicated to helping individuals.

● (1425)

[*Translation*]

CHARITABLE ORGANIZATIONS—SUBSIDIES—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the Montreal area alone, 500 community organizations have let the Minister know they have been "cut" by her department. They have no more funds. I will put the question directly to the Minister once again. Why should these charitable organizations have to fire their experienced employees? Why should they have to hire new staff to be eligible for her Department's subsidies? Why the confusion?

[*English*]

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as I explained to the Leader of the Opposition, 70 per cent of the projects already approved in the Province of Quebec are sponsored by community organiza-

tions. The rules have not changed except for the requirement of a training component so that the people who are involved in these projects have a better opportunity than they had in the past of acquiring a permanent job when they finish.

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## ENERGY

### PRICE OF GASOLINE IN ATLANTIC PROVINCES

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Today in the Atlantic provinces a litre of gasoline can be as high as 75 cents. Mr. Speaker, that is higher than the Canadian dollar and, unlike the Canadian dollar, gas prices are going up.

Does the Minister realize how crippling this is for a worker who puts gas in his pickup truck, or for a fisherman who puts gas in his outboard motor? Will she move now to roll back that increasing spiral so that workers in the Atlantic provinces can earn a decent living?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, as I have already informed the House in response to similar questions last week, Canadians buy more than gasoline when they fill up their tanks at the gas stations. They are paying for social services such as old age pensions—

**Some Hon. Members:** Oh, oh!

**Miss Carney:** —and for post secondary education. They are paying for the whole range of social services that Canadians have indicated they want to support.

**Ms. Copps:** They are paying the multinational oil companies their profits.

**Mr. Rompkey:** Mr. Speaker, that answer is as valueless as gas prices are expensive.

### REQUEST FOR MINISTERIAL ACTION

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, I want to tell the Minister that a logger in central Newfoundland pays 55 cents a litre for gas for his chain saw.

**Mr. Speaker:** Order, please. Just a supplementary question, please.

**Mr. Rompkey:** At that price it is not the trees that are geting cut down, it is the loggers.

Will the Minister establish a fair price for gasoline? That policy and others of the Government are crippling the economy of the Atlantic area.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I suggest that the Hon. Member's rhetoric should have been saved for the time when his Party was in power. His Party increased gasoline prices 80 per cent under the NEP.

**Some Hon. Members:** Oh, oh!

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## PETRO-CANADA

### REQUEST FOR RETENTION IN PUBLIC SECTOR

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Prime Minister. Last week we were urging the Minister of Energy, Mines and Resources to instruct Petro-Canada to live up to its public mandate by keeping prices down to a reasonable level. She refused. Last night on the television program *Sunday Report* we learned why, when the Minister announced her intention to continue with the privatization of Petro-Canada.

Last August the Prime Minister said: "It is Conservative policy to maintain Petro-Canada". Any privatization of Petro-Canada would have the effect of destroying its public mandate and making it a profit maximizer just like Shell or Imperial Oil. Therefore, will the Prime Minister undertake to the House to maintain Petro-Canada completely in the public sector?

**Right Hon. Brian Mulroney (Prime Minister):** No, Mr. Speaker, we will not give that undertaking if my hon. friend is requesting an undertaking that, forever and a day, Petro-Canada will be 100 per cent state owned. It may very well be that the national interest could best be served by issuing a part of the shares in favour of ordinary Canadians. That may very well be in the national interest and, if it is, we will proceed along those lines. However, there is no doubt that this Party is supportive of the concept of a national energy company, but one that does work on behalf of all Canadians.

**Mr. Broadbent:** Mr. Speaker, ordinary Canadians now own Petro-Canada completely. They do not need a change from that.

● (1430)

### MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. Considering that Petro-Canada cannot serve a broad national mandate on the one hand and be a profit maximizer on the other—which is acknowledged by the Chairman of Petro-Canada in the current annual report of that Corporation—will she admit that she refused to instruct Petro-Canada to bring down prices last week because she wants to maximize its profits in order to fatten it up to be sold off to the private sector? Will she admit that?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** No, Mr. Speaker.

**Mr. Broadbent:** Obviously they are not going to bring down prices and are setting out to destroy Petro-Canada.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** The last Conservative Prime Minister who laughed about the fate of Petro-Canada lost his job. I warn the Prime Minister that the same thing will happen to him.

CORPORATION'S MANDATE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Considering that the Act was passed—

**Mr. Crosbie:** You're wasting gas, Ed.

**Mr. Broadbent:** Considering that the Act to establish Petro-Canada that was passed by Parliament gives it a broad mandate to explore, refine, and have reasonable prices, will the Minister admit that the new mandate given to Petro-Canada's Chairman completely violates the Act by requesting Petro-Canada to maximize its profits and, therefore, ignore the consumer as well as other Canadian interests?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the mandate is given to Petro-Canada by the Minister responsible for Petro-Canada, which is myself. I represent the Government and hold a share. The mandate says in particular that the Corporation is now being given a new mandate by its shareholder to operate in a commercial private sector fashion with emphasis on profitability and the need to maximize the return on the Government of Canada's investment. This involves billions of dollars of our most valuable frontier resources.

I remind the Hon. Member that this was the first Government to collect a dividend from Petro-Canada. We collected $30 million from Petro-Canada in the last Budget. One cannot ask a company to operate as if it is a private sector company, collect dividends from it which are returned to the Government of Canada, and then ask it to indulge in artificial pricing.

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## ENERGY

PRICE OF GASOLINE IN NORTHERN ONTARIO

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The people of northern Ontario are outraged because the prices for gasoline remain at an all-time high at the same time that world oil prices are falling very dramatically. Will the Minister explain to the motorists of northern Ontario why they can save $10 in filling up their tanks simply by driving across the bridge from Sault Ste. Marie, Ontario, to The Soo, Michigan? Why are northern Ontario's neighbours in Minnesota paying the equivalent of 46 cents a litre when my constituents in Nakina, Ontario, are paying more than 63 cents a litre?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the reason is that taxes in Canada account for approximately a third of the cost of gasoline. Canadians are paying for medicare, old age pensions and other social services at the gas pump; Americans are not.

WORLD OIL PRICES

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, the Minister is not addressing the issue of falling world prices. When world oil prices rise there is almost immediately a price increase at the pumps. Now, when they are falling, there is a long delay before there is even a small decrease in the price of gasoline at the pumps. Will the Minister explain why?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I know that the Hon. Member would not willfully mislead the House, so I assume that he has forgotten that under the Conservative regime, when my colleague, the present House Leader, was the Minister of Energy, Mines and Resources, he put in place a mechanism to ensure that price increases could not be imposed for 60 days to allow those increases to move through the system. Similarly, I have advised the House that, as crude prices come down and those decreases to through the system—I remind the House that Canadian companies dropped the price of crude last week—we expect that Canadians will have some benefit at the pump.

* * *

## PETRO-CANADA

ONTARIO GOVERNMENT STUDY

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is directed to the Prime Minister. He indicated that at some point the Government might be prepared to sell some part of Petro-Canada to the private sector. Does he not recognize that a report commissioned for the previous Conservative Government in Ontario stated that the Government must act so as to protect minority shareholder interests and cannot operate as an instrument of over-all government policy if it sells part of its shares publicly? Is that what he wants to see happen?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, of course that is not what we want to see happen. That is why we are proceeding with such care to examine the issue of public participation in Petro-Canada.

GOVERNMENT POLICY

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, am I to understand from the Minister's answer that it is no longer Government policy to sell off part of Petro-Canada but that she is considering the possibility? Is it Government policy to sell off

part of Petro-Canada or is it Government policy not to sell it? Which is it?

**Some Hon. Members:** Oh, oh!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, before the Hon. Member gets completely carried away, let me read from the rest of Petro-Canada's mandate as dictated by me.

**Mr. Broadbent:** That is your mandate. That is not the Act.

**Miss Carney:** If the House cares to listen, it states: "However, the Government maintains the right as a shareholder to formally direct Petro-Canada to carry out certain activities in the national interest".

Some of these include Hibernia and Venture and the High Arctic. Our intention with Petro-Canada is to ensure that it will be in a position to develop these very vital resources for our energy supply in the future.

* * *

[*Translation*]

## ENERGY

GULF REFINERY CLOSURE IN MONTREAL—EFFECT ON CONSUMERS EXPECTING PRICE REDUCTION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the people of Montreal are also continuing to pay a lot for gas, despite the fact that world prices have started to fall dramatically.

I want to direct my question to the Minister of Energy, Mines and Resources, and inform her that this morning regular gas was selling for 59 cents a litre at the Petrocan station at 5985 Côte-des-Neiges, Montreal.

Meanwhile, in Boston the same gas was selling for 41.7 cents a litre, and 43 cents a litre—

[*English*]

**Mr. Speaker:** Order, please. These are becoming long preambles. May I have a question, please?

[*Translation*]

**Mr. Guilbault (Saint-Jacques):** I would like to ask the Minister how closing down the Gulf refinery in Montreal can help the Montreal consumer who is waiting in vain for a drop in gas prices to reflect the drop in the price of crude oil?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I believe the Hon. Member is confusing two issues. I stated in the House that the supply and demand situation is quite in balance in Quebec. I have also said in the House that, as the price decreases work their way through the system, consumers in Montreal and other parts of Canada can excpect some benefit.

May I point out that one of the reasons why Montrealers pay such high prices as he quotes is that the provincial Government in Quebec applies a very high rate of tax. It is about 22 per cent of the cost of a litre of gasoline. I suggest that he is addressing his question to the wrong Minister.

[*Translation*]

REDUCTION OF GASOLINE PRICES—GOVERNMENT POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I simply want to ask the Minister how many thousands of signatures the national committee for the reduction of gas prices will have to collect before the Government decides to act in the interests of consumers?

In other words, what will it take for the Government to break down and to do something about the price of gas?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Government has already acted to the benefit of consumers by putting in place a market-sensitive system where gas price decreases can be passed along to the consumer, not like his Party which put in place a system whereby gas prices increased 80 per cent under that Government.

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## TOURISM

EFFECT OF GASOLINE PRICES

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is directed to the Minister of Tourism. Last Wednesday he told the House, as reported at page 10038 of *Hansard*:

—price has not had a significant impact on Americans' intentions to holiday in Canada.

On that day and since, he and I received several telegrams from different tourism industry associations, including the Tourism Association of Canada and the Northwest Ontario Travel Association, saying that high gas prices are a problem. Will the Minister take some action to lower those prices, or will he continue to tell the industry that he knows their business, they don't, and "father knows best"?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, studies conducted by both Tourism Canada and the tourist industry in the United States have indicated without a shadow of a doubt that the price of gasoline in Canada does not have a significant impact on an American's intention to travel in this country.

● (1440)

What we want to do and what we are doing in Tourism Canada is going out and raising the awareness of Canada in the U.S. market so that more people will come up into this country. The price of gasoline is not a factor.

REPORTED STATEMENTS IN 1984

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I thank the Minister for an answer which, though mistaken, was at least understandable. Since the Prime Minister and several of his colleagues said in 1984 that the price of gasoline was a problem for the tourist industry, would the Minister tell us now that the Prime Minister was wrong or that conditions have changed since 1984 and, if so, would he tell us how?

**Hon. Jack Murta (Minister of State (Tourism)):** No, I won't, Mr. Speaker. The question is quite irrelevant.

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** Arrogance is catching over there.

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## PETRO-CANADA

DECEMBER PRICE INCREASE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last Monday the Minister stated that she did not know of any price increases by Petro-Canada in recent months, yet there have been two such price increases in gasoline in the last three months. Why, for instance, on December 9 was the price of gasoline increased by Petro-Canada when the price of crude had been decreasing worldwide in the months before that price increase?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am not aware—and I will check *Hansard*—of making the comments which have been attributed to me. I do not comment on specific companies' marketing practices in specific areas. Governments do not set the price of gasoline. They reflect competition in the market-place, transportation and world prices. I may point out to the Hon. Member, because he is the critic in this field, that the component of a litre of gasoline which is directly attributable to the cost of crude is around 40 per cent to 44 per cent. Therefore it is not possible to have the kind of dramatic declines in gasoline prices as he is suggesting has taken place.

PRICE CHARGED BY OTTAWA SERVICE STATION

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, if market conditions prevail, why, in July when crude went down from $28 per barrel U.S. to $26.93 per barrel, did we not feel any decrease in this country? We only received increases in gasoline prices. Why is the price of gasoline charged by Petro-Canada on the Merival strip in Ottawa West 1.3 cents per litre higher, according to a very irate consumer, than the price of gasoline charged by any of its competitors? Why is the Minister—

**Mr. Speaker:** Order, please. That is two questions.



**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am truly unaware of a question directed to the Minister. If he wants to know about the cost of gasoline at an individual gas station, I suggest he should ask either the dealer or Petro-Canada directly.

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## PUBLIC SERVICE

EXECUTIVES' SALARIES—REMUNERATION OF PETRO-CANADA CHAIRMAN

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. On Friday he made public the Burns Report on executive compensation in the Public Service. Why, when Mr. Burns recommended a maximum salary range for Bill Hopper, Chairman of Petro-Canada, of $340,000, did the Prime Minister have the gall to increase his maximum salary range to some $475,000, which is more in one day than old age pensioners on the GIS and OAS receive in two months? Why did he have the gall to hand out such a handsome increase to Mr. Hopper?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, in response to the Hon. Member I should start by saying that the proposition which he put forward is purely and utterly false. There is no basis in fact in what he said in respect of that particular increase. The situation is that there was an advisory group on executive compensation in the Public Service created by Mr. Trudeau. It made recommendations with respect to senior positions in the Public Service and in Crown corporations. The average increase is about 5 per cent in respect of compensation, less than that recommended by the particular group. I simply say to the Hon. Member that the particular group in question recommended higher compensation, but the decision of the Government was to give it on a lower basis, about 5 per cent on the average.

SALARY OF VIA RAIL CHAIRMAN

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I should like to ask the Prime Minister to answer a question about his old crony, Lawrence Hanigan, former PC candidate and now Chairman of VIA Rail. Why did he agree to increase the maximum pay for Mr. Hanigan by some $36,000 per year, which is a 40 per cent increase, while at the same time chisel the children of the country with a 31-cent per month increase in family allowances?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, again the proposition put forward by the Hon. Member is simply false. I wish, when he poses questions in the House, he would get his facts straight. That has absolutely nothing to do with the facts. The reality is that the 1984 range refers to his predecessor, Mr. Renouf, whose job was part-time. There was no increase in respect of Mr. Hanigan at all.

*Oral Questions*

## ENVIRONMENTAL AFFAIRS

GREAT LAKES—SHORE-LINE FLOODING IN KENT RIDING

**Mr. Elliott Hardey (Kent):** Mr. Speaker, my question is directed to the Minister of the Environment. It deals with continuing shore-line flooding in my riding which is part of the Great Lakes basin, particularly during the storm of December 2. Recognizing that this is a problem which calls for a long-term solution, could the Minister indicate to the House what action he is taking toward identifying such long-term measures?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Government of Canada shares the Hon. Member's deep concern on this matter. He will appreciate that the situation in Lake Erie is a little unlike that in Lake Ontario and Lake Superior in the sense that the lake itself cannot be regulated as to the water level. However, the Secretary of State for External Affairs and I are exploring together ways in which our two Departments can act urgently on the matter directly, and indirectly through the International Joint Commission. In the meantime, because the matter is very largely within provincial jurisdiction, I have met with Vince Kerrio, my counterpart, the Minister responsible for natural resources, and we have earmarked $8.4 million on an urgent basis for damage reduction. We are exploring how we can co-operate in other ways as well.

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## IMMIGRATION

VISA AND WORK PERMIT FEES

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is directed to the Minister of State for Immigration. Last year the Government dramatically increased the fees for individuals seeking Canadian citizenship. Now the Government is imposing fees for visas sought by immigrants, students, workers and visitors wanting to come to Canada. Given that this is another regressive move by a Minister who should be an advocate for his constituency rather than act as the Minister of Finance, is he prepared to abandon this immigration tax fully? If he is after revenues, why does he not tax the phoney immigration consultants who are raking in thousands of dollars on the backs of innocent individuals?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, the hon. Member should inform himself of the facts. The Government is not in fact imposing any processing fees on refugees, short-term visitors or students at this time. What we have here is a partial cost recovery. This processing fee is in line with what other countries are doing. There is no evidence that it will in any way impede the immigration flow into Canada. Those who are coming are being asked to pay only a third of the cost. This is a processing cost, not a cost for a visa.

GOVERNMENT POLICY

**Mr. Sergio Marchi (York West):** Mr. Speaker, it is a disgrace that Canadians are being asked to pay $125 to try to bring in their mothers and fathers to this country; it is simply a disgrace. Does the Minister honestly feel that this fee is a fair and morally acceptable one and that it does not run counter to the plans of increasing immigration and enhancing his colleague's plan of strengthening the tourist industry?

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, the Hon. Member cannot have it both ways. On the one hand he stands and tells the Government that we must maintain the human face of the Government, that we must maintain the services to those least able to protect themselves. In this particular case we have underlined our humanitarian concerns for refugees. We are examining the student aspects, and we are merely offsetting the cost here by assessing those who can afford to pay a portion of it. If Canadian citizenship is worth anything those who wish to immigrate, they will be ready to pay this portion of the cost, and that is all that is being asked.

* * *

• (1450)

## ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER LEVELS

**Mr. Howard McCurdy (Windsor-Walkerville):** My question is directed to the Secretary of State for External Affairs. In response to the United States State Department request for Canadian help in controlling Great Lakes water levels and serious flooding, Ontario Hydro was to reduce flows into Lake Superior from the Ogoki reservoir. Will the Secretary of State indicate Canada's response to allegations from the American portion of the International Joint Commission and the State Department that Ontario Hydro, in effect, reneged on that agreement?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I believe the Hon. Member is referring to a report in a Detroit newspaper. That newspaper report is false.

LAKE ERIE—INTERNATIONAL JOINT COMMISSION STUDY

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I think the matter does bear a more careful look than has been indicated by the Secretary of State for External Affairs. Nevertheless, I have a supplementary question which is directed to the Secretary of State with respect to Canada's role in controlling levels in the Great Lakes, and, therefore, serious flooding. Will the Secretary of State agree with the request by the International Joint Commission and the U.S. State Department for Canadian participation in a joint reference to the International Joint Commission to reopen the IJC study on full regulation of Lake Erie levels?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, a few moments ago that precise question was raised by the Progressive Conservative Member for Kent and it was replied to by the Minister of the Enrironment.

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## TRADE

REMOVAL OF TARIFF ON COMPUTER PARTS

**Mr. Alan Redway (York East):** My question is for the Minister of State for Finance. Last week the Government removed the tariff on the importation of computer parts. Will the Minister advise the House whether there were similar trade concessions given Canada by other nations and what the impact of all of this will be on our own computer industry, particularly the 3,000 workers in my constituency who work for IBM?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I would like to thank the Hon. Member for his question, because the tariff elimination on both semiconductors and computer parts I think is going to enhance our trading opportunities enormously in the future. The Canadian industry is very pleased with this move. Both Japan and the United States have made similar moves. We are looking for expanded trading opportunities, which can only benefit the industry and the workers in Canada.

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## INSURANCE

FOREIGN OWNERSHIP OF INSURANCE COMPANIES—INCREASE IN PREMIUMS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is for the Minister of State for Finance. Since court settlements are very high in the United States, and since 75 per cent of insurance companies operating in Canada are foreign-owned, why is the Minister allowing the insurance companies to cover their loss in the United States at the expense of the Canadian consumer by increasing policy insurance premiums?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, there is a foreign component, but there are also many domestic companies involved in this industry. As I have said in this House before, we are working on the issue of availability of insurance where we see problems. We are narrowing down the focus of the discussion to where we see the real longer term problems, and we will be dealing with solvency and capital issues of all companies operating in Canada in the near future.

[*Translation*]

REQUEST FOR INQUIRY

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I have a supplementary. After ten Liberal Members, now the Superintendent of Insurance Canada also wants to investigate the insurance industry. Does the Minister intend to open the books on the insurance industry so that Canadians can find out why we have this crisis situation?

[*English*]

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think the concern we have expressed on behalf of the consumer and the work we have done with a number of people having problems, and with the industry, have started to bring some benefits on the consumer side where there have been real problems. The examination of the industry which we have been doing on an ongoing basis and which was part of our financial institutions discussion over the summer months and into the fall, I think has clarified a lot of the things we need to know, and we are continuing to improve in this sector.

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## WELFARE

USE OF FOOD BANKS ESTABLISHED BY VOLUNTARY AGENCIES

**Mr. David Orlikow (Winnipeg North):** I would like to direct a question to the Minister of National Health and Welfare. Has his Department done any studies into the increasing use of food banks established by voluntary agencies which are providing meals or food baskets, helping to meet the needs of the poorest people in Canada, and whether this is due to the fact that the welfare plan established by the provinces, of which the federal Government pays 50 per cent of the cost? Why are the provinces not meeting the needs of the people?

**Hon. Jake Epp (Minister of National Health and Welfare):** We are well aware of the food banks and their work. That question has been asked earlier in this House. Regarding the level of welfare payments, the Member is correct in identifying that the provinces have established the levels of payment. In my own province, if he takes a look at its levels, they are not the highest in Canada. I think what he also clearly identified is that the federal Government keeps paying on a cost-sharing basis 50 per cent of the costs incurred which come under provincial jurisdiction.

WELFARE PAYMENTS IN NEW BRUNSWICK

**Mr. David Orlikow (Winnipeg North):** When we see that in a province like New Brunswick a single person on welfare gets $108 a month when the poverty level is over $9,000 a year, surely the Government of Canada should be discussing with the provinces the inadequate assistance given, rather than simply saying we will pay 50 per cent whether it meets the needs of the people or not. Would the Minister discuss this question with the provincial Ministers?

**Hon. Jake Epp (Minister of National Health and Welfare):** I will discuss it. In fact at the last meeting of Ministers Social Welfare the question was discussed. At that time it was agreed between the provinces and the federal Government that we would be twinning the cost of social assistance where people wanted to take training or were able to take some part-time work and they were afraid, for instance, to lose dental benefits or pharmacare benefits for their children, especially single women. It was twinned, and a number of people have taken advantage of those kinds of opportunities. I think we are getting people from welfare into greater independence. This is a constant issue before us.

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## LOTTERIES

### TRANSFER OF RESPONSIBILITY TO PROVINCES

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, my question is directed to the Minister of Justice, and arises out of the recent Criminal Code amendments transferring the sports pool lottery games to the provinces. Coming from a vulnerable community on the frontier, may I ask the Minister can those amendments be interpreted as paving the way for provinces to get into slot machine and Las Vegas type gambling operations as some of the provinces now interpret that legislation?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the legislation in question was passed with the co-operation of all Members of this House, I am glad to be able to report, and with the support of all the provinces. I think that the legislation that was passed does not extend the law very extensively in this direction. It may help to clarify it. The situation is, of course, that even before these amendments were passed the provinces could, if they decided to do so, permit Governments or licensed charitable organizations to conduct casinos. Slot machines have been operated by Governments in Manitoba and Alberta without complaint.

To sum up, Mr. Speaker, the matter is now in the hands of the provinces. They can allow gambling such as permitted by the Bill if they wish, or forbid it. It is in their hands. It was part of an arrangement entered into with them and all Members of this House supported the legislation. I do not think there is any chance of Las Vegas style private gambling in this country.

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## AGRICULTURE

### SUGAR-BEET INDUSTRY—REQUEST FOR NATIONAL POLICY

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Minister of Agriculture. As the Minister well knows,the sugar-beet industry of western Canada is in danger of dying unless immediate action is taken. This will influence thousands of jobs and the livelihood of many hundreds of communities in the west. Can he assure the House this afternoon that the Government will bring down a national sugar policy this week so the farmers can properly go about preparing for the planting of next year's crop?

• (1500)

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I certainly appreciate the interest of the former Minister in this very important subject. However, I am sure the former Minister will recognize that this Government need not take a back seat to any Government in the measures it has taken on behalf of the agricultural industry.

**Some Hon. Members:** Hear, hear!

**Mr. Wise:** He will know that we have passed more agriculture legislation in eight months than the previous Government did in eight years.

We have also taken over 107 initiatives which transferred well over $2 billion from the Consolidated Revenue Fund to the agricultural industry. That indeed is a record.

### REQUEST FOR EARLY ANNOUNCEMENT

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, that brief and enlightening history was fascinating but it is of absolutely no help to the sugar-beet growers of western Canada. The Minister knows how crucial it is that those thousands of producers have an answer immediately so that they can prepare for next year's crop. Will a national sugar policy be announced this week?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, my colleague, the Hon. Minister of State for the Canadian Wheat Board, has provided the leadership in this particular issue. As everyone will know, he has consulted with each and every sector of the industry. However, to this point in time the Government has not yet made a decision.

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## ATOMIC ENERGY OF CANADA LIMITED

### RADIOACTIVE WASTE DISPOSAL RESEARCH

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. The Minister will be aware of a concern expressed by the Manitoba Government and others about the list of potential American radioactive dump sites released recently, and she will also be aware of an impending agreement between AECL and the U.S. Department of Energy for further co-operation at the Lac du Bonnet underground research laboratory. Given this concern, will the Minister, who is responsible for AECL, instruct AECL not to enter into any agreement with the U.S. Department of Energy with respect to research on radioactive waste disposal until such time as those sites which could potentially affect Canada are removed from the American list?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member should be aware that I have already conveyed to the Premier of Manitoba my assurances that the AECL research site will not become a permanent site.

UNITED STATES DUMP SITE

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, that is not the question I asked. It is a question I have asked before but it is not the one I just asked. I asked the Minister if she will instruct AECL not to enter into any agreement with the U.S. Department of Energy with respect to the URL and Lac du Bonnet until such time as the American sites which could potentially affect Canada are removed from the list of sites. If not, we will be co-operating in polluting our own backyard.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the House will know that largely through the personal initiative of Members of the House such as the Hon. Member for Shefford, the Government of Canada was successful in persuading the United States to remove the Vermont site from the list. There has now been a new list brought forward containing a few number of sites that might raise problems for Canada. I have already been approached by the Hon. Member for Brandon-Souris and Conservative Members from Saskatchewan, and I am sure their pressures will be brought to bear as effectively upon the Government of the United States as were the pressures brought by the Conservative Member for Shefford.

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## TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF PROVINCES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Prime Minister. Can the Prime Minister clear up for the House today which version of events is correct *vis-à-vis* the provinces' role in free trade negotiations: his version as reported in the press today or his version from Halifax; full participataion or third-party participation?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, there is no inconsistency. Ambassador Reisman was in fact to have met tomorrow but will be meeting on February 4 with provincial representatives pursuant to the document agreed upon in Halifax to define further the manner in which this kind of co-operation can be brought about.

PRIME MINISTER'S POSITION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I am surprised that the negotiator has been elevated to ambassador. I realized that his salary might have been elevated but I was not sure that he had become an ambassador.

Obviously the people of Canada want to know whether or not the provinces will have a direct role at the negotiating table as was promised by the Prime Minister at the Halifax discussion. Does he stand by the statement he made in Halifax or has he once again misled the people of Canada as to his intentions?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, for the benefit of the Hon. Member, there has been no eleveation of Simon Reisman recently. He was appointed ambassador some months ago on the same day we appointed him to his present job. Like many other things, that has just dawned on the Hon. Member.

In regard to the methodology, there is nothing inconsistent at all with what has taken place. Ambassador Reisman is working very closely and well with his provincial colleagues to develop a plan which will ensure the greatest degree of participation possible for the provinces in the process. That has been our objective as opposed to other views taken by previous Governments that would have completely excluded the provinces from the elaboration and implementation of this kind of process. We are in favour of full participation.

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## AGRICULTURE

INTRODUCTION OF BANKRUPTCY LEGISLATION

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, my question is directed to the Minister of Agriculture. Is it still the intention of the Minister to introduce bankruptcy legislation with teeth and power to renegotiate interest rates and reduce debt, as he described it, as he promised a month before Christmas?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, we continue to study that approach and we are looking at a number of options at the moment.

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## ENVIRONMENTAL AFFAIRS

PRAIRIE WILDLIFE INTERPRETATION CENTRE

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, my question is for the Minister of the Environment and concerns the future of the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan. The 1986 summer season is fast approaching and I would ask the Minister if he could comment on the future of the centre, both for this coming summer and for the long term.

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, briefly, we want to keep the Centre open. We want to arrive at an arrangement that would enable everyone concerned to know of it well in advance of the arrangement. For that purpose, I wrote to the Minister responsible for parks and

renewable resources in Saskatchewan on January 9, proposing that there be a cost-shared arrangement split 50-50 between the federal Government and the province. I certainly have not received a response to date. If that proposal is not possible, then I would prefer in the short term a contractual arrangement with the private sector. The main thing is that we are going to keep that Centre open and we are going to make an arrangement at an early date.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by the Hon. Member for Westmorland-Kent (Mr. Robichaud) on Friday, January 24, 1986, meet the requirements of the Standing Orders as to form.

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## POINTS OF ORDER

### PRACTICE OF HOUSE RESPECTING CASES *SUB JUDICE*—RULING OF MR. SPEAKER

**Mr. Speaker:** I am in a position to advise the House as to my views on a point of order respecting the *sub judice* convention.

On Thursday, January 23, 1986, the House Leader for the Official Opposition (Mr. Gray) raised a point of order with respect to remarks made by the Solicitor General (Mr. Beatty) in response to a question from the Hon. Member for Capilano (Mrs. Collins). The Opposition House Leader felt that the Solicitor General had breached the *sub judice* convention of the House in his response. After having had the opportunity to examine the matter in detail, I am now prepared to rule on this point.

In this specific case, the Hon. Member for York South-Weston (Mr. Nunziata) and the Hon. Member for Hamilton East (Ms. Copps) wrote on January 22, 1986, to the Chief Commissioner of the Canadian Human Rights Commission requesting that an investigation be undertaken into certain charges of sexism within the RCMP. As the commission may or may not proceed with such an inquiry, it certainly seems to me that it would be premature for me to rule that such a matter should be considered *sub judice* at this time.

When there are matters which are *sub judice*, it is clear that the Chair does have discretion, and I might take this opportunity to remind Hon. Members of the guidelines set down by the Special Committee on the Rights and Immunities of Members in its first report tabled April 29, 1977. The committee recommended that the Speaker

—should only exercise this discretion in exceptional cases where it is clear to him that to do otherwise could be harmful to specific individuals.

Further, the committee states:

—a Member who calls for the suppression of a matter on grounds of *sub judice* should be obliged to demonstrate to the satisfaction of the Chair that he has reasonable grounds for fearing that prejudice might result.

In terms of the specific application made by the Hon. Member for Windsor West, I have not been convinced of such possible prejudice.

I may say to Hon. Members that the freedom of speech accorded to Members of Parliament is a fundamental right without which they would be hampered in the performance of their duties. It is therefore my feeling that the Speaker should interfere with that freedom of speech only in exceptional cases where it is clear that to do otherwise could be harmful to specific individuals.

### CORRECTION OF RECORD REGARDING REFERENCE TO MEMBER

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I rise on a point of order simply to correct the record. In the House a few moments ago, I referred to the Hon. Member for Shefford (Mr. Lapierre) when naturally I intended to refer to the Hon. Member for Sherbrooke (Mr. Charest), the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) and the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I would like to speak to this point of order. The record should be allowed to remain as it is because the Hon. Member for Shefford (Mr. Lapierre) was in the forefront of the fight which caused the Americans to withdraw the dump site. Other Hon. Members may have played a role, but the lead role was clearly carried out by the Hon. Member for Shefford, and the record should continue to make that clear.

• (1510)

**Mr. Speaker:** The Hon. Member will know that the record will show what has been said by all those involved.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

### SUGAR-BEET INDUSTRY

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, it is an honour to submit a petition today signed by over 18,000 residents of southern Alberta. It concerns the continued existence of the sugar beet industry in Canada. The concern is widespread in view of the fact that while there are only some 600 producers, this petition bears the names of over 18,000 Albertans. Cabinet has before it a proposal with respect to a national sweetner policy—

**Mr. Speaker:** Order, please. I do not want to interrupt Hon. Members when they are presenting petitions but the Hon. Member is outlining the subject and not simply presenting a petition. I think he knows he should simply make a summary and read the prayer, perhaps.

**Mr. Thacker:** It is critical that Cabinet make a decision this week and I pray that it will do so.

CHILDREN'S EVIDENCE IN SEXUAL ABUSE CASES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, I have a petition from my constituency of Essex-Windsor asking for action on the Badgley Report on sexual abuse of children. In particular, this petition urges the Government to take action on that part of the report which will permit children to give evidence in proceedings which deal with sexual abuses affecting them.

It has been undertaken by the Block Parents Groups throughout Essex-Windsor and represents an important initiative.

FULL INDEXATION OF FAMILY ALLOWANCE

**Mr. Steven W. Langdon (Essex-Windsor):** I have a second petition which deals with the question of family allowance and protests once more the cut-back in family allowances which has been implemented by this Government. It comes from my constituency, particularly the Town of Essex.

CHILDREN'S EVIDENCE IN SEXUAL ABUSE CASES

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I have a petition which has also been circulated by the Block Parents Association. It has collected some 700 signatures. It again refers to the failure to act on the Badgley Commission Report and it specifically expresses concern about the need for changes in the Criminal Code and the Canada Evidence Act to make it possible for children to testify without the requirement for technical corroboration. I would like to emphasize the fact that this is the first of many petitions since this is the beginning of a cross-country campaign to get a response to this issue.

**Mr. Speaker:** Order, please. Introduction of Bills.

**Mr. Belsher:** I have a point of order, Mr. Speaker. Are we finished with petitions?

**Mr. Speaker:** I am sorry, the Hon. Member did not rise. Is he now rising on a petition?

**Mr. Belsher:** I was up three times, Mr. Speaker.

**Mr. Speaker:** I am perfectly happy if the House agrees to go back to petitions. However, I did look and the Hon. Member did not rise.

**Some Hon. Members:** Agreed.

*Order Paper Questions*

OPPOSITION TO DIVORCE LEGISLATION

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, I have the honour to present to the House a petition from the Association for Reformed Political Action located in Fraser Valley East. This association believes that marriage is an institution given to mankind by God and that the marriage vows carry the obligation of life-long commitment given under oath before God and witnesses. They are concerned about the federal Government's divorce legislation and ask Parliament to retract any legislation which would permit no fault divorce, no court divorce, or any other means of making divorce quick and easy.

**Mr. Speaker:** First reading of Senate Public Bills.

**Mr. Cochrane:** Mr. Speaker—

**Mr. Speaker:** May I remind Hon. Members that if they do not rise, I cannot recognize them.

**Mr. Cochrane:** If you don't see me, you don't know I have risen.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 203 will be answered today.

[*Text*]

COST OF WOODS GORDON STUDY

Question No. 203—**Mr. Greenaway:**

1. What was the total amount paid to/or billed by the firm Woods Gordon for the study of the administration of the Income Tax Act by Revenue Canada?

2. Did Woods Gordon subcontract any of the work and, if so (*a*) to whom (*b*) what was the value of each subcontract (*c*) what was the nature of the work done by the subcontractors?

3. Will there be further costs associated with this study which Revenue Canada will have to bear and, if so, at what cost?

4. Will the study be made public and, if so, on what date?

**Hon. Elmer M. MacKay (Minister of National Revenue):** 1. Total amount paid: $2,206,708.

2. (*a*) Dimension Consultants. (*b*) $205,000. (*c*) Survey of staff attitudes and concerns.

3. No.

4. Woods Gordon's summary report was tabled in the House of Commons on June 25, 1985.

[*Translation*]

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

*S.O. 31*

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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[*English*]

## MOTION TO ADJOURN UNDER S.O. 31

DROP IN EXCHANGE VALUE OF CANADIAN DOLLAR

**Mr. Speaker:** I am in receipt of a notice of application under S.O. 31 from the Hon. Member for Trinity (Miss Nicholson).

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I would like to propose a motion pursuant to Standing Order 31 for the adjournment of the House to discuss an important and specific matter requiring urgent consideration, that is, the collapse of the Canadian dollar to an all-time low against American currency.

**Mr. Speaker:** The Hon. Member for Trinity (Miss Nicholson) properly gave me notice of her intention to request an emergency debate on this matter under Standing Order 31. I certainly agree with her and with all Hon. Members that the pressure on the Canadian dollar is undoubtedly a matter of grave concern. However, I think all Hon. Members will also know that it is a problem of a continuing nature rather than that of a sudden emergency. My predecessors have consistently ruled in such cases that Standing Order 31 does not contemplate the raising of ongoing problems on an emergency basis except in very special circumstances. For example, on June 2, 1982, Speaker Sauvé ruled in relation to an exactly similar application that the falling dollar was a problem of a continuing nature and not in the nature of a genuine emergency calling for immediate and urgent consideration. On November 9, 1976, by way of a similar example, Speaker Jerome made a similar ruling in respect of a request for an emergency debate on the rising level of unemployment.

I would also point out that although as yet no allotted days have been designated during the current period, it does seem to me the opportunity to debate this matter could well occur within what is a reasonable space of time. Therefore, in the present circumstances, I am obliged to rule that the application does not meet the requirements contemplated by the Standing Order.

# GOVERNMENT ORDERS

[*English*]

## CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

**Hon. Barbara McDougall (Minister of State (Finance))** moved that Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, this Bill, as the House knows, provides for important amendments to the law under which the Canada Deposit Insurance Corporation operates. The primary goal of this corporation and of this Bill is to protect small depositors in our financial institutions by strengthening the financial position of the deposit insurance system. I am confident that this goal has the support of all Hon. Members and I would hope that the House will give prompt second reading to the Bill and refer it to committee for more detailed consideration.

It is a straightforward Bill which contains two main provisions. The first provision would authorize an increase in the premiums paid by member institutions of the Canada Deposit Insurance Corporation. This would represent the start of an ongoing process initiated by our Government to reduce the size of the CDIC's deficit. The second major provision would permit the appointment of additional members to the board of directors of the CDIC. New members would then come from the private sector and would provide a new kind of expertise for the corporation's decision-making process.

I will elaborate a little later on these two provisions but first I would like to outline the context in which this Bill is being presented. Early in our mandate we recognized the need to update legislation affecting financial institutions and virtually every aspect of this important economic sector. This legislation which we are discussing today is only one aspect of a broad ongoing effort to bring about reform of the supervisory and regulatory framework for financial institutions in Canada.

● (1520)

The discussion paper on the regulation of financial institutions, which I issued last April, placed the issues and the need for reform squarely before the public and this Parliament. The specific proposals in the paper have attracted widespread discussion, debate, and some additional proposals. I do want to point out to Hon. Members that this process has been helpful and effective in our ongoing policy review and I want to thank Members for participating fully in this debate. In particular, the Standing Committee on Finance, Trade and Economic Affairs has presented its report with a very large number of very thoughtful recommendations. The committee addressed the issues which the Government outlined in the discussion paper last April, and its report is a most important contribution towards the goal of strengthening and supervision of our financial institutions.

In the ongoing process of policy development that report will certainly be a key reference point. In the meantime, however, the Government feels that early action is required in certain areas specifically. We can and must make a start now on rebuilding the resources of the Canada Deposit Insurance Corporation. That step was recommended in the committee report. In addition, certain steps can and should be taken now to reinforce the regulatory powers of both the Inspector General of Banks and the Superintendent of Insurance. Those measures were proposed separately in a draft Bill. Interested parties have submitted their comments and we shall take action on those measures soon.

Let me say quite clearly that these Bills are really interim measures. They must be considered on their merits, but further and more fundamental measures must be taken to deal adequately with the broad issues facing us in the field of financial institutions. Those effective and responsible measures will be developed in the ongoing process of discussion and consultation begun last spring.

The problems affecting the deposit insurance system which are addressed in this Bill are not a recent development, as Hon. Members know. The deposit insurance fund moved into a deficit position following the failure of several member institutions in 1983, just about three years ago. The deficiency in the fund at the end of the 1983 calendar year was $332 million. This deficit was based on estimated losses totalling $650 million arising from the failure of several member institutions in 1983. In its 1984 annual report the Corporation revised its estimate of expected losses to incorporate a change in the accounting treatment of member institutions which are in the process of being wound up through agency agreements, and to reflect the failure of member institutions in 1984 and early 1985. As a result of these provisions the 1984 annual report indicated that the deficit in the fund totalled $871 million. It is the corporation's belief that this provision was more realistic and reflected more accurately the financial risk attached to the likelihood of recovering the funds advanced by the corporation to institutions experiencing financial troubles. More recent failures this year have put added pressures on the deposit insurance system.

The basic function of the CDIC has been to provide insurance for small depositors through an insurance fund financed by premiums paid by member institutions. It has always been intended that this would be a self-financing operation and, under its statutory powers, the CDIC has been able to finance the deficit of recent years through loans from the Consolidated Revenue Fund. That is not a long-term solution and it has been evident for some time that the deposit insurance system should be returned to a sound, self-sustaining basis. The CDIC plays a key role in supporting public policy objectives in the financial system, particularly in the protection of consumers, which has to be our number one goal, and in contributing to public confidence in the stability of our system.

Those were the main considerations in the action I took last January to set up a committee from the private sector to evaluate and recommend changes to the deposit insurance system. This was done by a committee chaired by Robert Wyman of Vancouver which submitted its report last spring, and I do want to commend Mr. Wyman and his fellow members of the committee for the very substantive piece of work they did.

When the problems of the Canadian Commercial Bank and the Northland Bank were made public on September 1, I reaffirmed this Government's determination to follow through with action in this field. Under this Bill the premiums paid by CDIC member institutions into the deposit insurance fund will be increased from the present level of one-thirtieth of 1 per cent to one-tenth of 1 per cent of insured deposits. That premium rate is consistent with the recommendation of the standing committee. There is a sunset provision as well. The legal authorization for this increase will expire at a given time, and it was designed so that a subsequent level of premium payments can be determined as part of the complete review of the deposit insurance system which is now under way. That review was advocated by the Wyman Committee which also recommended an increase in the rate of premium payments.

Other recommendations of the Wyman Committee Report, including further steps to restore the financial position of the deposit insurance fund, are being considered in the over-all policy review of CDIC legislation. The elimination of the CDIC deficit will necessarily be an extended process, and the earlier we begin, the better. The longer we delay an increase in premiums paid to the CDIC, the higher the deficit will grow due to the burden of interest payments to finance past deficits. At the level of insured deposits in 1984, the CDIC will have a premium increase of over $160 million with a higher premium rate. This will greatly assist the corporation in recouping its deficit. I therefore urge Hon. Members to pass this Bill as expeditiously as possible.

In this Bill as well the Government has decided to take immediate action on another recommendation of the Wyman Committee that the composition of the board of directors be broadened through the appointment of directors from outside the Public Service. Such individuals would bring to the corporation knowledge and expertise from the private sector, perhaps a regional perspective, and thereby enhance the decision-making process at the board level of the CDIC. The Bill would authorize the appointment of up to four directors who are not employed in any capacity in the Public Service of Canada. At present the CDIC board consists of five members: The Chairman of the Board, who comes from outside the Public Service, the others are board members by virtue of their office; the Governor of the Bank of Canada; the Deputy Minister of Finance; the Inspector General of Banks; and the Superintendent of Insurance. The Government was fortunate earlier this year in obtaining the services of Ronald McKinley, a former Chairman of the Clarkson Company, as Chairman of the CDIC. Mr. McKinley will make and has already made a valuable contribution in developing and implementing new policies for the CDIC. The proposal in this Bill will enable us to seek out further expertise from the private sector in the process of strengthening the deposit insurance system.

In conclusion, once again I urge that the House give this legislation speedy passage. The CDIC plays a key role in protecting the savings of small depositors in our financial institutions. This Bill will increase its ability to do that job and thereby help to build greater confidence among the public in the strength and stability of our financial system in the future.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the ongoing review of the regulation and supervision of Canadian financial institutions began in the last Government. The Bill before the House today takes two more steps along the road. In her appearance before the House of Commons Finance Committee on September 9, 1985, the Minister of State for Finance (Mrs. McDougall) gave notice of the provisions of this Bill and of draft legislation, both of which she described then as items of high priority and both of which were tabled in the House on November 29, 1985.

• (1530)

Bill C-86 proposes to do two things. First, it proposes an increase in the premium level paid by the CDIC's member institutions. Currently they pay one-thirtieth of 1 per cent of their insured deposits. Bill C-86 proposes to triple that to one-tenth of 1 per cent. The increase is to be in effect for one year only. Second, the Bill proposes increasing the size of the CDIC's board of directors to include members from outside the public service.

While the CDIC is meant to be funded by its member institutions, it has been operating from a deficit position for some time, existing on funds borrowed through its $1.5 billion line of credit from the Consolidated Revenue Fund. The CDIC deficit, now estimated at over $1 billion, reflects the recent troubles of Canadian financial institutions, the spectacular failure of several Ontario trust and loan companies, and, more recently, the Government bail-out and subsequent failure of the Canadian Commercial Bank and the failure of the Northland Bank.

In 1982 deposit insurance coverage was increased from $20,000 to $60,000 after the Ontario Government seized three trust companies, believing public funds were at risk. In order to protect those funds, the federal Government moved to ensure all depositors in the institutions at the new higher rate.

In 1985, as part of the CCB bail-out, the CDIC committed $75 million. According to its 1984 annual report, CDIC did not make any provision for loss as it expected to be fully reimbursed. Later, when the CCB went into receivership and the Northland Bank seemed doomed to follow, the Government announced its intention to reimburse all depositors in both institutions, even those whose deposits exceeded the $60,000 limit.

Insofar as insured deposits are concerned, CDIC paid out $250 million to Canadian Commercial Bank depositors and $170 million to Northland depositors. That, of course, does not include the payments to uninsured depositors which were authorized by a separate Act passed in this House and which came to $430 million for the Canadian Commercial Bank and $470 million for Northland. At this point estimates are putting the CDIC's deficit at $1.2 billion.

Apart from the financial stresses imposed by the failure of financial institutions in recent years, the CDIC is also having to deal with the burden of administrative work which it was never designed to deal with. The CDIC was established in 1967, basically to maintain an insurance fund to protect the savings of Canadians and the ceiling on deposit insurance targeted the protection toward the small or so-called unsophisticated depositor. Until the "Trust companies affair" in Ontario and the collapse of Fidelity Trust in Alberta, the CDIC had quietly processed premiums and dealt with administrative paperwork but, with the trust company difficulties and the later bank failures the CDIC was drawn into a new and unaccustomed monitoring role.

The CDIC is, after all, the insurer and not the regulator under present legislation. Its staff and board of directors are small. While staff size has increased in the last four years, many of the new preoccupations of the agency are being handled by outsiders: consultants providing information and analysis with regard to institutions being wound down, agents on long-term contracts to look after particular problems, and private sector committees set up by CDIC to deal with such things as the disposition of real estate assets on CDIC's books.

Currently the CDIC has an estimated $1 billion in real estate financed by 18 failed institutions all across Canada. CDIC resources have been stretched very thin by the circumstances. Clearly it was, and is, necessary to have review and change in a system that, through force of circumstances, has exceeded its operational bounds and evolved beyond its original purpose.

Of course, the experience of CDIC in the past few years has been paralleled by tremendous change and ferment in the financial services industry in general. Deposit insurance is an integral part of the system. This is why the House of Commons Finance Committee and the Senate Banking Committee considered together the Green Paper on financial institutions and the private sector Wyman committee report on the CDIC. Because deposit insurance is really inseparable from financial institution regulation, it is necessary to put the provisions of Bill C-86 in context.

We are in the middle of a review process whereby reasonable caution must be balanced with the feeling of urgency engendered by the events of the last three years. The interaction of several factors including concentration of ownership and control, predominance of real estate related activities, high-risk transactions, and adverse economic conditions has shown the vulnerability of existing prevention and detection mechanisms. The legislation coming out of the current review process must steer a very careful path indeed. The supervisory system must be effective, but must not be so rigid as to stifle the industry, cut off emerging policies, or over-emphasize supervision. It must also, as far as possible, reconcile the interests and objectives of the parties involved, particularly in different jurisdictions.

The draft legislation to increase the powers of federal regulators tabled with Bill C-86 last November is the Government's first step in addressing the issue. The two proposals in Bill C-86 are more in the nature of interim measures. While there appears to be general agreement that CDIC premiums should increase to reflect recent risk experience, it is clear that the proposed increase will not be sufficient to clear the deficit. The assumption appears to be that this increase for one year will ease the deficit somewhat until a long-term solution is found. From the Minister's statements I gather that she is expecting to offer us long-term solutions in the near future.

The House of Commons Finance Committee recommended eliminating the CDIC deficit in 10 to 25 years through surcharges on member institutions. The Senate committee and the Wyman committee both recommended eliminating the deficit in 10 years and separating deficit financing from operational financing. Since the Bill before us is apparently not designed to address the long-term situation of CDIC, these are matters we would do well to keep in mind since the House is sure to be considering the issue again, presumably before this temporary premium increase expires.

The second proposal in the Bill, that to increase the size of the CDIC's board of directors, is a proposal also made by the Wyman committee and the Senate Committee on Banking, Trade and Commerce. The objective here is to have the benefit of private sector expertise on the board of directors. The board as presently constituted has public servants only, with the exception of the chairman. In this case, the information in the Bill is limited and will need to be fleshed out in committee. I hope the Minister will be able to provide the committee with the draft regulations because there are a number of questions that come to mind about the role of these directors and how to ensure that they are people who are close enough to the financial services industry to have practical and useful experience without getting into conflict of interest situations at the same time.

● (1540)

The Wyman committee is against appointing people actively employed in CDIC member institutions, although it recommended the participation of individuals with extensive background in financial services and professional expertise in the areas of real estate, liquidations, corporate and commercial law and accounting. The Senate committee, on the other hand, recommends provincial as well as private sector representation on the board, specifying a 13-member board with industry as well as independent members.

The Bill itself does not make clear just what form the private sector representation will take. However, the Minister's comments during her September 9 appearance before the Finance Committee indicate that the Government's appointments will seek to avoid direct industry participation. At that time the Minister said:

> Conditions concerning the eligibility of prospective Board members would be incorporated in the legislation to ensure that conflicts of interest do not arise and that no Board member is associated with any single member institution.

We need to know more about the conditions of eligibility. It is clearly desirable to have private sector experience on the board of directors, but it is difficult to judge just how beneficial or practical this will be without knowing what conditions or constraints the Government will put around the appointment of new board members. I trust that there will be more information forthcoming in committee.

This is not a controversial Bill and, while we have some questions on which we hope to get further information in committee, we will not be putting up very many speakers or holding it in the House for long at this stage.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, we in the New Democratic Party will not be obstructing this legislation in any way. We intend to see that the matter is dealt with expeditiously today so that it can go to committee where the necessary questions can be dealt with.

This legislation deals with the Canada Deposit Insurance Corporation. I know that many Members in the House are quite familiar with this subject but there are others in the public who may not be familiar with the function of the Canada Deposit Insurance Corporation, even in light of the publicity that has swirled around the banks in the last months.

The Canada Deposit Insurance Corporation is a body which insures deposits in banks so that ordinary people will not lose their shift if a bank should fail. Individual accounts are insured to a maximum of $60,000. That is a worth-while and useful function in a society such as ours which depends so heavily on credit. This is a relatively minor piece of legislation and does not deal with the regulation of financial institutions in any fundamental way.

The purpose of this legislation is twofold. First, it increases the size of the board of directors of Canada Deposit Insurance Corporation from five to nine members. We question why there is such an increase at this stage as well as the fact that the seats will be allocated to private sector members only. Will such appointments be on the basis of merit and knowledge in the financial institutions and concern for consumers in the country or will it be on the basis of partisan political considerations as we have seen lately?

We are concerned that the Bill does not provide any assurance that the best qualified individuals for the job are being appointed. Why can there not be provision in the Bill for these appointments to have parliamentary review before they are made? The Prime Minister (Mr. Mulroney) has spoken in the past about Order in Council appointments being reviewed by a parliamentary committee. The Conservative Party spoke very strongly about parliamentary reform when in Opposition and this would be an opportunity for the Government to take some action.

**Mr. McDermid:** It is in the parliamentary reform. You are holding it up.

**Mr. Blenkarn:** Approve the parliamentary reform.

**Mr. Keeper:** Allow Parliament to review those appointments of new board members to the Canada Deposit Insurance Corporation before they are final.

**Mr. McDermid:** Put the parliamentary reform through and we will get it.

**Mr. Keeper:** I hear comments from the sidelines. Why does this legislation not provide for a public review of these Order in Council appointments before they are made? Furthermore, why does the legislation continue to provide for alternates to sit on the board of the Canada Deposit Insurance Corporation? We will not know who these alternatives are and what interests they represent.

We have further questions about the detail of this legislation we would like the Government to answer before it is approved. One possible explanation for why the Government is increasing the size of the board is contained within the recommendations of the Wyman Report. A major component of that report states that we now live in an environment of deregulation and it is essential that CDIC reflect this reality. That is a possible explanation of why there is an increase in the size of the board and why those board members are private sector members only. I question the notion that we can talk about an environment of deregulation when it comes to banks, trust companies and loan companies.

● (1550)

Surely the experience of the last several months with bank failures has shown that we have an environment of inadequate and ineffective regulation. The notion that the Canada Deposit Insurance Corporation should reflect an environment of deregulation is a misdirection of public policy. We on this side of the House wonder why there is no representation of consumers on this board. Why does the legislation not contain a provision for that? Could the Department of Consumer and Corporate Affairs not represent consumer interest on this board, to balance the private sector interests in this legislation? Why is there not some citizen form of representation to take care of consumer interests? The increase in the size of the board is a token of reform. It is not real reform or a fundamental reshaping of regulations for our financial institutions. No new powers are being given to the board. By way of example, let us consider the number of people in Canada who monitor and inspect banks. There are something like 16 of them, whereas in a comparable situation in the United States there are something like 1,500 people doing that work. There are changes of substance which have to be made in terms of regulating our banks. The Minister mentioned that changes would be coming in the future. We hope that they live up to that promise.

Another change brought about by the legislation is an increase in premiums, the premiums paid by banks, trust companies and loan companies to insure their depositors' savings. Since the corporation has a deficit of $1.2 billion, it is clear that an increase in premiums is justified. At the same time that the premiums are being increased, why do we continue to allow banks and trust companies to obtain rebates on their insurance premiums in good years? If it is necessary to increase the rates of premiums, why do we allow that to continue in the legislation? I would welcome being able to go to my insurance company in a good year, when my house did not burn down, to obtain a rebate. That is not possible for ordinary citizens; the insurance industry does not work that way.

Why are large banks, trust companies and loan companies able to go to the Canada Deposit Insurance Corporation and say: "This has been a good year. There have been no catastrophies, so give us a rebate on our insurance premiums"? Presumably they paid for insurance on the chance of a disaster occurring and since there was not one they already had the service. Why do we privilege banks this way? Why are premiums being increased at the same time as this provision is being allowed to continue in the legislation? Why do we leave the *status quo* such that the Canada Deposit Insurance Corporation has no clout or no option to cancel an insurance policy? If a trust company is not performing well, why does the Canada Deposit Insurance Corporation not have the capacity to say: "Hold it a minute; you are too bad a risk and we choose not to insure you"? We wonder why that option is not in the legislation governing CDIC to give it a little clout, as it insures banks, trust companies and loan companies.

The increased premiums could likely be passed on to consumers by the trust companies and banks. This raises a fundamental question. While it is possible to justify the increase in premiums on the basis that the Canada Deposit Insurance Corporation has a large deficit, it points to the fundamental fact that regulating our financial institutions is not simply a matter of insurance. It has something to do with what risks are involved and what we can do to reduce those risks. With the rates of insurance going wild these days, with insurance companies taking advantage of municipalities, for example, in terms of their insurance needs, it should be obvious that to approach the problem simply from the point of view of insurance is inadequate. This piece of legislation in itself is minor, in a way; it contains only a couple of provisions. We are lacking more fundamental reform of the regulations for financial institutions. This legislation is only a stop-gap measure.

The problem of regulating financial institutions is a major one. If we refer back to the headlines with regard to CCB and Northland, we know that there are real questions with regard to the efficacy of the regulations of our financial institutions. Why was the Canadian Commercial Bank able to operate as it did over a period of years without our regulatory agencies exposing the problem, without our regulatory agencies saying that there was a serious problem which needed to be dealt with and the Government reacting and handling the situation? I have talked with some acquaintances in the financial community who indicated that there was a well-known rumour in the community that the Canadian Commercial Bank was not being well managed. There are very serious questions about how we regulate financial institutions.

As long as we insure the deposits, not only those of ordinary Canadians of average income but those of very large depositors, such as large banks and foreign banks, we need effective regulations which turn up the problems before they become too big, because in the end the public is asked to pay.

There is much documentation with regard to the difficulties in terms of our regulations affecting financial institutions. A number of reports have called for broader reform than what is before the House today. We have received a Senate report, a report of the Finance Committee and one by the Wyman committee appointed by the Minister.

We hope to see more fundamental reform coming from the Government. We hope it comes soon. By way of example, we support the recommendation of the Finance Committee which called for a national financial administrative agency which would co-ordinate efforts in the area of the regulation of financial institutions, including the Canada Deposit Insurance Corporation, the Inspector General of Banks and the Department of Insurance which inspects trust companies and loan companies. We await with great interest more fundamental reform coming from the Government.

• (1600)

I want to say at this point that the handling of the collapse of the Canadian Commercial Bank and the Northland Bank has had its negative fall out, particularly for credit unions. They are good financial institutions which have served us well. They represent the value of co-operation, people getting together to solve their own problems. Yet, from the backwash of the problems of the failure of the Canadian Commercial Bank, some people have gone to their credit union to ask: "Are you insured by the Canada Deposit Insurance Corporation?" The credit unions are not. They are sound financial institutions but they are not insured in this way.

Credit unions would like to find some way to be affiliated with the Canada Deposit Insurance Corporation. I do not have a concrete proposal as to how that should be done, but they would like to be affiliated so that they can reassure people of their soundness and so that the Government can see the soundness of these financial institutions. That is something that needs to be on the agenda for the Government when it is considering the reform of financial institutions.

[*Translation*]

Mr. Speaker, I want to say a few words in the other official language. This legislation has two aspects. The first is that it increases the size of the Corporation's board of directors. Now we would like to know why the increase applies only to private sector representation and not to the public sector, such as the Department of Consumer and Corporate Affairs? And why not have consumer representation?

The other specific measure provided under this legislation is an increase in insurance premiums for banks and other financial institutions.

We would like to know why the Corporation's premiums are being increased without giving the banks the option of cancelling insurance contracts. Why increase the premiums while maintaining the option of giving the banks a discount?

Mr. Speaker, the main issue, as we see it, is that the legislation before the House today raises a number of questions. In fact, it neglects the most important thing that has to be done in the future, which is to carry out a reform of the legislation regulating financial institutions, a thorough reform.

Mr. Speaker, we all know that we have had a lot of problems with the Canadian Commercial Bank and the Northlands Bank. These problems have shown that we ought to review our regulations for the financial sector. Are these regulations effective? Experience has shown that they are very weak. When is the Government going to carry out a reform in this area?

Mr. Speaker, these are some of the things we want this Government to do very soon.

[*English*]

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, we have to commend the Government for bringing in this interim measure to bit by bit get control of the problem of the Canada Deposit Insurance Corporation. Members will appreciate that as of the financial end of last year there was roughly $1.2 billion in anticipated losses and shortage. Obviously, with certain costs expended this year in handling the problems of the Canadian Commercial Bank and the Northland Bank, that shortage will be substantially increased. It is important that premiums, as authorized under the present statute, be increased. That was the reason the House of Commons Finance Committee recommended that the premiums be increased from one-thirtieth of 1 per cent to one-tenth of 1 per cent on an interim basis until such time as a new organization might take a look at the whole matter and determine a premium or a method of getting rid of the enormous liability faced by this deposit insurance account. The Bill, in this sense, follows the suggestion of the House with respect to premiums.

I want to address the House briefly with respect to the question of directors. It is exceptionally important that this corporation have private directors that know their way around the street. Unfortunately, the course of this corporation over its period of existence has been a corporation directed by public servants in Ottawa. As a practical matter it has not even been the Public Service referred to in the Bill. While the governor of the bank, the Superintendent of Insurance, the Inspector General of Banks, the Deputy Minister of Finance, are supposed to be directors, in fact, they send their substitutes. There were really no meetings. There was really no getting down to it and looking at the interests of the corporations. Therefore the corporation, to some extent, was operated almost as a department of Government.

When we had problems with the Crown Trust, Greymac, and the Seaway affair, the Government came to the House and said: "We have a political problem, we are not covering

enough people on their deposits; therefore increase the amount of coverage, back date it and pay everybody $60,000 insurance". That was fine for the people who received the money, but it certainly was not a happy condition for those who were contributing the money. That is a good part of the reason we have this massive deficiency. A second reason for the deficiency is that for political reasons Governments have said to the board: "Well, you should cover everybody". Therefore the Canada Deposit Insurance Corporation covered everybody in Greymac, Crown Trust and Seaway.

When my mayor in this City of Mississauga said we should not bail out uninsured depositors, I had to remind her we bailed out the City of Mississauga for $1 million on the Greymac affair. We bailed out municipalities and credit unions and everyone else with the CDIC on trust company failures. When the other side talks about bail-outs let us say that they were the guys who invented the bail-out.

It has been a problem for successive Governments to know when to draw a line. It is all very easy to say: "Don't pay anybody except the insured depositors". We have paid people other than insured depositors and it is only in the case of the banks, the Canadian Commercial and the Northland, that a Government was honest enough to come to the House of Commons and say that it will pass a statute to bail out or pay off uninsured depositors. When this happened previously, it was done through CDIC and the board of directors with no reference to the real issues in the market-place.

● (1610)

In a sense, the banks and trust companies that have been contributing the money to make the insurance fund work have in many cases and properly so said that they do not mind paying for liabilities resulting from guarantees for $20,000 or even for $60,000. However, they wonder if we really expect them to pay a liability resulting from guaranteeing all and sundry. They have a point there.

If we are going to expect the financial institutions, through a special tax on deposits because that is what a premium is, to pay this back-debt largely created by a previous Government that wanted to look reasonably good and did not want to declare honestly in the House what the situation was, then we ought to at least make sure that the directors of the CDIC come from the organizations or organizational groups that put up the money. It is in that sense that I suggest that two of these directors have trust company backgrounds and perhaps be nominated by the Trust Companies Association and two have banking backgrounds and perhaps be nominated by the Canadian Bankers' Association. I think it is essential that institutions we are insuring realize that they are using their money for the Deposit Insurance Corporation to look after only $60,000 worth of deposit insurance.

When insuring institutions that are likely to or could go into default, the directors of the corporation should have the knowledge of the street that is required of any insurance corporation. This insurance corporation has not been run well. It has run up massive deficits and in many senses, those massive deficits are the result of politics playing with the fund. It is time that policics not be allowed to play with the fund. The fund is there to protect depositors up to $60,000, not to protect all and sundry, and not to give funds away. If Parliament wants the corporation to insure people beyond that amount, another solution must be found.

In its report to the House dated November 6, the House of Commons Finance Committee recommended that we have an arrangement through the National Financial Administration Agency whereby the agency, acting as liquidator, could arrange to pay out an estimated liquidation value to depositors with more than the $60,000 insured amount. That type of approach would relieve the pressure that is always on Government to pay out to uninsured depositors.

The Government agreed to cover the uninsured depositors and then debenture holders and preferred shareholders came to the Government to ask: "Why not us?". It seems that every time people get into trouble, they come to the Government and ask: "Why not us too? Why are we not included?". That situation has to cease. I think it is important that this corporation be operated in a sensible commercial fashion.

The Bill before us is an interim measure. It only deals with two issues. One of these issues is an increase in premiums but there is no indication in the Bill how those premiums will work to pay off the deficit. Premiums will pay off the deficit over time, and it was the view of the Finance Committee of the House that this type of premium run until December 31, 1986, and that the National Insurance Administration Agency, a new organization for financial institutions, presumably put into place during this calendar year, be in a position to take over the Canada Deposit Insurance Corporation and perhaps operate it as the Canada Deposit Insurance Fund. That fund would set the premiums applicable to cover the deficit and make sure that the premiums were collected.

My friend from the New Democratic Party suggested that Parliament should have some sort of say as to the appointment of the directors. That is exactly what Parliament wants but it is his Party that is opposing the reform of Parliament that would allow Parliament and the committees of the House to confirm and review Order in Council appointments. When members of the NDP hold up parliamentary reform but at the same time make the statements with respect to directorships that that Member made, we begin to wonder where they stand.

**Mr. Keeper:** Put it in the legislation.

**Mr. Blenkarn:** Parliamentary reform would require all directorships to be approved. What does the Hon. Member want, just to have this one approved and none of the others? Is that the kind of reform he wants? Is that the attitude to parliamentary reform that his Party supports? It is not ours. Hopefully he will have an opportunity to debate that issue and stand for or against parliamentary reform in a very few days.

I would like to return to the question of the mess in which the former Government got the Canada Deposit Insurance Corporation. Because it was afraid to come to Parliament for appropriation and did not want to increase the deficit unduly,

the former Government directed that the Canada Deposit Insurance Corporation borrow money on the Seaway matter, the Greymac matter and the Crown Trust matter from the trust companies it had appointed as the agents to wind up those defaulting trust companies. Until very recently, Central Trust was able to receive one-quarter over Canadian bank prime rate to lend money to the Government of Canada. The Midland Bank which, as shown by the Morrison Report, was largely responsible for the shenanigans that went together with the Seaway matter, was able to receive one-quarter over bank prime rate for the money the Midland Bank lent to the CDIC to organize that receivership. Much of the problem with this corporation exists because not only did it borrow money but it borrowed money on the guarantee of the Government of Canada that it be lent at one-quarter over bank prime rate. In other words, the Government required the CDIC to pay more than any Crown corporation or agency of Government has ever had to pay in interest. Why was that? Because the Government wanted to hide back in the bush the cost of what it was doing.

Hon. Members will know that in Supplementary Estimates (B) filed this year, the present Government is coming clean with the people of Canada. It put through an estimate of nearly the $900 million required to pay the liability run up over those years of bailing out uninsured depositors. Yet we heard the rhetoric of the Hon. Member for Winnipeg North Centre (Mr. Keeper) who was talking about uninsured depositors. They bailed them out and we had to pay the cost of that bail-out.

It is important that this Bill pass and that it pass quickly. It is important for the House of Commons to get down to the business of reorganizing the inspection system and the prudential management system of financial institutions. The management and supervision of these institutions has been sadly lacking. We have all heard and seen the evidence on television and elsewhere given before the Estey Commission. Many of us who were involved in the report of the Finance Committee heard a great deal of evidence, both in public and *in camera*, with respect to how institutions in the financial field were supervised and managed. It is time the Government brought forth a package of legislation. It is my hope that the Minister will be bringing to the House a package of legislation which will get down to the business of properly supervising and managing our institutions.

● (1620)

**Mr. Deputy Speaker:** Questions or comments? Debate.

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, I must confess that I do hesitate to rise to speak to a Bill relating to a matter which is somewhat arcane to a microbiologist by trade. However, there are some observations I do wish to make now that the opportunity has presented itself.

The Bill, as has been indicated by several previous speakers, attempts to implement some needed changes in the manner in which the Canada Deposit Insurance Corporation functions. This really is just a part of a whole list of changes which have been recognized as necessary in the regulatory system for financial institutions in Canada. As has been indicated in the Wyman Report and elsewhere, there has, over the last decade or so, been rather dramatic changes in the economic and political conditions which affect the environment in which our financial institutions operate. We are familiar with most of these; double digit inflation, rather more dramatically extreme business cycles, frequent changes in interest rates, high interest rates and Government deficits. In this environment, financial institutions sought rapid growth and higher profits and this was in part pursued through new technologies being made available, especially in the area of computers and communications, including credit cards, automated teller machines, satellite communications and so on.

As a consequence, the financial services industry has changed immensely. There are new products such as daily interest accounts. Rapid transfer of funds from across international borders is now possible in response to perceptions of imminent dangers. We have had an increased muddying of the waters regarding the separation of what is termed the four pillars; banking, trust, insurance and investment.

The regulatory mechanism clearly has not kept pace, nor has the Canada Deposit Insurance Corporation. In addition to the federal Government's Green Paper on the Regulation of Financial Institutions, and the House Finance Committee's report on financial institutions, we have had two reports specifically having to do with the CDIC, the Wyman Report and, of course, the Senate Banking Committee report on deposit insurance.

The period from 1967 to 1982, as we know, was uneventful for the CDIC. Indeed, through much of that period rebates were returned on premiums because of the surplus which existed in the insurance fund. However, in 1982 there was a rather dramatic change which was the first sign of more serious and catastrophic changes which have occurred in the last year. One of the events which most recently took place was the failure of the CCB and the Northland Bank. The Wyman Report and the Senate report suggested a number of changes to the CDIC to permit it to operate in a high risk environment, to control the degree of risk to which it was exposed and to put it on a more sound financial basis. In general, what was recommended both by the Senate report and the Wyman Report was to allow the Canada Deposit Insurance Corporation some ready degree of selectivity with respect to its making available insurance and its continuation for financial institutions based upon certain standards of performance.

Corollary to this, it was pointed out that the CDIC should have the mechanisms for getting greater information with respect to its insured institutions which would adopt standards of performance which the CDIC would monitor. Furthermore, both reports recommended that there be greater authority accorded to the CDIC to step in and ensure that the operations of insured institutions met standards which would put such institutions on a solid basis, and to be able to do so promptly.

In order to do all of this, the need was pointed out for increased staff to carry out these regulatory, supervisory and

examining functions, as well as to develop the criteria for establishing what constitutes sound practice. Co-insurance was suggested to prevent multiple deposits which are a way of insuring that all deposits are insured by using a number of institutions, and it was also suggested that this be a means of increasing greater recognition of risk on the part of depositors.

Increases in premiums from one thirtieth of 1 per cent to one tenth of 1 per cent of insured deposits was suggested, and that the Canadian Deposit Insurance Fund be set at a level of .75 per cent of the total insured deposits. Finally, changes in the composition and size of the board were suggested.

In spite of rather extensive recommendations for change in the CDIC, this Bill deals with only two. It increases the level of premiums, which is fine. One might have hoped there would be some reference to the need to increase the total amount of the fund in proportion to insured deposits but that might come at a later time. Perhaps it is not so critical in the present context. What is serious, I think, is what has been recommended with respect to the composition of the board. The Bill would increase the size of the board from five members to nine, and it would do so substantially by increasing the number of private members from industry who sit on the board. The net result of this would be to provide a majority on the board of non-Government personnel. Thus we would have a situation in which if there is need for the CDIC to obtain moneys from the Consolidated Revenue Fund, the determination would be made not by Government officials but by a majority of private individuals who would be doing so, I would suggest, inappropriately.

Interestingly enough, this proposition is inconsistent with what was recommended by the Wyman and the Senate reports. We take no exception to the need to have industry representatives on the board who have no present connection with the particular institutions. This would have the effect of solving one of the problems which was revealed during the CCB and the Northland affairs, and that is a certain degree of conflict of interest in which others on the board, the Superintendent of Insurance, the Governor of the Bank of Canada and the Inspector General of Banks, made a decision outside of the context of the CDIC which determined subsequent action by the CDIC. I think there are many of us who would support the argument that there needs to be some other disinterested representation on the board to ensure that that kind of thing does not occur.

However, as I indicated earlier, it is inappropriate that institutional representatives from the private sphere should outnumber the other representatives. There is another problem which arises with the Bill and that is that the Bill allows for alternate members to replace these private or institutional representatives on the board. Now we have a situation where we may have alternative members of the board, in direct contradiction of the recommendation of the Wyman Report. There can be no merit in having a relatively uninformed person involved in the decision-making process. More importantly, there is no basis on which one can clear away any possible suspicion of a conflict of interest. There is also a potential conflict of interest concerning the permanent members of the board in the sense that the Minister of State for Finance (Mrs. McDougall) promised there would be regulations concerning the eligibility of prospective board members but no such provision appears in the Bill. We raised the question of how we can be sure that we will not be faced with the problem of conflict of interest. How can we be sure of the appointment of members who will act in the interests of the public rather than those of some particular institution? We asked those questions because there is no specific process by which Parliament can have an opportunity to vet prospective appointees. This is a serious deficiency in the Bill and it ought to be addressed by an amendment.

• (1630)

Beyond all that, speaking of the principle of the Bill, we can say that it is a step forward. In the face of rather significant requirements for changes in the operation of the CDIC which are not addressed in this Bill, it is a very tiny step. Therefore, I want to emphasize once more the deficiencies in this Bill which warrant re-examination. First we have the question of the majority of members of the Board being from the private sector, which specifically was rejected by the Wyman committee and the Senate committee. The second problem is the proposition that there should be alternate members. This is really quite unacceptable and it should be changed by amendment forthwith.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

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

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cochrane-Superior (Mr. Penner)—Aboriginal Rights—Lyell Island logging—Request for reimposition of moratorium. (*b*) Existence of aboriginal title; the Hon. Member for York East (Mr. Redway)—Young Offenders

Act—Request for amendments to deal with sentencing; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Trade—Water resources—Position of Canadian negotiator. (*b*) Grand Canal project.

## GOVERNMENT ORDERS

[*English*]

### PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

**Right Hon. Joe Clark (for the Minister of Energy, Mines and Resources)** moved that Bill C-85, an Act to amend the Petroleum Incentives Program Act, be read the second time and referred to a legislative committee.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, at the end of October last the Minister—

**Mr. Gauthier:** Point of order, Mr. Speaker. I know the situation is different today than it was last Friday because we are at second reading, not third. Nevertheless, the first three speakers on second reading have 40 minutes each, I understand. Do I take it now that this is the second speaker on the Government side? If I follow your ruling on Friday, the Minister moves the motion, decides not to speak and that is his speech. Then the Parliamentary Secretary speaks, that is the second speech. The third speech will be on this side or to my left. That will be the first three speakers if I follow your logic of last week, unless you are going to change your mind and tell me I was right on Friday.

**Mr. Deputy Speaker:** For second reading proceedings, each of the first three speakers will have 40 minutes. As far as the argument—

[*Translation*]

—the Hon. Member raised Friday is concerned, there will be a decision this week. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

**Mr. Gauthier:** Mr. Speaker, the first speaker on the Government side is the Hon. Member who has the floor, not the Minister who moved the motion. Is that what you are saying?

**Mr. Deputy Speaker:** As the Hon. Member is aware, this is not quite the same as the point he raised Friday. I would refer him to Standing Order 36.2

(2) When second reading of a Government bill is being considered, no Member except the Prime Minister and the Leader of the Opposition shall speak for more than:

(*a*) forty minutes if that Member is the first, second or third speaker;

So the first three Members will have 40 minutes each, without subsequent questions or comments. The Parliamentary



Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid).

[*English*]

**Mr. McDermid:** Mr. Speaker, as I was saying before we were so unnecessarily interrupted—

**Mr. Gauthier:** Oh, I am not too sure of that. I am not too sure of that.

**Mr. McDermid:** Have you finished? I was talking about last October when the Minister of Energy, Mines and Resources (Miss Carney) announced the Progressive Conservative Government's new frontier energy policy. She said that policy, along with the Western and Atlantic Accords, marked the end of the previous Liberal Government's National Energy Program. The NEP was synonymous with inordinate Government regulation and a stifling tax regime. It robbed Canadians of opportunity and it seriously impaired the economic and energy potential of this country. The Petroleum Incentives Program, or PIP as it is referred to, was one of the NEP's most damaging measures. Today I am pleased to address this House on a Bill which will eliminate PIP payments as of March 31, 1986.

Some 14 months ago the people of Canada gave the Progressive Conservatives an overwhelming mandate for change. We presented Canadians with a choice and they voted for our approach to energy, to government and to the economy. Our overriding goals were national reconciliation, economic renewal, and social justice. Fundamental changes were required for us to achieve these goals. We identified five key economic initiatives that form the basis of our Government's long-term approach to fiscal and economic management. They are: reduction of the deficit; establishment of a positive investment climate; strengthening of Canada's trade relationships; removal of Government obstacles in the market-place; and reform of the NEP.

• (1640)

We have already made important progress on each of these five initiatives. The rate of growth of the federal deficit has declined as a direct result of the May Budget introduced by the Minister of Finance (Mr. Wilson). The Budget stimulated economic growth and produced appropriate Government revenues. It applied the first substantial restraint in Ottawa's spending in almost a quarter of a century. We have reduced spending this year by $4.4 billion. A total of $75 billion has been eliminated from planned expenditures to 1990. More than $1 billion of those cuts originated in the Minister's Department.

The Economic Council of Canada recently said in its annual report that the Budget has "changed for the better many of the ominous trends related to deficits of the past decade". We will be strengthening our deficit-cutting measures in the future. The Council also referred in its report to Canada's weak investment record in 1984. This poor performance was directly attributable to the policies of the previous Government. The Economic Council identified the Atlantic and West-

ern Accords as two initiatives that will encourage expanded investment in Canada. Today the energy industry and other industrial sectors are attracting vital foreign investment.

One of the first moves to create a positive investment climate was to abolish the restrictive Foreign Investment Review Agency. FIRA was replaced with Investment Canada, a body that is positive in nature, rather than a negative force like FIRA was. Enhanced international trade is key to our future prosperity. Here, again, we are making important progress. The Prime Minister (Mr. Mulroney) announced in this House several months ago that he had approached President Reagan to express Canada's interest in pursuing a new trade agreement with the United States. That agreement moved one step closer to reality recently with the setting up of the preparatory committee for trade negotiations.

The Government will be pursuing clear goals in our talks with the United States. At stake are more than two million jobs which depend directly on Canadian access to the U.S. market. We are also intent on expanding markets for Canadian goods in other regions of the world. The Minister for International Trade (Mr. Kelleher) has identified the Pacific Rim as a priority area. The Government will assist the private sector in expanding into this huge, but extremely competitive, market.

Another fundamental goal is the removal of unnecessary Government obstacles in the market-place. Deregulation is underway in key industries such as communications, transportation, and energy. Direct grants to industry are being replaced by fiscal incentives that encourage profit-making and investment.

Our fifth economic initiative, Mr. Speaker, was to replace the Liberals' National Energy Program. This called for radical restructuring of the operating environment for the energy industry in Canada. The Progressive Conservative Party has always supported the goals of the National Energy Program; opportunity, fairness, and energy security, but we have vehemently opposed the measures put in place by the previous Government to achieve these goals. The National Energy Program did not create opportunity, it crippled the industry's entrepreneurial spirit. The National Energy Program was not fair. It discriminated against regions of the country and against foreign firms operating in Canada. The National Energy Program did not create energy security, it provided grants that rewarded activity rather than success. The National Energy Program, in fact, was an unprecedented exercise in market intervention, discrimination, and confiscatory and retroactive measures.

The Petroleum Incentive Program damaged Canada's international reputation, split the country regionally, and cost the federal treasury billions of dollars. PIP discriminated against western Canada. It paid up to 80 per cent of drilling costs in the frontier regions and only 35 per cent on provincial lands. It discriminated on the basis of nationality. Canadian taxpayers paid dearly for this program. PIP was costing them an average of $1.6 billion a year and the total cost of the program will be in excess of $7 billion.

The Bill before this House today will eliminate petroleum incentive payments as of March 31, 1986. We are not abandoning our existing commitments under PIP. This Bill contains provisions in which expenses will be eligible for payments after March 31, 1986. Companies with exploration commitments in place when the Western Accord was signed will find that we will honour these commitments to the end of 1987. Our proposal for the phase-out of PIP is both realistic and reasonable. It comes as no surprise to the industry. We promised it at Prince Albert before the election, we announced it in the Western Accord, and we gave the industry a full year following the Western Accord to adjust to the new circumstances.

The Progressive Conservative Government recognizes that investment in Canada can best be achieved by rewarding success rather than by subsidizing effort. While eliminating PIP we are ending many burdensome taxes which rob the industry of its ability to reinvest and to grow. However, we recognize that additional incentives are required to maintain exploration in the high-risk frontier regions. To help bridge the gap between the termination of PIP and the timing of expected frontier oil and gas developments, we recently announced that a new tax-based incentive will be introduced by the Minister of Finance. The 25 per cent exploration tax credit will be applicable to exploration expenses in excess of $5 million per well anywhere in Canada. It will encourage continued exploration in the frontiers without discriminating against other oil and gas regions of Canada.

To ensure that the tax credit assists companies that are currently non-taxpaying, which are mostly Canadian companies, it will be refundable at a rate of 40 per cent. It also allows non-taxable companies, in certain circumstances, to pass the tax credit on to their investors who may be in a taxable position.

The exploration tax credit began on December 1 and will continue to the end of 1990. It will be applicable only to well expenses that do not qualify for federal or Alberta petroleum incentive payments. It is an equitable and cost-effective measure to encourage frontier exploration and ensure energy security for Canadians. However, there is little doubt that some companies created only to get PIP grants will have to restructure their operations. We are telling them they must be as innovative in adapting to our regime as they were in adapting to the last.

The industry recognizes and accepts the new realities, Mr. Speaker. I would like to quote from a recent report in *Doig's Digest* on life after PIP. That sounds like a soap opera. The author of that report wrote: "Now that Ottawa has removed the last parts of the National Energy Program, industry finds itself without a Linus blanket and it will now have to stand on its own two feet in a highly competitive market-place". The Digest also referred to PIP as a bad dream and as noted that its phase-out means that: "Economic and geological considerations, rather than politics, will now take precedence in the drilling of frontier wells".

The termination of PIP and the introduction of the exploration tax credit are fully consistent with the Government's goals

as set out in the Prince Albert statement of July, 1984. We promised at that time to replace the Petroleum Incentives Program with more efficient tax-based incentives which encourage Canadian companies to participate in oil and gas development. The Prince Albert statement enunciated the following principles: energy as an engine of economic growth, energy self-sufficiency, increased Canadian participation, fair treatment of consumers and producers, and co-operation between the federal and provincial Governments and industry.

The principles outlined in Prince Albert are evident in the new natural gas and frontier energy policies the Minister announced in this House last fall to great applause. Our new frontier energy policy creates an internationally competitive exploration and development regime. One element of that regime is the 25 per cent exploration tax credit I spoke of earlier, but the new policy is much more far-reaching. It corrects some of the National Energy Program's mistakes and allows us to build on our energy strengths. We will be replacing the National Energy Program's controversial Canada Oil and Gas Act with an entirely new piece of legislation, the Canada Petroleum Resources Act. Under the National Energy Program legislation, the Government was able to confiscate 25 per cent of successful drilling projects retroactively. That provision damaged Canada's investment climate and our international reputation.

● (1650)

There will be no Crown share provision in the new Canada Petroleum Resources Act. The National Energy Program management regime was highly interventionist, placing greater reliance on bureaucratic processes than on market forces. Our legislation will emphasize market solutions.

We are ending the National Energy Program inflexible royalty regime and replacing it with one that is profit-sensitive and encourages investment. It will be modelled after the Alberta royalty regime that applies to oil sands and enhanced oil recovery projects. Royalties will be modest in the first few years but will rise as projects begin to earn reasonable profits. Royalties will be subject to further consultation and negotiation on a project-by-project basis.

The new system takes account of the role provincial governments play in royalties. In the Newfoundland offshore, for example, the provincial Government will set royalties as agreed in the Atlantic Accord.

The National Energy Program gave special treatment to Petro-Canada, even though it was competing against private firms that did not have the benefit of special favours. Under our legislation there will be no more special favours. Petro-Canada will compete in the market-place like other companies.

The National Energy Program gave the Minister broad discretion in using extraordinary powers to direct the industry in the frontiers. There was no way to appeal such decisions. Some of these powers are being eliminated. Others will be maintained but we will limit their extent and the way they are used. The National Energy Program required 50 per cent Canadian ownership of frontier production projects. We support that goal, but we oppose the tactics used to achieve it.

The National Energy Program gave the previous Government the power to expropriate holdings without compensation in order to raise ownership to 50 per cent. That provision was applied to projects that started before the requirement was implemented. We are keeping the 50 per cent requirement but it will not be applied retroactively. There will be no expropriation without compensation. Instead, the industry will be expected to develop its own solutions to achieve greater Canadian participation. The sale of assets to raise the Canadian ownership level will be used only as a last resort. In those cases, they will be sold at market value.

This approach is fair to all investors. However, it will still provide opportunities for increased Canadian ownership. It is important to note that Canadian ownership in the oil and gas industry rose to 47 per cent from 42 per cent in the last year. This represents more progress in one year than the previous three years under the National Energy Program. Our domestic ownership requirements have been accepted by industry. At our request, Mobil Canada has agreed to offer for sale sufficient portions of the Hibernia and Venture frontier projects to ensure that our 50 per cent ownership objectives can be met, even for these 1979 discoveries.

When the Minister introduced our new frontier energy policy in the House, she also announced that we have reached an agreement with the producing provinces on natural gas markets and pricing. The natural gas negotiations were difficult for governments and the industry but we succeeded in coming to an agreement that achieves a balance between the interests of consumers and producers. For consumers, the Toronto wholesale price is immediately frozen for the year. Their access to natural gas supplies at competitive market prices is immediately enhanced. There will be a one-year transition period in which we move away from a Government determined natural gas price to one created by negotiation between the buyers and the sellers. After November 1, 1986, all natural gas prices will be determined through these negotiations.

Consumers will not pay the toll increase of 11 cents a gigajoule recently granted TransCanada Pipelines. We have eliminated the Canadian ownership special charge which added to the price of natural gas. This should mean lower home-heating costs this winter. As a matter of fact, my last bill from the utility which services my home, Consumers Gas, contained a letter which announced a reduction on my bill. It is there for all to see, a lower price for me to heat my home this winter. The proof is in the pudding.

Producers gain greater access to the valuable export market under the new agreement. Exports already represent some $4 billion in sales annually. As much as a quarter of those revenues might have been lost if we had not changed the export rules. The Toronto wholesale price will no longer be used as a bench-mark for export prices. These will now be determined on the basis of a more equitable and more logical regional price test. The new test ensures that Canadian con-

sumers will not pay more for Canadian gas than their American neighbours.

Under the new agreement, producers may export gas by order without limits on the amount, as long as the terms of the contracts do not exceed two years. The National Energy Board is holding hearings on the best way to determine an appropriate surplus. We are pressing the provinces and the industry to do what is necessary to realize the benefits of the natural gas agreement during the transition period. We were particularly pleased to hear that Ontario's Energy Minister, Vince Kerrio, supports the introduction of interim contract carriage during the transition period. This will enable lower prices negotiated by large Ontario industrial consumers with Alberta gas producers to occur now.

The Government of Canada has moved quickly on a number of provisions in the natural gas agreement. The National Energy Board regulations were amended to remove volume limits on short-term export sales. Last November 8, the National Energy Board issued for comment guidelines for short-term sales and changes to contracts and licences.

The National Energy Board began its hearings, which started last November 19 in Calgary. It scheduled a hearing for January 13 into duplication of demand charges, TransCanada's T-Service tariff and other matters. That hearing has been held in abeyance for a couple of weeks. Meanwhile, the National Energy Board has received an application for T-service to be provided by TransCanada on an interim basis. The Minister's Department has drafted terms and conditions for a natural gas pipeline review panel and circulated them for comments from the provinces, as hads been decided in the gas agreement. A committee to monitor the implementation of the agreement was established in co-operation with the provinces. The committee met for the first time on January 15 and I can report that it had a very productive meeting.

We are encouraged by the willingness of the producers to offer direct sales to end users. For example, a major Ontario petro-chemical plant, Cyanamid, and Alberta producers have negotiated a direct sale with prices well under current levels. The company is working out interim transportation arrangements with the transmission and distribution companies involved in getting the gas to the plant. I believe the message is clear. Given the right energy policy environment, markets can work for the benefit of both producers and consumers.

In February, 1985, we reached an agreement with the Province of Newfoundland and Labrador. The Atlantic Accord makes the province an equal partner in the development of its offshore oil and gas resources. It ended years of bitter federal-provincial disputes which created uncertainty at a time when the industry was planning to commit billions of dollars to offshore exploration and development. It provides for revenue sharing in offshore oil and gas resources on the same basis as if they were on land. I could go on and speak about that particular agreement as well as the Western Accord and the gas agreement. All of these are very important.

We are now talking about the phasing out of PIP and accomplishing this with the introduction of this Bill. With the Atlantic Accord and Western Accord, the new frontier energy policy and the natural gas markets and pricing agreements, the Progressive Conservative Government has corrected much of the damage caused by years of ill-conceived Liberal policies. We did it in only 14 months, without sacrificing the interests of consumers, producers, distributors or taxpayers. We did it without the disputes which were so much a part of the daily business of the previous Government. We have united Canadians using energy as the engine of economic growth. I am sure Bill C-85 will receive rapid passage because of its wide acceptance across Canada.

• (1700)

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** It being five o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### LOBBY REGISTRATION ACT

MEASURE TO ENACT

**Hon. James A. McGrath (St. John's East)** moved that Bill C-248, an Act to register lobbyists, be read the second time and referred to the Standing Committee on Procedure and Organization.

He said: Mr. Speaker, first of all let me say in respect to the genesis of this Bill that it is a Bill which has been around for more than a decade in one form or another. The present Bill before the House which I have the honour to sponsor was last put forward by the late Walter Baker who at that time was the Hon. Member for Nepean-Carleton. He felt strongly on the subject. Indeed, we owe a great deal to his research in bringing the subject to the point where it is today. Where we are today, of course, is that the Government has indicated its desire to move in the form of legislation to provide for the registration of lobbyists. In compliance with that commitment, it has wisely, in my opinion, tabled a Green Paper last December 5 entitled "Lobbying and the Registration of Paid Lobbyists—a Discussion Paper". I use the word "wisely" because this is a very complex issue. Indeed, on the surface it would seem to be a very simple, straightforward matter, that is, to provide for a form of registration for lobbyists. However, it is complex because before we can do that we have to define what is a lobbyist.

Let me illustrate. Is a solicitor coming to Ottawa on behalf of a client to seek a patent, to seek a copyright, or some form of legal exercise, a lobbyist? The immediate response is no, and I agree with that. Yet, he is doing it on a fee for service

basis. We had to be extremely careful not to cast too broad a net in our definition of what is a lobbyist.

For the purposes of this Bill I have classed lobbyists in three categories. First, there are trade sector lobbyists. They are obvious; they have been here for years. For example, we have the Canadian Association of Broadcasters, the dairy people and the cheese people. The various people involved in agriculture have offices here to protect and look after their interests and indeed to pursue these interests with the Government of the day. This is a legitimate exercise. We have these trade lobbyists. They have offices in Ottawa and they operate up front.

Then we have a second group. These are the people who represent the voluntary sector. The obvious one which comes to mind is the Canadian Red Cross, but there are others. For example, we have people who operate offices here and have paid executives on behalf of the Right to Life movement. They pursue the interests of their organizations by trying to influence the Government to change the Criminal Code and the legislation affecting abortion. Of course we have people who pursue other interests in terms of representing the voluntary sector, whether it be capital punishment, the rights of non-smokers and those of smokers or what have you. All of these are legitimate in, and of, their own right. Not only do these people have the right to lobby the Government and Parliament, but we had to be careful not to do anything to restrict that right. We have to be extremely prudent that we do not, by way of legislation, restrict the rights of citizens in any way to have access to the Government and to Members of Parliament.

Then there is a third group. These are the so-called consultants who operate on a fee for service basis. We have seen a growth in this group over the past dozen years or so. Indeed, I would anticipate with the reforms in this institution that they will become even more active as they target Members of Members of Parliament, who will have considerable leeway in their legislative powers, will become legitimate targets for lobbying. For example, if we are to reform private Mmebers' business, as I hope we will, notwithstanding some of the reservations expressed by members of the Opposition Parties, then there will be private Members' Bills which will become law. Obviously private Members would then be the target of lobbyists who will want to get various Bills of one kind or another through to become law. It is all the more urgent that we address this matter. It seems to me that it flows almost consequentially from the work of the Special Committee on the Reform of the House of Commons. Indeed, I presented the Bill for first reading just a few days after the presentation of the Second and Third Reports of the Special Committee on the Reform of the House of Commons; I believe it was on the day we adjourned, which would have been June 28 last year.

Just as a matter of interest, I examined the Order Paper and I think that currently there are a total of 60 private Members' Bills in place. I do not know what will be the fate of this particular private Member's Bill, but certainly we all know what happens generally speaking to private Members' Bills in the House—they are talked out, so no one takes us seriously. Indeed, not even the Hon. Member for Hamilton Mountain (Mr. Deans), speaking on his own behalf presumably and speaking on behalf of his Party, took private Members' business seriously when he said, as quoted in *The Globe and Mail* of January 21: "It is not the role of the private Member to legislate on matters of great national significance". I do not agree with that. The Hon. Member for Hamilton Mountain is a great parliamentarian who has contributed significantly to parliamentary reform. He was an active member of the Lefebvre committee in the last Parliament and provided leadership and support to the reform committee whose reports are now before the House. I do not believe that that truly reflects his views. When we examine the Order Paper and the 60 private Members' Bills which are there, 18 of them come from the Party represented by the Hon. Member for Hamilton Mountain. Just taking a look at some of the private Members' Bills, we have Bill C-202, an Act to Amend the Criminal Code (capital punishment); Bill C-205 an Act to Amend the Criminal Code (gun control); an Act to revoke the conviction of Louis Riel; an Act to amend the Criminal Code (abortion); an Act to require assistance in the search of missing children; an Act respecting the conservation, export and diversion of water resources; and an Act to amend the Criminal Code (child abuse). I believe that these are matters of great national significance. I further believe that no one would deny Members of Parliament the right to bring in Bills to address these matters of great national concern and ultimately to have these Bills become law.

Bill C-248, which has been before the House since June 28, has been postponed on three separate occasions. I postponed it deliberately because I was hoping that the measures dealing with the reform of private Members' business would be in place and that this could be the kind of Bill which— and I say "could" because it would be subject to the scrutiny and judgment of my parliamentary peers—could be deemed worthy of second reading and going on to a committee. I deliberately did so because I felt that we would now have in place provisions whereby that could happen. Of course I refer to the private Members' provisions of the Third Report of the Special Committee on the Reform of the House of Commons. I hope indeed that will happen. In any event, I felt it was time to get on with this Bill. In fairness to other Members who have Bills, I should really address mine and give the House a chance to speak to it.

• (1710)

I have talked about the fundamental right of private citizens to be able to make representations to the Government and to Parliament. I talked about the absolute necessity to be very careful in anything we do so as not to deny or restrict in any way that fundamental right. That is a fundamental right of any citizen in a democratic society. My concern is not with these people, although I must repeat, we have to be careful not to do anything to restrict that legitimate activity. My concern is to address what we call the paid lobbyists, because their actions are beyond public scrutiny. It is my conviction that it is time we formally recognize the presence and the role of the

professional lobbyists in our parliamentary system. I see nothing wrong with that. Indeed, I think that the professional lobbyist has an important part to play in our parliamentary system.

We must be careful that we put in place certain standards in order to ensure that the activities of paid lobbyists respect the fundamental ethics of our parliamentary practices and proceedings. All of us in this House have our own standard of ethics. In addition to that we are guided by the provisions of the Senate and House of Commons Act in terms of how we conduct ourselves *vis-à-vis* conflict of interest. As well there is a move to provide further guidelines governing conflict of interest for Members of Parliament.

The difficulty is to find the lobbyists. I will quote for the House how the Bill attempts to do that, and I am not suggesting in any way that this is at all adequate, because that is a judgment that should be made, and hopefully will be made, by a parliamentary committee. The Bill says a lobbyist is:

> Any person who, for payment, attempts to influence, directly or indirectly
>
> (*a*) the introduction, passage, defeat, or amendment or any legislation before either House of Parliament, or
>
> (*b*) a decision to be taken on any matter coming within the administrative jurisdiction of a Minister of the Crown, whether or not that matter has come or is likely to come before either House of Parliament for legislative action.

At least that is an attempt at a definition. I would like to see a parliamentary committee take that and go to work on it, either improve it or change it or throw it out. It is conceivable that Parliament, in its wisdom, may decide that, we should not legislate in this area. We should not have a Bill governing the conduct and registration of lobbyists. We should at least take a look at the question. That is what the Bill attempts to do. It attempts essentially to put in place a registry. That is why I suggest in the Bill that the registry, since it concerns both Houses Of Parliament, be administered by the Clerk of the Senate and the Clerk of the House of Commons.

Under this registry, paid lobbyists would be required to register at the beginning of each calendar year. They would have to submit their name and business address, the name and address of the person on whose behalf they are employed to lobby, and the duration of the employment for that purpose. Finally, Mr. Speaker, the Bill would also outline penalties for non-compliance.

I want to take a look at other countries because I think the House should learn from what has happened in other jurisdictions. I took a look at Australia, which is probably closest to us in terms of the way they administer their affairs and the fact that it is a federal state with a Westminster type of Parliament. In Australia there are two registers. One is a special register for lobbyists representing foreign Governments and agencies. That is not a bad idea. I believe an argument could be made for that kind of registry in and of its own right. The other is a general register of lobbyists and their clients. Both of these are kept by the Department of the special Minister of State in Canberra. He is a Minister for Parliament. The registers are confidential and are only for the use of Ministers and officials on a need-to-know basis. Under the Australian system, lobbyists can actually be denied access to government Ministers and officials if those lobbyists are not on the register. Furthermore, Ministers and senior public servants can be dismissed for non-compliance.

I move on to the United Kingdom. There is no legislation in the United Kingdom, and consequently no form of mandatory registration. What they have in the United Kingdom is a very strong code of personal conduct regarding the activities of lobbyists. Their actions are governed by two major public institutions. These are the Public Relations Consultants Association and the Institute of Public Relations. Both of these groups have codes of conduct and are empowered to expel members for violations of these codes. Nothing, however, prevents expelled members from continuing to lobby the Government. The United Kingdom Government is very interested in what we are doing. It has expressed great interest in what comes out of this legislation, and indeed the Government's Green Paper and its intention to proceed with a Bill.

Finally, Sir, we have to take a look at the jurisdiction nearest to us, and perhaps the one with which we are most familiar, and that is the United States. The activities of the congressional lobbyists in the United States are covered under the provisions of the 1946 Regulation of Lobbying Act. The Act required lobbyists to register with the Secretary of the Senate and the Clerk of the House of Representatives. They must also provide detailed information on themselves, their clients and their individual or individuals lobbied.

There has long been a consensus, however, that the American lobbying Act is in serious need of review. Indeed, it is legislation that really is almost unenforceable because the Act lacks definitive punitive powers. it only deals with lobbyists who are dealing with Congress. It does not cover lobbyists who are dealing with the executive branch of Government, nor does it cover lobbyists who are dealing with the very powerful regulatory agencies that are in place in the United States. We must be careful not to make the mistake that they made in the U.S. in 1946 in bringing in a Bill that is, to all intents and purposes, ineffective and consequently one that is itself the subject of lobbyists, because now they are in a catch-22 situation. The lobbyists are so strong they do not want this Bill changed so they constantly keep pressuring Congress to leave the lobbyist Bill alone, for their purposes saying it is all right the way it is. We must not get ourselves in that kind of a situation.

I hope that either this Bill or its subject matter or the Government's Green Paper—preferably both—would be referred to an appropriate Standing Committee very quickly. I would like that committee to take a look at the provisions of this Bill, which I do not believe are adequate and which I believe casts far too broad a net. In the spirit of the way in which we operate in private Members' time here it is a means of getting this before the House. It is merely a parliamentary vehicle. Let us take a look at it and see how seriously flawed it is. Let us take a look at the American experience to see how flawed that experience is and how ineffective it is. Let us take

a look at what happened in Australia. Let us hear from the people who are actively involved professionally in lobbying in Canada—these are people whom we all know, they are respected corporate citizens of this country, whether they are in the voluntary sector or whether they are trade lobbyists or whether they are professional lobbyists—I think we should hear from them. When we have the evidence in then we can decide first if we are going to legislate, and I believe we should, and second, what kind of legislation we should put in place. If there is ever a case to be made for Parliament legislating itself as opposed to having legislation emanating from the Government it is on this kind of measure, a measure to govern the conduct of the people who are going to be making representations to Members of Parliament and to Members of the Government with regard to public policy and legislation. Such a study, in my view, is an immediate necessity. I believe there is a consensus in the country that such a study is really long overdue and that there is the need to legislate in this particular area.

Before I take my seat, I want to congratulate the Minister of Consumer and Corporate Affairs (Mr. Côté) for bringing in the Green Paper. I want to congratulate the Prime Minister (Mr. Mulroney) for the leadership he has shown in the statement he made to the House last year announcing it was the intention of the Government to bring in a measure to provide for the registration of lobbyists. I would also like to thank my late colleague, the Hon. Walter Baker, who brought this Bill to the House and provided a great deal of the research on which I have depended in coming to my conclusions on this subject. Finally, may I say to the Members of the House that I commend this measure to them in the hope that it will get to a Parliamentary Committee.

● (1720)

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I too am pleased to join the debate and I want to congratulate the Hon. Member for St. John's East (Mr. McGrath) on his initiative. I think it is an issue that concerns all Canadians and I believe that is so not only of the question of the registration and approach of lobbyists to the Government but also of all of the questions surrounding a number of patronage issues on which, unfortunately, the Government has chosen thus far not to act.

For the purposes of today's discussion, I think we must zero in on something a little more specific and that is whether or not a private Member's Bill such as the one drafted today will indeed be used to complement action in this area or whether it could subsequently be used by the Government as a smokescreen so that it does nothing. Of course, I am referring specifically to the Government Green Paper which is now before the House under discussion and has called for public response to the suggestion that we bring in legislation dealing with lobbyists.

Unfortunately, the promise that was made by the Prime Minister (Mr. Mulroney) last September to move immediately with legislation on the issue of lobbying has followed the route of a number of unfulfilled promises and has become hollow. My fear is that if we specifically address ourselves to the private Member's Bill, however well intentioned it may be and I believe it to be well intentioned, that private Member's Bill, with the Government's majority, will go nowhere. Those of us who would suggest that a private Member's Bill will see the light of day in terms of legislation are not looking at the facts as they have shown themselves to be over the last number of years.

On this subject, a comment was made in last April's issue of a business magazine. This article dealt with the changes on Parliament Hill and with how lobbyists should get their messages across. The comment made by lawyer Arthur Drache in that article is as follows:

> For the most part, the ordinary member of Parliament has little power to affect legislation, even if he were Uncle Harry's next-door neighbor.
>
> Uncle Harry is a Congressman in the United States.
>
> Unlike their congressional brethren in the U.S., where individual legislators have the power to affect proposed legislation, Canadian federal parliamentarians outside the ministry and cabinet committees ratify rather than legislate. They examine only what they're allowed to examine.
>
> "Your local MP doesn't have a heck of a lot of clout in deciding public policy," says lawyer Arthur Drache. "The ministers and your key decision makers in the bureaucracy are your vital audiences."

This article was attempting to address the business community on the dos and dont's of lobbying.

We know that at this point in time, the private Member is largely ignored when it comes to cabinet and executive decision making. We can look to the factory-freezer trawler issue as one very blatant example of this. If in fact that private Member through a private Member's Bill does not have the ear of the Government, I fear that if we focus attention on the specific private Member's Bill as presented by the Hon. Member for St. John's East, we will forget the fact that the Prime Minister made a promise almost six months ago to immediately bring in legislation to deal with the question of lobbyists. He did not promise a discussion paper. He did not promise another study. He did not promise a Green Paper. He promised action and legislation and he said that he wanted to move immediately on this very difficult issue.

[*Translation*]

I shall, if I may, take a few minutes to recall the answer given by our Member who is an expert on these matters, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who unfortunately cannot be with us today because he is at the Standing Committee on Agriculture. The Hon. Member said that on September 9, 1985, during a speech in the House of Commons, the Prime Minister himself stated: I have therefore asked my hon. colleague, the Minister of Consumer and Corporate Affairs, to prepare legislation as soon as possible to regulate lobbying activities. We all know that three months and ten days later, the Minister of Consumer and Corporate Affairs tabled, not legislation, not a bill, but merely a working paper inviting Canadians to give their views, a decision that has further delayed fulfilment of a commitment that is long overdue.

The working paper offers legislative options such as self-regulation—and we all know that is not going to work for lobbying—and a code of ethics. If we look at self-regulation and the specific case of Mr. Frank Moores, we see that in January, the Government decided to ask all federally regulated companies not to hire professional lobbyists like Government Consultants International.

[*English*]

We know that the Prime Minister issued a directive on January 7 stating that all Crown corporations must cancel all contracts with consulting firms including those run by Conservatives to lobby the federal Government on their behalf. Despite this so-called directive, Petro-Canada continued its contract with Government Consultants International, an Ottawa-based lobbying firm owned by the former Newfoundland Premier, Frank Moores. We know that at least one Crown corporation has absolutely ignored a so-called government directive.

We are talking about the issue of self-regulation or an in-house code of ethics for paid lobbyists because that is what has been suggested by the Minister in the Green Paper. I hope that that suggestion will never see the light of day. If there is self-regulation, we know that there will not be a positive response on the part of paid lobbyists.

When it comes to the issue of lobbying, my concern is that for the most part, there are a number of organizations that come to the Government on issues of national importance on a daily, weekly, monthly and yearly basis. Are we to focus on the Canadian Council on Social Development? I think not because it has a board of directors and is a non-profit organization that can open its books to anyone at any time. Similarly, the National Action Committee on the Status of Women would have no problems in registering, I daresay. At the same time, these are not the organizations that have been able to influence the corridors of power for sums of money about which we know nothing. I believe the most important thing for us to do is to get a definition of lobbyists and specifically paid lobbyists on the table in the form of Government legislation.

All of us in the House would love to see parliamentary reform which would allow the private Member's Bill to come forward in a way which we have not seen, not only during this administration but during past administrations. We know that generally speaking, private Members' Bills are going nowhere. I do not want to give the Government a chance to ignore its basic responsibility and its promises to the people on the issue of lobbying by presenting what can be seen as a red herring in the form of this private Member's Bill.

It would be my concern and the concern of members of my Party that by allowing this particular private Member's Bill to supplant in the order of business a government-led piece of legislation which could already be on the table, we would be saying that this is not an important issue for the Government but is simply a private Member's issue which really does not deal with the agenda that the Government has set for 1986 even though the Prime Minister himself promised legislation specifically governing lobbyists. Our particular concern is with those lobbyists who are paid literally hundreds of thousands of unpublished dollars to affect public policy and budgets.

● (1730)

I should be a little skeptical about government legislation on lobbying when I look at the promises made by the Prime Minister on the issue of patronage. That is an issue which in fact elicited much public debate during the course of the leaders' debate prior to the election of September of 1984. We know that the Prime Minister who once stated: "You dance with them that brung you", is in fact applying that particular philosophy of politics in his own daily life. We can look to an article which was written by Jeffrey Simpson in *The Globe and Mail* last Saturday. He bumped into someone from Antigonish and this constituent and great friend of the Prime Minister was extremely upset because he had not received a job from the Government. He talked about a number of Government appointments which have been made by the office of the self-same Prime Minister who spoke in such volumes about the previous Liberal administration. He asked, and I quote:

"And how about my old friend Sam Wakim? He walked off with a chunk of the Export Development Corporation's legal business. Took it from an Ottawa firm to a Toronto firm."

"The Prime Minister denied knowing anything about it."

"Were you born yesterday? Sam's an old St. FX graduate. Classmate of Brian's. Read him the first edition of The Globe every night.... Good for Sam. Good for Pierrette. Good for Ian MacDonald. Wrote Brian's biography.... "Ian's a nice guy.... Jean Bazin. Rodrigue Pageau's wife. Roger Nantel. Fernand Roberge. Lucien Bouchard.

**An Hon. Member:** What's this all about?

**Ms. Copps:** The Hon. Member asks me what this is all about. I guess it is what makes us in the Opposition just a little skeptical about the Government's alleged intentions on the issue of registration for lobbyists. We know this Prime Minister and this Government have raised the art of patronage to a form of heights so high they have never been seen by any previous administration. In that regard, I guess we are a little skeptical about the kind of positive legislation which will come forth from the Government.

We know, for example, that Government Consultants International, despite directives from the Prime Minister's office, has continued to work for Petro-Canada. Is it perhaps Government Consultants International which is having such an effect on the Minister of Energy, Mines and Resources (Miss Carney) so as to paralyse her and the country in the face of rising gas prices at a time when the price of oil is falling to world lows? Why is it that the Minister of Energy, Mines and Resources refuses day after day in the House of Commons to act on the question of the rising price of gasoline in contradiction to every economic trend in every other country in the world? Perhaps, GCI has got to the Minister. Perhaps GCI and its lobbyists through Petro-Canada, have turned the Minister into the mouthpiece for Petro-Canada rather than making Petro-Canada an instrument of public energy policy.

It is in that regard that we are just a little skeptical not only about the intentions of the Minister with respect to his Green

Paper but of the concern that we in this House look only to the private Members' legislation, as suggested. I think it was suggested with some measure of respect and merit by the Hon. Member for St. John's East. If we turn to his legislation, then we will ignore the Government's responsibility to deliver a Government law to cap these excesses immediately so we can start getting some sanity back into Petro-Canada, into the company which was supposedly formed to help the energy prices and policies rather than to hurt it as we see occurring at the current moment.

[*Translation*]

Mr. Speaker, if we look at the lifespan of Private Member's Bills since the Sixties, even under the Liberal Government, it is clear these Bills do not survive unless the Government has the political desire to pursue the matter.

Mr. Speaker, since last December a discussion paper by the Minister of Consumer and Corporate Affairs (Mr. Côté) was tabled, which, in fact, discusses this particular subject, I would like to ask the Government why it is not proceeding with its own legislation, as promised by the Prime Minister (Mr. Mulroney) last September. Why is he maintaining this smoke screen, as it were, pretending with Canadians that the Government is doing something concrete about lobbying, while at the same time refusing to table a Bill in this House?

[*English*]

As I said before, I believe the Hon. Member for St. John's East has a legitimate beef. I think he has a beef which could be supported by all Members on all sides of the House. He pointed out in his remarks, and I think we can testify to the fact, that lobbyist legislation is working in other countries. It is working in the United States and in a number of other countries. At the same time, if we look at the congressional system in the United States which allows the private Member much more action and activity, we find that those same private Members have been hostaged, in a sense, to the political action committees and to the packs which have sprung up in the thousands of members across the United States. I would hate to see the day when we in the Parliament of Canada were hostage to packs in the same way as we now see happening in the United States. Unfortunately, if we proceed with parliamentary reform and the absolute removal of executive responsibility through the Cabinet, we are going to see ourselves fractured into the kind of congressional system which has led to the abuse of lobbyist power in the United States.

I believe there are two sides to that coin and I believe it will be addressed in the issue of parliamentary reform in the weeks and months to come. At the same time, if we look at the release which the Minister of Consumer and Corporate Affairs (Mr. Côté) tabled in the House on December 9, we find he speaks specifically to a number of major initiatives which he says "are intended to ensure the highest possible ethical standards for both the Government and the Public Service". Among these is a proposal to prepare legislation to govern certain aspects of lobbying.

Notwithstanding these broad and, I think, defensible comments, the Minister did not come in with a law or with legislation. He came in with another discussion paper so that we could discuss why it is that the Government-owned Crown corporation of Petro-Canada can, with immunity, violate directives from the Prime Minister's office by continuing to hire for consultation Government Consultants International, a firm which obviously has extremely political connections with the Progressive Conservative Party since it is headed up by the former Conservative Premier of Newfoundland.

These questions are not going to be answered by a discussion paper. They will not be answered by a private member's Bill, however well intentioned that private member's Bill may be. These questions will be answered when the Government is prepared to come up with legislation which will define exactly what a lobbyist is and when it comes up with a piece of legislation which is prepared to tell the people of Canada just how much these gun-slingers are being paid and just what intention, direct and indirect, they have in the changing and modifying of public policy within Canada. We know it is likely in the very near future that the Minister of Finance (Mr. Wilson) will bring forth a Budget. In the same way, we know that, obviously, the Minister of Finance will be tapped by a number of interest groups, particularly the business community. I think it is fair to say that the lobbyists which have had the most success happen to come from the business community. In an article called "Pitching Your Message To Ottawa" by Graham Davies, it indicates quite clearly the Government's interest in the messages borne by representives of the business community. The article states, and I quote:

> —there is a new co-operative climate that is enticing planeloads of corporate executives, bankers, oilmen and small-business operators to the nation's capital. They are coming to Ottawa to take up the Conservative Government's challenge to engage in dialogue and consultation on the Tory program for economic renewal.

The Government wants to get its Budget message across. One can expect to pay up to $200 for such a hired gun, but we would like to know who is speaking for the young people, the unemployed and the senior citizens? Who is speaking for these people at the same time these paid lobbyists are currently being allowed to carry on their activities unfettered behind the corridors of power without being accountable to the Parliament of Canada? I believe that one way of dealing with this situation is by demanding that the Minister of Consumer and Corporate Affairs immediately introduce legislation, backed by the Government and not simply a Private Members' Bill, which will address the very serious issue of paid lobbyists. That will ensure that those people who are influencing Government public policy are on the record. It is time we opened the books. It is time Petro-Canada told us how much Government Consultants International is being paid and why it has been successful in convincing the Minister of Energy, Mines and Resources not to hold the cap on gas prices. With that in mind, we would like to see Government action, not another Private Members' Bill or a discussion paper.

• (1740)

**Mr. Lewis:** Point of order, Mr. Speaker. In response to the last speaker's request for government action, I am prepared to advise the House on behalf of the Government that we are prepared to refer the subject matter of this Bill to the Standing Committee on Procedure and Organization. Further, in accordance with government Motion No. 71, we are prepared to refer the document "Lobbying and the Registration of Paid Lobbyists", prepared by the Government, to the same committee. The committee is to report its findings no later than March 30, 1986. If I have unanimous consent of the House I am prepared to make such a motion shortly before six o'clock, immediately after the NDP has had an opportunity to respond.

**Some Hon. Members:** Hear, hear!

**Ms. Copps:** It's a red herring.

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** On that same point of order, Mr. Speaker. The Government wants to again send this document "Lobbying and the Registration of Paid Lobbyists", a discussion paper which has already been referred—

**Mr. Lewis:** No. It is on the Order Paper.

**Mr. Gauthier:** It is a proposed motion. Why don't you move it?

**Mr. Lewis:** I just said—

**Mr. Gauthier**: Move it on Government time under Government Orders, not Private Members' Hour. You do not need to do it in Private Members' time. It is a Government initiative which asks for a report not later than March 30, 1986. My point is if it is a government initiative and a Minister wants to stand in his place during Routine Proceedings and make that motion, we would give it serious consideration. However, for the Parliamentary Secretary to try and bootleg that thing at this time when we all want to speak on this important initiative I think is wrong.

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** We will see who talks it out.

**Mr. Gauthier:** Stick around. I have learned a lot from you, McDermid.

**Mr. Blaikie:** On the same point of order, Mr. Speaker. I would have had some reservations about only the Bill going to committee. I hope I will have a chance to speak in a few minutes about why I do not like—and I speak only for myself—the whole thing. However, in any event, I have no quarrel with it going to committee in this form only because the whole paper is being referred as well. That would have the effect of doing what the Government wants to do and I do not think it would give the Government the kind of out which my colleagues to the right maintain it will. Therefore, I have no objection to such a motion being made.

**Some Hon. Members:** Hear, hear!

**Mr. Gauthier:** Mr. Speaker, my last comment was that you can hardly bootleg something like this on a point of order. The Hon. Member has to have the floor to do that. If the Member wants to speak to his motion some time in the debate, which was my point, then he can do so. To come in on a point of order and try and push that through in that way I think is irregular.

**Mr. Lewis:** I said shortly before six.

**Mr. Deputy Speaker:** We are still in debate. If something is to happen it will happen before six o'clock, but nothing had happened yet.

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I want to begin by commending the Hon. Member for St. John's East (Mr. McGrath) for his traditional persistence in pursuing matters of great importance to him, and particularly for the tradition, now well established, of carrying on the work of the Hon. Walter Baker. Many times in this and other Parliaments I have found myself on the same wavelength as the Hon. Member or, for that matter, the Hon. Walter Baker, particularly with respect to parliamentary reform. However, I want to say at this point—and I stress that I am speaking only for myself because, as I believe he pointed out, Members from my Party have indicated support for the idea of registering lobbyists. Indeed, the first Private Members' motion to that effect was not from the Hon. Walter Baker but from another deceased Member of this House, Barry Mather, an NDP Member of Parliament. Therefore the reservations that I express are only my own and I want to make that clear from the beginning.

My concern is that by moving to register lobbyists, we are making a statement about politics in Canada. We are defining the kind of politics we regard as entrenched in and part and parcel of the life of Canada. I do not say this out of any naiveté. I realize lobbying has gone on from before Confederation. I know many hundreds of thousands of dollars are spent in the financing of paid lobbyists here on the Hill. However, my concern is, to put it simply, that by moving to register lobbyists we are accepting a certain view of politics which I want to reject. There have always been competing views of the political process here in Canada. By moving to register lobbyists we are saying that a particular view of politics has won the day. I call that kind of politics "brokerage politics" or small "l" liberal politics, that is the view of politics that sees the role of Government, indeed of Parliament, as engaging in a series of trade-offs between the interests of various groups in the country. There are other views of politics which have existed alongside that view. That is, the politics of competing ideas; competing ideas about the common good; competing ideas about the public interest; competing ideas on many levels. There is also what I might call the co-operative model. This is the reason that some countries have not gone so far as to register lobbyists. They say they do not really need to do that because they have more of a consensual or co-operative view of

politics. They sit down with various sectors and work out a consensus between them.

What I am saying to the Hon. Member for St. John's East, and I hope he can see my point, is that by moving to register lobbyists we will be giving a kind of legitimacy, or sanctity if you will, to an element of our political process which I think is to be lamented. In that sense I am opposed to the idea. It will have the effect of allowing one particular view of politics to win out over those others, which I admit are always going to be somewhat blurred or overlapping, but which nevertheless are in competition with each other. Rather than declaring a victory for one view of politics over the other I would just as soon they continued to compete with each other in the potitical market-place, to use a phrase popular with Members on the Government side.

There is also a difficulty in deciding what a lobbyist is. I once worked for the United Church in a social action ministry in the north end of Winnipeg. I often went to City Hall to argue for better housing or different landlord/tenant regulations and various other things affecting people in the area in which the Stella Mission was located. Was I a lobbyist? I was not being paid directly by the groups on whose behalf I was speaking. I was being paid by the church, which was concerned about a particular area. The Hon. Member for St. John's East said we have to watch that we do not cast the net too broadly.

I guess the point I am making is that as soon as you begin to cast the net you have given weight to this particular view of what politics is all about and it is only a matter of time before you debase the coinage of everyone who is interested in advocating a certain view of what the country should be like. We are then all on the same level with the high-priced consultants who are doing the lobbying in the back corridors on behalf of PetroCan or whoever. That reduces everyone to this kind of money-grubbing level. I object to that. I know that is not what the Hon. Member has in mind. What he has in mind is to bring under control and make more visible the high-powered lobbying that goes on here so that Canadians will know more about what is going on.

● (1750)

However, I think that experience in the United States will bear out that those who are doing things which they would rather not have the public know about will still find ways to do them. They will still find ways to have the inappropriate influence that the Hon. Member wants to bring under public scrutiny. It is those who speak out on behalf of others who cannot hire people to speak for them, people who speak on behalf of the poor and powerless in our society who do not have any clout, who will be eventually listed and will receive the most scrutiny.

As I am sure you and other Hon. Members can see, Mr. Speaker, I have a great deal of reservation about this whole concept. I think the argument could be made that it would be a sad day for Canadian politics when we come to the point where we think that our politics are so much like this that we want to institutionalize it in this way. I am sure that other Members of my caucus would have a different view. I make this argument all on my own.

I thought it was unfortunate that the Hon. Member for St. John's East referred to that quote by the Hon. Member for Hamilton Mountain (Mr. Deans). I do not think that is helpful in the current context of trying to nurse the process of parliamentary reform to a happy conclusion.

This is my first opportunity to say something in a public forum, about much comment recently about what bothered the NDP with regard to the reforms at the last minute when everything seemed to be going so well. If you check the record on Private Members' Business you will see that what the Government finally presented in the form of proposed Standing Orders in the third week of December is different than what the reform committee recommended.

In the proposed Standing Orders which the Government introduced just before we recessed for Christmas, the Special Committee on Private Members' Business was given the power to allocate consecutively the five hours of debate which would be given to each of the six Bills that would be selected out of the 20 priority Bills for coming to a vote. That was not in the original proposal of the committee. The original proposal specified that those five hours would take place intermittently, whereby a Bill would come up for an hour's debate, even though it had been designated for a vote, then the other 19 Bills would be debated. That process would be repeated so that no matter what was introduced as a private Member's Bill there would be sufficient time for the public to come to understand what was happening. It would be a much more lengthy process than that which would be possible if the Standing Orders proposed before Christmas were to be enacted. Under that proposal the private Members' committee could decide that a particular Bill should have five hours of consecutive debate. A private Member's Bill could go from start to finish in about a week and a half. That is not what the committee had recommended.

I want to make it clear that our caucus is not holding back on a committee proposal. We are holding back on a Government proposal which is different than what the committee proposed. I do not think that has always been clear. That may be a wrinkle in the Standing Orders which was quite unintended by the Government and quite innocent. It has not been brought out into the light of day that this is the problem.

I thought I could, under the rules of relevancy, get away with using this opportunity to explain that since the Hon. Member for St. John's East referred to an article about parliamentary reform. I wanted to use this opportunity to clarify the problem. It is not an insurmountable problem. If the collective political will in this place still exists to go ahead with the exciting new kind of Parliament that many of us had in mind when they made those recommendations, we can still do that. For God's sake, let us not lose that little window of opportunity that we have by getting stuck on proposals that are already made. I say that in particular to the Government. Let us try to get in step with the proposals which the committee originally made and see what we can do. I have no

intention of talking out the Hon. Member's Bill so I will sit down even though there are a few more things I could say.

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I think that the debate on this matter has been healthy and helpful. Therefore, Mr. Speaker, if I have the unanimous consent of the House, I will move:

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

"Bill C-248, an Act to register lobbyists, be not now read a second time, but that the order be discharged, the Bill withdrawn, and the subject matter thereof referred to the Standing Committee on Procedure and Organization".

And, further, that in accordance with Government Motion No. 71, the document "Lobbying and the Registration of Paid Lobbyists" prepared by the Government and tabled in the House be referred to the same Standing Committee on Procedure and Organization, and that the committee report its findings no later than March 30, 1986".

I think there has been an indication from my colleague in the NDP that he wishes this matter to be discussed and does not wish the Bill to be talked out. I think there is a disposition among my colleagues that the matter go to committee to be discussed fully. Therefore, I would ask that you ask for unanimous consent to put this motion to the House.

**Mr. Deputy Speaker:** Is there unanimous consent that the motion be put to the House?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** There is no unanimous consent.

**Mr. McDermid:** I have not heard anyone say "no". Call for the yeas and the nays.

**M. Gauthier:** You guys have to get your procedure together. Bring somebody in there who knows something about procedure. You can't put a motion if you haven't got unanimous consent, and you haven't got it.

**An Hon. Member:** Yes we have.

**Mr. Gauthier:** No you haven't. I am standing in my place waiting for the Speaker to recognize me.

**Mr. Deputy Speaker:** Is there unanimous consent for the introduction of the motion?

**Mr. Gauthier:** No.

**Ms. Copps:** No.

**Mr. Deputy Speaker:** There is none.

**Mr. McDermid:** Now we know where the Grits stand.

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. I would like the record to show that the only nays came from Members of the Liberal Party.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am now more convinced than ever that the Government was trying to bootleg something in here by the back door by using the Parliamentary Secretary to do something which I do not think is in keeping with what we would call Private Members' Hour. Doing Government business in Government time, fine, but doing Government business in Private Members' Hour, no, Sir. That is clear? That is why, Mr. Speaker, I want to speak on this Bill because I think it is very important that we address this Bill and the subject matter at hand.

[*Translation*]

Mr. Speaker, the Bill provides for the registration of lobbyists, and a declaration by them stating in whose interest they are working. It imposes a fine and disqualification from lobbying for those convicted of evading these provisions.

This is in fact the purpose of Bill C-248, and . . .

**Mr. Deputy Speaker:** I am sorry but I have to interrupt the Hon. Member. The hour provided for the consideration of Private Members' Business has now expired.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### ABORIGINAL RIGHTS—LYELL ISLAND LOGGING—REQUEST FOR REIMPOSITION OF MORATORIUM. (B) EXISTENCE OF ABORIGINAL TITLE

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, on several occasions questions have been raised in the House of Commons concerning an Indian nation in the Province of British Columbia and a dispute it is having with respect to one part of the area claimed as hereditary lands, and economic activities taking place in that area prior to a just settlement of this outstanding claim.

I want to provide the House with a little background before I register the discontent I have with the response from the Minister. Let me begin by saying that the question of the Haida Indian people and the logging that has been going on at Lyell Island have been raised by myself and many other Hon. Members of the House, including the Leader of the Opposition, who has said that the logging on that island ought to be the subject of a continuous moratorium until there is a just settlement of this outstanding claim.

I must begin by talking about the hereditary lands of the Haida people, the Queen Charlotte Islands themselves. The Haida people call these lands "The Land of Haida" or "beautiful islands".

Part of the Queen Charlottes is known as South Moresby. What a unique and fascinating area of Canada this is. South Moresby is therefore a part of the Haida lands that they claim

as having been in their possession for thousands of years. South Moresby contains the highest concentration of endemic plants, birds, mammals and insects of any area of its size in all of North America.

There are major archaeological sites located in South Moresby, as part of the Haida lands. So valuable and important are these archaeological sites that responsible citizens of Canada who have the required knowledge and expertise to make these judgments have gone to the United Nations to ask that this be declared a UNESCO World Heritage Site.

One will find on South Moresby primeval rain forests containing western red cedar, yellow cedar, western hemlock and sitca spruce, among the largest of their genera.

The claim of the Haida people has already been accepted by the Government of Canada. The Province of British Columbia is a signatory to the Constitution of Canada which recognizes that aboriginal rights do exist. Since we have a recognition of rights and a claim that has been accepted, it is only logical that we would want to postpone any development, whether it is cutting down trees, building roads, establishing new towns or mining, until there is a just settlement.

● (1805)

At one moment in time the British Columbia Government seemed to have recognized that point, because on one part of South Moresby, which is called Lyell Island, it imposed a moratorium upon a logging company which wanted to log in that area. Suddenly, without announcement and to the surprise and dismay of the Haida people, that moratorium was lifted. Naturally the Haida protested. What Member in the House would not stand, as did the Haida, to protect their own homelands? They stood against the power of the British Columbia Government and the police. Now we know why. We know that there was some conflict of interest going on among the Ministers of British Columbia and that particular logging company. That is a Canadian scandal, at least a scandal which belongs to British Columbia that we all regret.

I raise this matter at the time of adjournment and ask the Minister to use his authority and power as the trustee of the Indian people to urge the B.C. Government to reimpose that moratorium; let the logging stop, go to the bargaining table and negotiate a just, fair and equitable settlement. We know how to do that in Canada. We have done it before. We can do it for the Haida people in British Columbia. It just requires the political will.

I call upon the Minister, who has the right sentiments, emotions and approach, to provide stronger leadership in this particular case. We need not worry about the sensitivity of the British Columbia Government. It has already betrayed that sensitivity. We have to bear in mind, above all, the rights of the Haida people who have title and want to negotiate a just claim. I call upon the Government to give leadership and fill the trusteeship role. Let us begin to bargain in good faith with the Haida people over South Moresby and Lyell Island.

*Adjournment Debate*

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, I am pleased to have the opportunity on behalf of the Minister of Indian Affairs and Northern Development (Mr. Crombie) to clarify the Government's position on this important question.

Perhaps a little background would be useful to keep the matter in perspective. Lyell Island is part of the South Moresby Archipelago in the Queen Charlotte Islands in the Province of British Columbia. The whole of the Queen Charlottes and the surrounding seas are claimed by the Haida Nation, who base their claim on the concept of aboriginal title. The claim was submitted to Canada in November, 1980. It was then reviewed and accepted, pursuant to the current policy on comprehensive native claims, on Juen 30, 1983, for eventual negotiation. Negotiations with the Haida have not yet begun.

As noted previously, the area covered by the entire claim is very large, and it is left to the negotiations to set out the specific rights and benefits which the Haida should derive in a claim settlement agreement. As stated in the current federal policy, where claims fall in areas of provincial jurisdiction, or where provincial interests and responsibilities are affected, the provinces must be involved in claims negotiations. Right now, although 14 claims have been accepted in British Columbia, only the claim of the Nishga Tribal Council is under active negotiation.

In July of last year the Minister appointed a task force on comprehensive claims policy and charged the task force with making recommendations on improving the present policy and facilitating the negotiating process. The report of this task force will be formally submitted shortly, and the Minister will be reviewing these recommendations with a view to the development of a more efficient and effective policy and process.

In the specific situation of Lyell Island, the provincial Minister of the Environment announced on October 18 of last year that logging on Lyell Island could resume. Logging has been suspended since June, 1984. On October 20, 1985, a contingent of Haida physically blocked the resumption of logging. Ten of the Haida were eventually convicted of contempt of court and given suspended sentences. The Minister visited British Columbia in early December and met with both the Haida and his counterparts in the provincial Government and, as a result, the province agreed to a series of meetings with Haida leaders. Logging was temporarily suspended for the Christmas season. Logging resumed on January 20, but the Haida have suspended their blockage pending another meeting on the issue with the B.C. Attorney General which is scheduled for early in February. It would not be appropriate to speculate on what the outcome of this meeting might be. I can assure the House that the Minister stands ready to offer whatever further assistance he can to all the concerned parties in seeking a solution to this dispute.

*Adjournment Debate*

• (1810)

YOUNG OFFENDERS ACT—REQUEST FOR AMENDMENTS TO DEAL WITH SENTENCING

**Mr. Alan Redway (York East):** As you know, Mr. Speaker, I have asked a number of questions in this House over the past year and a few months relating to the Young Offenders Act and problems with it. I asked a question relating to the Young Offenders Act on December 19 that specifically dealt with the case of a 14-year-old who was charged and later convicted of the murder of three separate individuals. The penalty meted out by the judge on that conviction was limited to a total of three years, because of the provisions that now exist in the Young Offenders Act.

After I asked that question, Mr. Speaker, as you are aware, the Solicitor General (Mr. Beatty) announced that he was going to be bringing forward amendments to the Young Offenders Act. That was a source of great delight to me, and I believe to most of the people in this entire country.

For many months now a great number of problems with the Young Offenders Act have been pointed out in this House. Police forces across the land, parole officers, members of the public and a great variety of people in this country have expressed concern about a number of difficulties that exist with the Young Offenders Act. Nobody has ever suggested that we should do away with the Act altogether, scrap it or go back to the Juvenile Delinquents Act or any similar legislation. What we have been suggesting is that there be amendments to the Act, amendments that would deal with the problems that have been arising, and arising quite regularly across this country since the Act came into force.

The Solicitor General has now announced that he is going to be introducing a series of amendments that will hopefully deal with most if not all of the problems that have been pointed out over the last few months. He has indicated he is first going to be dealing with the question of violation of conditions of parole, or those who fail to keep the peace while they are on parole. That is a problem that has been pointed out by police departments and law enforcement agencies; the difficulty of actually dealing quickly with young offenders who breach the terms of their probation. The Solicitor General has now, to the delight of everyone, indicated that he is going to be introducing amendments which will allow the police to deal more effectively with the detention of young offenders after arrests. There are difficulties relating to different categories of young offenders, whether at the lower or upper end or the range defined by the Young Offenders Act.

In addition he said that he wants to make some changes with respect to that part of the Act that states that a young offender's name cannot be published, even in a situation where that may present a danger to the public. The Solicitor General has indicated that he is going to propose amendments to the Act which will allow for the retention of records of young offenders acquitted of crimes, particularly in instances where they have been acquited by reason of insanity. At the moment those records are destroyed; no record at all is kept. He has indicated that he is going to make it a crime for an adult to counsel a young person to commit a crime. That will be included in the Criminal Code, of course, rather than the Young Offenders Act. He has indicated that he is going to make changes to the rules of evidence with relation to corroboration of children's evidence. Finally, he is going to make some changes with respect to the maximum sentences that can be meted out.

Now, all of those things are excellent suggestions and I applaud the Solicitor General for them, but there are still some problems. There is still that problem, as I pointed out in my question of December 19, dealing with the matter of a 14-year-old who was tried as a juvenile offender, not tried as an adult under the Criminal Code. In that case, the Solicitor General indicated that under the Young Offenders Act that sort of proceeding could be moved up to an adult court but the provincial Attorney General has indicated that the problem lies with the Young Offenders Act. I do not know who is right but I think we need to have the question clarified. We have to make sure that the public understands that if there is provision now in the Young Offenders Act to deal with that, it should be dealt with that way and that the problem does not lie with the Act.

• (1815)

Second, there is still the problem in relation to those who are under 12 years of age. That has not been dealt with by the Solicitor General of Canada in his suggestions for amendments to the Act. I think it is still a problem which troubles police departments and the public across the country. I hope the Solicitor General will address that problem so that we can put to rest once and for all the fears and concerns of the people of Canada with respect to the Yound Offenders Act. It would be dreadful if we introduced amendments to the Act and then found that they did not deal with all the concerns and problems.

Obviously, we will have to see the actual amendments before we can put to rest the concerns of the public. I hope that tonight the Parliamentary Secretary will tell us that all of these things including the problem relating to those under 12, will be deal with and dealt with adequately. Perhaps then we will be able to put to rest the fears of the people of Canada.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, the Young Offenders Act has established a comprehensive process for dealing with young people who have been accused or convicted of criminal offences. Its various procedures and programs seek to ensure that the particular needs of the adolescent offender are recognized and responded to. The Act has created a basis for a system of juvenile justice that has been broadly supported.

The limits of the Act and of juvenile justice are also recognized and the legislation, therefore, provides for young people accused of serious crimes to be tried in the ordinary courts as if they were adults. The Act provides that at any time before the courts have made adjudication, the Crown or the young person may apply for a transfer and the court must then decide whether or not to make such a decision.

In giving consideration to this matter, the court must take the following factors into account: first, the seriousness of the offence and the circumstances in which it was committed; second, the age, maturity, character, background and record of the accused; third, the adequacy of the Young Offenders Act or the Criminal Code to deal with the circumstances of the case; fourth, the availability of treatment and correctional resources; and fifth, any other factors raised in the hearing that the court considers relevant.

In making its deliberations, the court is guided by the principles of the Act which are specifically stated in Section 3 of the Act including the declaration that (*a*) young people are responsible for their own behaviour; (*b*) society must be afforded the necessary protection from illegal behaviour; and (*c*) the special needs of young people should be dealt with.

Clearly the Young Offenders Act has made provisions that enable courts to assess individual cases and make determinations about the most appropriate way of dealing with specific situations. This way the law and the courts are able to react to the need to protect society without abandoning the special needs of young people immediately.

The transfer provision has proven an effective means of dealing with these two issues, and transfer hearings have permitted the facts of each case to be thoroughly examined and, as necessary, appealed before the superior courts. It is obviously crucial then that the hearing itself take place. The Solicitor General (Mr. Beatty) will therefore propose an amendment to the Young Offenders Act that will require a mandatory transfer hearing where there has been a death. Under the present law, a hearing is at the discretion of the Crown. This proposal would ensure that the juvenile justice system retain the flexibility it requires while guaranteeing that the question of transfer be heard by the courts in every case where the most serious crimes are involved. This and other matters will be placed before Parliament as soon as possible. I thank the Hon. Member for York East (Mr. Redway) for bringing this matter before the House of Commons at this time.

● (1820)

## TRADE—WATER RESOURCES—POSITION OF CANADIAN NEGOTIATOR. (B) GRAND CANAL PROJECT

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I rise to pursue a question I asked first of the Secretary of State for External Affairs (Mr. Clark), and then of the Prime Minister (Mr. Mulroney), although the Prime Minister chose not to answer my question and had the Secretary of State for External Affairs answer it. It had to do with the position of the Government of Canada with respect to water exports. I am referring in particular to the concerns which many Canadians have about the opinions expressed both before and refer Mr. Reisman's appointment as Canada's free trade negotiator. He is well known as a promoter of what is known as the Grand Canal project, which is a project to dam James Bay and pipe the water back down into the Great Lakes and to the United States.

Mr. Reisman in the past has said that in his view water exports could be the cornerstone of any free trade agreement with the United States. It has been worrisome enough that someone as well known as Mr. Reisman would have this view, but more so to myself and others when people like the now Premier of Quebec, Mr. Bourassa, are promoting this game. We know that there is a powerful group of people in the country who are in favour of this proposal.

Mr. Reisman was made the chief negotiator for the Government of Canada on free trade. The Government was asked its position and the Secretary of State for External Affairs said to me on a previous occasion in the House that water was not on the negotiating table. That is why it is a mystery to me that the chief negotiator continues on occasion to talk as if it is.

I asked the Secretary of State for External Affairs to clarify the Government's position which, as far as I can make out, continues to be that water is not on the negotiating table. I asked him to tell Mr. Reisman that in his capacity as chief negotiator for Canada in the free trade negotiations with the United States he should shut up about water exports, if for no other reason than out of respect for the view of his employer, the Government of Canada, which has said that that is something that is not to be discussed. I also wanted to find out where the Prime Minister stood on this question. I asked him to tell the House whether or not he maintained his earlier enthusiasm for the Grand Canal Project. The Secretary of State for External Affairs, said I was referring to things people said before they came to this House. I am not referring to things people said before they came to this House. The Prime Minister in this House previously indicated that he regarded this project with enthusiasm. So we need the Prime Minister's clarification.

We also need clarification from the Liberal Party. It is confusing for the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) to rise and ask difficult questions of the Government about Mr. Reisman's pronouncements on water export when right behind him is sitting the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) who has risen in the House to ask questions and to say things which have been positive about the Grand Canal project. The Liberal Party like to have it both ways on free trade and on a number of other issues and it is trying to have it both ways on the Grand Canal project and our water exports. I do not believe my colleagues in the New Democratic Party, or the Government, should let the Liberal Party get away with that. I believe that should be pointed out and that is precisely what I am trying to do here today. We have some very powerful Liberals in this country who are lining up behind that project. It is not just the Premier of Quebec. I know there are former Liberal Members of Parliament involved in the promotion of this scheme and who are very excited about it. So I think it is misleading, to say the least, on the basis of the questions asked by the Hon. Member for Winnipeg-Fort Garry, to assume that the Liberal Party has somehow made up its minds about water exports and about the Grand Canal projects because it certainly has not.

● (1825)

I know the Parliamentary Secretary will not be able to clarify the Liberal position on this, but I hope he will be able to clarify the position of the Prime Minister and his Government. I hope that what will be forthcoming will be a statement by the Government that they have made it very clear to Mr. Reisman that he is not to talk about water exports anymore, that he is not to talk about the Grand Canal project, and that he ought to show respect, if not for the views of the NDP environment critic, at least for the views of the Government whose very handsomely-paid employee he is.

**Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, I will try to clarify the issue for the befuddled Member.

In the past few months many attempts have been made to link the question of large-scale export of water by diversion with that of Canada-U.S. trade negotiations. The Hon. Member has been involved in that. The Government has made clear on more than one occasion its position on these assertions. In fact, as early as September 30, 1985, the Minister of the Environment (Mr. McMillan) stated, at the time of the release of the report of the federal inquiry on water by the Pearse Commission, that he saw no linkage between exports of water and free trade. Since then the Government has reiterated the position that Canada-U.S. trade negotiations will be just that—trade negotiations—not negotiations designed to surrender in any way Canada's control over our own natural resources. The Government of Canada has not been approached by any U.S. state or federal agency, formally or informally, on the question of exports of water.

**Mr. Blaikie:** What about Canadian?

**Mr. Cook:** Nor is it expected that this topic will be raised in the context of trade negotiations.

Much has been made of late concerning Mr. Reisman's views on water exports to the U.S. Mr. Reisman has stated clearly that he has not commented upon or issued any statement concerning water exports since his appointment as free trade negotiator. Recent comments concerning water published in the media and attributed to Mr. Reisman were in fact drawn from an unauthorized statement given by a member of Mr. Reisman's staff without his knowledge. Mr. Reisman, as trade negotiator, obviously will take his instructions from the Government, and the Government has made it perfectly clear that Canada will always retain full control over its natural resources.

Surely that answer should be sufficient, even for a Member who wants to continually confuse things.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

# HOUSE OF COMMONS

**Tuesday, January 28, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

The House resumed from Monday, January 27, consideration of the motion of Miss Carney that Bill C-85, an Act to amend the Petroleum Incentives Program Act, be read the second time and referred to a legislative committee.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, in opening the debate for the Liberal Party I would like to comment on the address by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid). In his opening remarks he said that his Government was elected because the people wanted a change. I think they got it. A good Liberal Government has now been replaced by a Government which makes one devastatingly bad decision after another, which has a very detrimental effect on Canadians and their economic future.

**Mr. Gustafson:** What about the 21 per cent interest rates?

**Mr. MacLellan:** The Parliamentary Secretary said it was a goal of the Government to do away with the National Energy Program. I would say that it was not only a goal, it was an obsession. Having developed this mania, the first and foremost pillar of the energy policy of this Government is to do away with anything that had any relationship whatsoever with the NEP. The Government did this instead of looking at the programs to determine for itself what would be in the best interests of Canadians.

Another thing of great concern to me is the abandonment of the Foreign Investment Review Agency and the implementation of Investment Canada. I am very concerned about this, particularly now. With the reduction of oil prices we are entering a period where Canadian companies with a high debt load are very, very vulnerable. The Prime Minister (Mr. Mulroney) said in his speech in New York in December of 1984 that Canada is open to investment. I am concerned that what Canada is open to is raids by foreign corporations on Canadian companies. If oil prices continue to decline and stay down, as I think they may, for even a short period of time, then Canadian companies with high debt loads and oil and gas reserves are very vulnerable to foreign multinationals who do not want to do their own exploration because they find it easier and cheaper to pick up the assets of Canadian companies at bargain-basement prices. Nothing in this Government's philosophy would prohibit that from taking place. This situation has to be watched very closely because if we do not monitor it from the very beginning we could very much regret it later on.

The Parliamentary Secretary also mentioned that the Government was interested in the deregulation of communications. This also is a subject of great concern to me particularly where it affects the CBC which has had its budget severely reduced. The CBC is very much admired throughout the world, and for the last 40 years various Governments have considered it to be part of the cement that binds this country together. I am very concerned that it may be reduced to a remnant of its former self. I am also very concerned about our book publishing industry being placed on the table in our free trade negotiations with the United States. I am concerned as well about those negotiations themselves. The way this Government is developing it, free trade seems to boil down to: What does the United States want? Let us be nice to them. Let us be perceived as being more than friends, as being agreeable. Let us be perceived as not interfering with the wishes of the United States in whatever relationship it wishes to have with Canada. I think that is a rather frightening position to take, particularly when these free trade talks will have such tremendous importance for the future of Canada. If we tie ourselves down to a continental approach to free trade leaving no room for latitude on an international basis, and do away with the trade surplus that we have just because the United States is not happy with it, I think we will be asking for economic disaster in the future.

• (1110)

There is a position which could be taken which is more important and serves Canada's interests much better than does the present one. I am concerned that we are giving the country the appearance of being too agreeable. We are talking free trade with the United States in the belief that that is what they want to talk with us. The indications from Americans are not that they want to talk free trade on a one-on-one, equal-partner basis. We are having difficulty convincing the United States of the importance of some of our industries. I have already mentioned the book publishing industry and other things that we want to keep off the table. We are having trouble convincing them of the importance of our fisheries in Atlantic and western Canada and of the fact that these industries should not be available for countervailing tariffs.

**Mr. Malone:** Mr. Speaker, I rise on a point of order. I am most willing to listen to the Hon. Member, but I am hunting

for the relevance of book publishing, fishing, and trade with the Americans to Bill C-85 which deals with PIP grants. If the Member cannot tie those together, perhaps he should conclude that he has concluded his speech and cannot think of anything else to say and is, therefore, doing what he is doing now.

**Mr. MacLellan:** Mr. Speaker, I appreciate that the Hon. Member is at least listening to my speech. From the non my comments would go downhill. I am replying to the comments made yesterday by the Parliamentary Secretary. If the Member will give me his continued attention, he will hear some other points which he may consider to be more relevant. I hope he will be generous in that regard.

I am also concerned about the attitude that is being taken in the United States with respect to the import of oil and gas, particularly that imported from Canada. As the Hon. Member who just intervened knows, as do all other Members in the House, the American Government wanted a more reasonable price for natural gas imported into the United States. This was granted and a very reasonable pricing mechanism was set in this regard. We are now hearing disturbing rumours of the possibility of an import tax to apply to oil and gas imported into the United States from Canada. This is all in the context of free trade and I think it is a disturbing environment in which to have these discussions on free trade.

I am also concerned about the comments of our chief negotiator who has mentioned that he favours the inclusion on the table of the sale of water from Canada to the United States. We know that eventually the thing that Americans will want most from Canada will be Canadian water. For the negotiator to say that what the Americans want most is what he wants to give them, does not appear to be good negotiating practice.

I feel that through this Bill the Government is abandoning the whole thrust of off-shore exploration. That is very damaging for frontier development. The Government has said that it is going to be doing away with the Petroleum Incentives Program, but will replace it with an exploration tax grant and that this will be the answer. However, that is certainly not the answer. We have seen that it is not the answer as exploration on all frontier areas, including the off-shore, is declining. It is maintaining a certain level that is not, in itself, alarming, mainly because the petroleum incentive grants will be continued until the end of March of this year and then will be grandfathered to December of 1987.

However, the outlook for the period after March 31 of this year, and particularly after December of 1987, is a concern to areas that have come to depend on off-shore explorations and to Canadians in general who are very concerned about the security of supply of oil and gas. That will be very, very important in the future. We cannot for a minute assume that our conventional resources will be enough to carry us through for very long. Due to the way in which we are selling them, we need to replenish our reserves in order to be able to assure Canadians that there are reserves within the Canadian boundaries that will be there when we need them.

It is shortsighted to ignore the security of supply question. I was pleased to hear the Parliamentary Secretary make mention of his Government's commitment to Canadianization. I do not, however, agree with his statistic that in the last year the Government increased Canadianization from 42 per cent to 47 per cent, more than the former Government did in the previous three years. In the previous three years the former Liberal Government increased Canadianization from 28 per cent to the 42 per cent level.

I am hoping that the Government will not rest on this statistic of 47 per cent, as the Parliamentary Secretary has assured me it will not. I hope the Government will continue to increase the Canadianization of our oil and gas industry. The increase from 42 per cent to 47 per cent is almost entirely the result of Olympia & York's purchase of Gulf Canada and the takeover of Gulf Canada's downstream assets by Petro-Canada in Ontario and western Canada. We now know, of course, that Ultramar has taken over the downstream assets of Gulf Canada in Quebec and Atlantic Canada.

It is very important that we maintain this Canadianization theme. That is not to exclude multinationals, because I feel that the exploration, refining, and marketing of oil and gas in the country owes a great deal to foreign corporations because they have shown us the way.

To a large extent, people who work for Canadian companies at present started in the oil and gas industry with multinational and foreign oil companies. However, we cannot forget about the Canadian aspect as, I think, has been done in this sale. I think we are telling Canadians that we will look at the statistics of Canadianization, but unless you are a Canadian company that can beef up the statistics and that is meaningful in the percentage of Canadianization, we really do not have time to be concerned about your problems. I am afraid that that will reflect itself if this new Bill is passed. This Bill is doing away with what was an 80 per cent grant under the Petroleum Incentives Program to Canadian companies that are not paying taxes and giving these same companies a 10 per cent grant, or 40 per cent of the exploration grants which the Government is offering under this proposed legislation.

• (1120)

I believe the effect of this will be to remove small Canadian companies completely from frontier exploration and place them in great difficulty. When one also considers the position in which the Government has placed Canadian companies as a result of the Western Accord, by not leaving any buffer for them in times of declining oil prices, one realizes that these Canadian companies will be hurt very badly.

It is unfortunate that the Government decided that it should remove the new oil reference price, which was of great help to Canadian companies. Now small Canadian companies that have investments and are indebted are on the same footing as the multinationals which have their resources and no debt problems. Furthermore, these multinationals have vast supplies of old oil on which they will be able to declare a windfall profit.

It is disturbing to think what this Bill will do for offshore exploration and exploration in the Beaufort. We have seen that the Petroleum Incentives Program does pay dividends. Frontier exploration was going nowhere until the former Liberal Government convinced Petro-Canada that it should be involved in this exploration. At the time Petro-Canada became involved in Hibernia and Venture, those two projects began to take hold. We have seen the reserves that have been delineated in Venture and the very positive results—

**Mr. Malone:** Mr. Speaker, I rise on a point of order. I am attempting to listen to the Hon. Member and ascertain the point he is making in his speech. He has mentioned that the exploration did not take place in any significant amount until the policy of the last Liberal Government.

**The Acting Speaker (Mr. Charest):** Order. Obviously that is a point of debate. I admit that it may be a point, but rather than a point of order, it is a point of debate. All Members will have a chance to participate in the debate.

**Mr. MacLellan:** Thank you, Mr. Speaker, for protecting me from that unruly group opposite. Let me return to the very pertinent point I was making concerning Petro-Canada's very important role in developing the offshore exploration and delineating the reserves with respect to Hibernia. We have been encouraged in recent months by the finds in Hibernia, such as Ben Nevis. The most recent find is the Husky Bow Valley discovery. We have also been encouraged by the announced discovery by Gulf in the Beaufort. Therefore, we are finding very significant reserves of oil and gas on the frontiers. What is the policy of the Government with respect to utilizing and developing these discoveries in the near future? I suggest that it is as a result of the Petroleum Incentives Program that we have reserves that can be developed now.

I believe that a great deal more of delineation drilling must be carried out to establish further the size and context of these reserves. This will not happen under the amendment that the Government is making in Bill C-85, and I believe that is unfortunate.

At least through the actions of the former Government with the Petroleum Incentives Program we know that some reserves exist and can be developed in the near future. It is very important that these be developed soon because we are rapidly running out of conventional supplies, particularly in oil. If we do not begin planning to bring on these new supplies we will leave ourselves in a vulnerable position.

Let me explain the serious effects these provisions will have in Nova Scotia. In September, 1984, there were nine rigs operating off the coast of Nova Scotia. After the Government's announcement of these planned amendments to the Petroleum Incentives Program and its eventual replacement with the exploration grants, there was just one rig operating off the coast of Nova Scotia one year later. In September, 1984, there were 3,000 people employed in the offshore of Nova Scotia, but there are only 500 people employed at the present time. That is a very serious reduction in activity in Nova Scotia and we hope that this can be turned around. However, in order for this to happen, it must be done by the multinationals through the format of these amendments.

The multinationals will wait until they feel the time is right to do any further work and, therefore, all of our frontier resources may be left where they are in their present undetermined and insufficient state of delineation. This is a concern to all of us who are worried about our security of supply, the Canadianization of our oil industry and the state of our energy policy in this country.

I believe it is significant to note that the Government has been saying continually that it wants the market to tell it exactly what should be done. I am afraid that the market will do just that, which means nothing will be done in the future in frontier development.

There is a severe contradiction in this case, which is typical of the Government. It relates to the specified portion which the Minister says she will invest between the end of March, 1986 and the grandfathering period for the Petroleum Incentives Program to the end of December, 1987, which allows the Minister to determine how much she will invest in the Petroleum Incentives Program. This gives her great latitude and directly contradicts her statement that she wanted to let the industry know what would be available to them so that everyone would have an equal opportunity.

There are those who say that all oil companies, regardless of their country of origin, should have an equal opportunity. I am not ashamed to say that this Party is not opposed to giving Canadian companies an advantage in this country. Canadian companies, particularly in the formative years, take very great risks because of the difficulty of establishing a foothold in the oil and gas sector. We have seen many of them suffer financial set-backs as a result of the recent recession. Some of them are still in difficulty, and I think it is unfortunate that these companies may not be allowed to regain their feet and participate in a meaningful way in this oil and gas exploration.

I ask the Government to reconsider these amendments and to consider proposals that have been made by other groups such as the Independent Petroleum Association of Canada who have set forth to the Minister their own recommendations for the replacement of or amendments to the Petroleum Incentives Program Act. Its recommendations were not adhered to. But if there should be changes to this program, then the changes presented by the Independent Petroleum Association of Canada are very reasonable and I think they should be examined and re-examined by the Government. I think it is unfortunate that that has not been done.

• (1130)

More consideration must be given to frontier development, to the areas affected and to our energy future. We must have assurance of supply. I am concerned that judging from the way the Government is talking, no special attention will be given to frontier oil exploration and development. I am not only concerned about the frontier but also about the fate of projects like the Husky upgrader. I feel as well that it is very important

to encourage exploration in the western sedimentary basin in western Canada. I think it is a very important sector for job creation and it will be very important for the economic development of western Canada. But the Government has given billions of dollars to the oil companies through the abandonment of the petroleum revenue gas tax. This will mean billions and billions of dollars lost to the private sector by 1990. One estimate is that by 1990 the Canadian taxpayer will have lost a total revenue source of $12.2 billion and this money will go to the oil and gas industry.

The Minister has said that she is confident that this will flow through to exploration and development, which will create an engine for growth in the energy sector and will be of benefit to all Canadians. We in the Liberal Party would like to be assured that this will happen, but we do not have confidence that either the Minister or this Government really know what they are doing in relation to this ambition. We have not seen any lasting indication other than some platitudes given out by the multinationals and the large players in the oil and gas industry. We have not seen any concrete action being taken. Granted, it will take time for the intentions of the industry to manifest themselves, but we have not seen the intention clearly that the industry, on a continuous basis, will put back into exploration and development what they have been given through the abandonment of the petroleum and gas revenue tax.

One of the great tests will be what this industry is going to do with respect to frontier development, if it is going to continue to explore. Indications are that it is moving away from frontier development. Fortunately, we have these optimistic finds which will, hopefully, keep the attention of the oil and gas sector so that it will continue to explore and develop these very great potentials. The tragedy is that it is almost certain that the small Canadian companies, and perhaps companies other than Petro-Canada, will not be able to participate in exploration and development when the PIP program is finally over.

I think it is very unfortunate for the long term future of our oil and gas industry that the Canadian companies are being shut out from the role they can play and the benefits they can achieve. I ask the Government to reconsider the amendments it is putting forward in Bill C-85. I ask it to consider the need for further exploration of the frontier and the fact that these resources should develop. I ask the Government to assure us that there will be a higher percentage of Canadian participation than is becoming evident at the present time.

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, our energy critic is unavoidably absent today so I have the opportunity to say a few words about the Bill to amend the Petroleum Incentives Program Act. This was a controversial program right from the beginning. I remember it well when we were debating it during the debate on the series of Bills which brought in the National Energy Program. It was something that the New Democratic Party opposed at that time on the basis that this was another form of a historical series of giveaways to the energy sector and to the oil companies in particular, and another form of the energy policy whereby Canadians should pay the shot for exploration, a policy entrenched over the years under successive Liberal Governments.

I believe at one time in the North we were paying 110 cents for every dollar that was spent on exploration. The Canadian taxpayer was taking all the risks, yet it was the companies which actually found some profit from the distribution and sale of that particular resource. So the Petroleum Incentives Program was part and parcel of that approach to energy development, and in that respect it deserved all the criticism it received at that time.

The irony is that that policy has been done away with by a Conservative Government, and one would like to think that is because there has been a change in direction. Well, there has been some change in direction in terms of the rhetoric of the Government about relying more on the market-place, but we still have an energy policy that is based on public risk and private development.

The Hon. Member who spoke before me indicated that the Government, although it is taking away the Petroleum Incentives Program from the energy companies, also gave to the oil companies in the form of the abolition of the PGRT some—to use the Hon. Member's figures—$12.2 billion. So we have not had a change in the over-all approach that the public should make the investment and take the risk, and the private sector, with the exception of Petro-Canada, should take the profit where profit is eventually made, in what I admit is sometimes a very long term process, with great lead times. Nevertheless it is a policy which we in the New Democratic Party find objectionable. We find it so because our view with respect to resource development has always been that if it is the public that has to pay for the exploration and the development and take the risk, then it is the public that should ultimately have the equity, ownership and control of those resources. This seems to me to be, in a strange way, in keeping with the free enterprise philosophy of Hon. Members opposite. Those people who take the risk ought to benefit when, having taken that risk, things turn out well. That has been the argument that has been proferred with respect to why entrepreneurs should have the full benefit of whatever profits come from their particular investment. After all, it was they who took the risk, so they should now reap the benefit, having been willing to take that risk with their money. I make the same argument on behalf of the Canadian public. If it is the money of the Canadian public which is being used to take the risk, if its money is being invested in exploration and development of energy resources, whether it is offshore, in western Canada or wherever it happens to be, it should be the public which reaps the benefit of that risk in terms of ownership, in terms of control and in terms of the ultimate profitability of the resource. For some reason or other that has always been an anathema to the Party which forms the Government now and, in many respects, it was only very partially accepted by the Liberal Party when it was in Government in the form of the National Energy Program.

• (1140)

Perhaps Governments have had to sink so much money in one way or another into oil and gas exploration because there is something fundamentally uneconomic about our approach to energy policy. I say "uneconomic", because if we use "economic" in the strict, capitalist sense of the word, and if exploration and development of these resources were so economic, it would not require massive public investment in the first place. This would have been something which the private sector could have done on its own in the expectation that it would have been a worth-while investment. I say that only to pose the question of whether or not we should have been on a different track altogether for some time now. Instead of our response to the fact of dwindling conventional oil reserves being that we had to search madly for every last drop of oil within our territory, regardless of the environmental and social consequences of that particular activity, we could have faced up to the fact that Joe Green was wrong in a different way. Joe Greene, the former Liberal Minister of Energy, told us at one time that we had enough conventional oil to last us for hundreds and hundreds and hundreds of years. That was just before the energy crisis.

We could have faced up to the fact that Joe Greene was wrong by taking a conservationist approach to energy policy. I realize that some things happened. There was the Canadian Home Insulation Program and the program for conversion from oil to gas. There has been a number of conservation programs undertaken by various levels of Government in Canada. However, all these things together are just a drop in the bucket compared with the money which the public has been consistently asked to spend on this other approach, that is, to spend billions and billions and billions of dollars on frontier oil and gas exploration.

I am not maintaining that these resources should never be developed, but I am maintaining that they should be developed by the public, for the public and only when it is possible to do it in a way which does not disrupt the very sensitive environment or ecosphere that we find, for instance, in Arctic Canada. The price we will pay to find that last barrel of oil, if we go about it in the way in which we are now going, will be too high in the final analysis, not just in terms of price per barrel on the market-place or what we may not get back for our investment, but too high in terms of the social and ecological consequences.

I think also of what could be the consequences of too rapid or too eager development of our offshore resources in Atlantic Canada. Perhaps people who are on site and are involved in it have less reason to worry than someone, I admit, speaking from a distance who has not been able to see exactly what is happening. However, I say this as one who worries about these things. It has been one of my nightmares that there should be a blow-out on the East Coast and that terrible damage should be done to our fishery, a renewable resource which, if cared for properly, could go on for thousands and thousands and thousands of years. Yet, we put these renewable and everlasting resources at risk when we try to do things in a hurry because we are not willing to take another and possibly even more difficult approach in terms of public opinion, that is, to ask Canadians to accept the reorganization of our energy life so that we can be more conserving of the resources that we have and do not have to be pushed to the wall in the development of as yet unavailable resources. I put before the House this choice, which I think we still have not in the expectation that the Government will suddenly change its mind, but because I think these things have to be put on the record constantly.

In this context, because I have been talking about our whole approach to energy policy and because the Bill is part and parcel of the Government's approach to energy policy, I should like to say a word about the role which I think Petro-Canada could play in our energy policy, if the money, for instance, which was being saved by the cancellation of this particular program were to be used for the appropriate expansion and development of Petro-Canada. I find it increasingly difficult these days to speak about Petro-Canada because not only the Conservative Government but the Liberal Government before it asked Petro-Canada to operate in a way quite similar to any other large corporation. For me, this violates the reason we want a Crown corporation in the first place. Crown corporations have been put in a very difficult position because they have been asked by successive Governments to operate on a commercial basis, going back to the mid-1970s when the Government of that day asked the CNR to operate strictly on a commercial basis. It has not as yet totally done that, but it has made decisions on that basis. Crown corporations by these decisions have been put in a very difficult position. They have been unable to operate in a way that would bring to them the kind of credit which could and would come to a Crown corporation if it were to do what my colleagues and I think Crown corporations should do in any event, that is, to be an actor in the market-place, which is different from the role of other actors in the market-place. Petro-Canada, unlike other Crown corporations, should be an example to others in northern development when it comes to dealing with native people and to a sensitivity to the environment. It should be an example when it comes to sensitivity to employment needs and the needs of communities, workplace safety and health, all these kinds of things. However, I have to report sadly that this is not the case. There has been the odd occasion when Petro-Canada has done something which was a cut above the rest of them, but on many other things I have been furious with Petro-Canada for acting just like every other corporation.

• (1150)

Petro-Canada has, like everyone else, done away with its full service stations and the jobs that are available to young people. They tore out their full service stations and put up self-serve stations. In my view we have far too many of them. I would have thought that PetroCan, of all Crown corporations, would not have done that, or that it would not have been a Crown corporation that tore up a very traditional location in Winnipeg of a restaurant and gas station and put in a self-serve station.

These actions, as well as those with regard to price, have, over the years, eroded to a certain extent the enthusiasm that

people have had for PetroCan. I want to say to the House, and to Canadians through the House: Do not be discouraged about the possibilities because of what various Crown corporations have been instructed to do by their various Governments. The Crown corporations still have that potential, which was always there and stil is there, to be the kind of economic instrument that the people who originally thought of Crown corporations knew they could be, that is, acting in the public interest and able to do things that other corporations are not able to do, and do them better, in a more socially and ecologically responsible way because they are backed up by the Government and by the people of Canada through their Government. They do not have to be accountable to their short-term profit margins.They do not have to make bad decisions based on what their last quarterly profit margin was. They do not have to lay off people to get a better credit rating because, as it is now, the Government has said to them, "You have to borrow money on the open market now; you cannot come to us any more".

All these bad decisions that Crown corporations make often have their origin in the instructions that they have been given by Governments. That is why these are fundamentally political questions in the final analysis. People are angry. I have complaints about PetroCan not charging less for gas than other companies. Well, it is very difficult for a Crown corporation to operate that way if it has been told by Government that that is not the way it is supposed to operate. In some cases the people like to have it both ways. They want Crown corporations to make money, they do not want them to lose money, but at the same time they want the Crown corporations to give them a break in terms of price. There is that irony there as well.

In any event, I think the larger point is that the relationship between how we understand Crown corporations, how Governments understand them, and the instructions that are given to them. Also, how they behave in the market-place has to be better understood than it is now. Instead what we have from this Government is a mysterious policy. We are not sure whether it is asking PetroCan to behave in certain ways because it is setting it up for privatization. We are not sure exactly what the Government is doing, as is the case with so many other things that the Government does, because there are mixed messages. I suppose only time will tell just exactly what sinister plots lurk in the minds of those who will make the final decisions with respect to the future of PetroCan.

I say to the Government that if it thinks the imagination of Canadians has in any way been diminished over the last several years about what is possible in terms of public ownership in this country in those very, very important sectors of our economy like energy, then it is very sadly mistaken. That imagination may have been dulled somewhat over the years by the bad name that has been given to public ownership by successive Liberal Governments. It is still there and any Government that moves to extinguish it by making a move on PetroCan or any other major Crown corporation in this country will find, to its lamentable surprise, that the Canadian people will not put up with that kind of action.

What we have before us is a very minor amendment. It is not minor in terms of money, but it is minor in terms of changes of approach. To my mind, the Conservative and Liberal approaches to energy development, to my mind, have more similarities than they have differences. It is in the interests of both the Liberal and the Conservative Parties to make out as if they had very serious differences about how energy should be developed in this country. It serves to distract people from the fact that there are a great many more similarities than differences. The more fundamental thing to say is that the approach of both this Government and of its predecessor Government has been very, very similar. I think the extent to which it is different is the extent to which this Government at least says that it wants to rely more on the market-place. It may find that the market-place is not the happy, productive, fruitful context that it maintains it is. When it does that, maybe Canadians will then be at a point once again when they can reconsider their energy future and ask for a Government that would opt for an energy future that is based on conservation and on development of renewable resources, and that is based on a picture of the future that does not just extend into the next decade or into the decade after that, but one which tries to carry out what could be called responsible stewardship, not just for the near future but also for the future that belongs to generations to come.

**Mr. Speaker:** Are there questions, comments? On debate, the Hon. Member for Halifax West (Mr. Crosby).

**Mr. Crosby:** Excuse me, Mr. Speaker, I have a comment. Is it in order at this point to comment on the speech of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)? I was interested in his remarks concerning—

**Mr. Speaker:** Just let me make things clear. The first three speakers, according to the rules, speak for a period of 40 minutes, and now we enter into a period of debate, which I presume the Hon. Member for Halifax West (Mr. Crosby) is doing, a 20-minute speech and a 10-minute question and comment period thereafter. I am saying this because the Hon. Member for Halifax West referred to a comment. I am saying this just to make things clear. The Hon. Member for Halifax West.

**Mr. Crosby:** I do not want to engage in making difficulties. I did rise to make a comment not being aware of the process preceding the delivery of the speech by the Hon. Member for Winnipeg-Birds Hill. I see no other Members rising. If that is the case perhaps I can proceed just by way of making a comment, which was simply in relation to Petro-Canada. The Member for Winnipeg Birds-Hill paid a great deal of attention to the marketing role of Petro-Canada in the Canadian oil industry. I just want to point out to him what we have been saying in the House of Commons for some time, namely that the role of Petro-Canada is an evolving one. It has not been, as far as I know, the subject of any special terms in that role, and what we look at in Canada today in relation to Petro-Canada is simply the evolution of this organization over a period of time under its statute, which was passed in 1974. The company

was given certain purposes and objects, and it continues to have those purposes and objects. People should judge PetroCanada as they see it in the world today.

● (1200)

**Mr. Blaikie:** Mr. Speaker, the Hon. Member raised the point of the statutory nature of PetroCan. The point we have been trying to make in the last few days is the one that the Leader of the New Democratic Party (Mr. Broadbent) tried to make yesterday in response to the Minister of Energy, Mines and Resources (Miss Carney) who was reading to the House what she called the mandate of PetroCan. It was not so much the mandate of PetroCan but what she had instructed PetroCan to do and how she had instructed it to act as of a certain date.

The fact is that the mandate for PetroCan is in the legislation. If the Government wants to change the mandate of PetroCan, it ought not to do that simply by issuing instructions from the Minister of Energy, Mines and Resources. The Government should return to the House of Commons to change the mandate of PetroCan. That is certainly in keeping with the kinds of things I know Progressive Conservative Members of Parliament have said over the years about Parliament being involved in instructions to Crown corporations so that things do not happen by ministerial decree over and above what Parliament had already decided. The point we have been trying to make these last few days is that if the mandate of PetroCan is to be changed, let it be changed here in the House of Commons and not by ministerial decree.

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, I am very pleased to speak this morning in support of Bill C-85, an Act to amend the Petroleum Incentives Program Act. There were three demand-driven programs of the National Energy Program that created uncertainties in estimating and containing costs in the National Energy Program expenditures. They were, the Canadian Home Insulation Program, the Canadian Oil Substitution Program and the Petroleum Incentives Program grants. We have disposed of two of those, and now Bill C-85 disposes of the final one, one which an oil analyst has called a bad dream.

This nation's energy riches should no longer be a source of endless division and regional tension, the results of the National Energy Program. The NEP was not in any sense a national program and was only indirectly an energy program. Its central and urgent goal was to implement a political and regional program designed to keep the Liberal Party in power through the strengthening of that Party's appeal to the voters and/or consumers of central Canada.

During the years between 1973 and 1984, the producing provinces and companies had been required to subsidize directly the central Government and consumers through artificially low prices for crude oil and natural gas to a cumulative total of over $50 billion. The provisions of the National Energy Program, therefore, only further compounded the antagonism of the producing provinces which were suffering the consequences of this unfair treatment. The program was conceived under a veil of secrecy, designed to victimize a region and an industry without any discussion with the concerned provinces or the industry.

Three stated objectives of the NEP were, increased Canadian content in the energy industry, oil self-sufficiency by 1990, and increased fairness in revenue sharing. In reality, the publicly stated objectives, each sounding sincere and reasonable, were simply smokescreens for the true but hidden objectives of the program which were more wealth and more power for Ottawa. The Western Accord put a stop to the most vicious raid on the resources of one region to the principal benefit of another region that had occurred in the history of the country.

There can be no doubt that the two big losers as a result of this program have been the consumers and the Canadian exploration firms. Officials in Ottawa decided that they knew better than the market where exploration dollars should be directed. The infamous PIP system, biased in favour of Canadian firms, seduced many of them into unfamiliar and financially dangerous operations. Normal exploration investment criteria were discarded because 80 per cent of the funds came on request from Ottawa.

What has been achieved? No new major fields have been discovered. What has been lost? A great deal has been lost. Billions of precious exploration dollars have been misdirected and we have lost that greatest of all assets in the energy business, time. Investment decisions have been distorted and the future of a number of Canadian firms was placed at a very great risk. The authors of the National Energy Program failed to understand the basic reality of resource investment, which is the law of supply and demand. Even OPEC is now realizing that it cannot escape this discipline for very long.

A few years back, world prices would have resulted in a much larger piece of the revenue pie for Canada. Canadians working amicably together have never failed to make arrangements that serve the nation, and I am proud to say Albertans have always been major players in the attainment of these national purposes. Other countries adjusted more quickly to the real world of energy costs than Canada because of Liberal consumer-shielding policies. As a result, we lost ground in the competitive industrial markets of the world. The price freeze of 1973 was the industry's sentence, and its guillotine was the National Energy Program.

PIP grants were intended to meet not only the Canadianization and the 1990 self-sufficiency goals but also the need to know goal. Significant savings in PIP expenditures were achieved through the commitment by Alberta to the market development incentive program through which Alberta virtually took over the PIP program in the province itself. PIP was called a lot of things including a massive misdirection of taxpayers' money and a program that actually encouraged companies to drill dry holes.

When in opposition, the present Minister of Energy, Mines and Resources (Miss Carney) asked the then Minister if there were some limits to the hand-outs he was prepared to give to the oil and gas companies. The Auditor General pointed out in his 1983 Report that performance measurement systems,

although more advanced in the PIP operations, were generally not well developed for evaluating efficiency and developing and making comparisons to the standards. Although an attempt to develop a framework for monitoring the program's impact and effect was undertaken at one point, it was actually never pursued and it cost the federal Treasury an average of $1.6 billion per year, money that was subsidizing activity rather than rewarding success.

This Bill eliminates PIP incentives as of March 31, 1986. From that day forward companies wishing to explore and develop Canada's oil and gas resources will have to do so on the basis of geological and economic factors, not on the basis of Government hand-outs.

● (1210)

We are not abandoning previous commitments. PIP commitments which were in place before the announcement of the Western Accord will be honoured until the end of 1987. This generous grandfathering provision will enable industry to adjust to the new approach. That approach puts the emphasis on opportunities created in the market-place. Politicians and bureaucrats will no longer determine where the industry should be drilling for oil and gas. Once again, those decisions will be in the hands of industry.

The Government of Canada recognizes frontier exploration as a high risk investment which requires additional incentives to help bridge the gap between the termination of PIP and the timing of expected frontier oil and gas developments. Recently, we announced that a new tax base incentive will be introduced by the Minister of Finance (Mr. Wilson). This 25 per cent exploration tax credit will be applicable to exploration expenses in excess of $5 million per well for wells drilled anywhere in Canada. To ensure that the credit assists companies which are currently non-tax paying, it will be refundable at a rate of 40 per cent.

The exploration tax credit was made available beginning December 1 and will terminate December 31, 1990. It is an equitable and cost effective measure to encourage frontier exploration without discriminating against other regions. We anticipate the tax credit will cost taxpayers between $150 million and $250 million annually. PIP cost us some $1.6 billion annually.

In replacing PIP with a tax-base incentive we have fulfilled one of the specific commitments made in the Prince Albert statement of July, 1984. Hon. Members are well aware of the Prince Albert statement. It was a key element in the election platform on which the Progressive Conservative Party won the most resounding electoral victory in the country's history. As the Minister of Energy, Mines and Resources has said, we have achieved virtually all the goals we set for ourselves at Prince Alberta. We promised to use energy as an engine of growth, and we have done so. We promised increased Canadian participation in the energy industry, and we have achieved it. We promised fair treatment of consumers and producers; both groups are now benefiting from our policies. We promised co-operation between the federal and provincial Governments and industry, and we have delivered upon that promise as well. The Atlantic and Western Accords, the new frontier energy policy, and the natural gas markets and pricing agreement are proof that the Prince Albert statement was, in fact, a constructive reaction to the previous Government's destructive National Energy Program. In March we signed the Western Accord with the Provinces of British Columbia, Alberta and Saskatchewan. The agreement radically restructured the operating environment for the energy industry in Canada.

The previous Government was fond of acronyms. We eliminated a long list of them in the Western Accord, ones such as COSC, Canadian ownership special charge; PCC, petroleum compensation charge; and the IORT, the incremental oil revenue tax. They were representative of the burdensome tax regime under which the petroleum industry had been labouring.

As a result of the Western Accord, oil exploration in western Canada is now higher than at any time in our history. The number of wells drilled is up 23 per cent over the the comparable pre-Accord period. Land sales are up an amazing 73 per cent, which means there will be even more exploration in the West next year. The benefits from exploration and production activity do not stop at the Manitoba border. Investment and employment spinoffs will stimulate economic activity in all regions of the country. We are replacing a rigid frontier royalty regime with one that is flexible and profit-sensitive.

The National Energy Program enabled the Government to confiscate 25 per cent of successful oil and gas development in the frontier. This Government does not confiscate property. There will be no Crown share provision in the new regime. Our commitment to 50 per cent Canadianization ownership on frontier production projects is as strong as that of our predecessors; but we will achieve this goal in a more equitable and more realistic fashion.

In summary, our frontier energy policy establishes a profit-sensitive royalty regime. It establishes non-discriminatory and regionally balanced exploration incentives and a stable management regime. Finally, it establishes fair Canadianization requirements.

Oil and gas investment intentions are up by about $2 billion—more than 25 per cent over last year. This investment is creating thousands of new jobs right across the country by stimulating the exploration activity which contributes to our energy security. Foreign investors are looking favourably on Canada once again. Salomon Brothers of New York recently published a ringing endorsement of our new energy policy and investment climate. Canada can benefit from increased foreign investment. Without it, many of our energy projects simply would not proceed. No foreign investment would mean lost opportunities, lost jobs and reduced energy security.

The overhaul of the National Energy Program was one of the five economic initiatives identified by the Progressive Conservatives when we were elected last year. The others were: reduction of the deficit, establishment of a positive investment climate, strengthening of Canada's trade relations, and removal of Government obstacles in the market-place.

Important advancements have been made in each of these areas. We reduced spending this year by $4.4 billion and we have identified cuts of some $75 billion from planned expenditures by 1990. The restrictive Foreign Investment Review Agency was replaced by Investment Canada, a body which actively solicits foreign investment. We have initiated discussions on a new trade agreement with the United States. This agreement is vital to our future economic growth. The Pacific Rim has also been identified as a priority area for trade development. We removed Government obstacles in the market-place, not only in the energy industry but in other key sectors such as transportation and communication.

In the second quarter our energy trade balance of payments rose by approximately $400 million over the same period last year. Business investment was up by an annual rate of 11 per cent in the third quarter of 1985. Residential housing investment, an excellent indicator of consumer confidence, rose 63 per cent in the third quarter, one of the largest increases in ten years.

The people of Canada elected the Progressive Conservatives on the basis of our campaign promises. What sets us apart from the previous Government is that we have delivered on those promises in the energy sector, and in other sectors. That is why this country is back on the road to economic recovery.

It has been a pleasure for me to speak in support of Bill C-85 this morning.

• (1220)

**The Acting Speaker (Mr. Charest):** Questions or comments?

**Mr. Rompkey:** Mr. Speaker, I congratulate the Hon. Member on her speech and the defence she made not only of her Party's policies but of the region she comes from. She said that under the National Energy Program more wealth and power came to Ottawa. The corollary, of course, is that there was less wealth and power in the West. Would she also not agree that a case may be made that wealth and influence was distributed a little more across the country? Would she not agree that because of the NEP we had more drilling offshore? Husky, which is I think threatened under this new policy, was a major player in the Newfoundland offshore. Canadian companies benefited. Canadians got jobs in areas where unemployment is the highest in the country. This would not have happened if the NEP was not in place. She is right when she says more wealth came from the West to Ottawa, but to be fair, would she not agree that wealth was distributed to the Atlantic, jobs were distributed to the Atlantic, and Canadian companies participated in exploration in the Atlantic offshore which would not have been able to do so otherwise?

**Mrs. Sparrow:** Mr. Speaker, I appreciate my colleague's questions. I would like to address them first in the context of the PGRT which was implemented under the NEP in 1980-1981. The PGRT was a tax on gross revenues at the well-head and could not be deducted for purposes of corporate taxes. In effect it was double taxation. This unfair taxation forced many of our resource companies to cut back on their exploration budgets. If not half, easily 38 per cent of the drilling rigs in western Canada were forced to move out of the country or else the companies involved simply went broke. It also created extremely high unemployment in western Canada. Alberta's rate of unemployment went up from 3 per cent to 13 per cent to 13.5 per cent, and that is a huge jump. I recognize eastern Canada's problems, but you cannot compare them because we went up from 3 per cent to 13.5 per cent, and that is an increase of more than 450 per cent. All these people out of work meant increased unemployment insurance payments as well as welfare benefits. It was a tremendous burden on our social programs.

My hon. colleague knows that most of the money raised through the PGRT was used to offset the PIP grants. That was extremely costly. It was also discriminatory because the Liberal Government was saying that if you drill in a certain area we are going to supply 80 cents or 90 cents on the dollar. Without good, sound business judgment and good geological surveys, companies were forced into the frontiers and there is very strong evidence to indicate that they drilled dry holes simply for the sake of getting money.

You do not have to be a politician to know that you should spend your dollars wisely. The program we have introduced of gradually reducing the PIP grants and bringing in a 25 per cent tax credit incentive, is going to put the resource companies in a position where they base their drilling programs on good geological surveys and good seismic tapes before they start drilling exploratory wells. We are creating a climate which is far more beneficial for all firms.

I recognize that drilling activity on the East Coast was very strong over the last few years and the companies involved certainly were using the PIP grants. However, a lot of the activity was in areas where they did not have good geological information. I hope that over the next few years the proven reserves in the Venture situation will produce more proven reserves and that we can get some production, because certainly New Brunswick, Nova Scotia, that whole area, needs the jobs. I have to agree with the Hon. Member there. However, I think it was unfair for the Government to be handing out taxpayers' dollars to influence people to drill anywhere they wanted just so they could get tax dollars. The PGRT did put more money into Ottawa's hands and created a lot of animosity out West. The Government did not really consult or communicate with the provinces or the industry. It is most important and to everyone's benefit that we communicate and talk about our concerns and problems, not just the Government and the industry but consumers are winners as well.

**Mr. Rompkey:** Mr. Speaker, the Hon. Member also said that there should be fair treatment for producers and consumers. Is it fair to say, in doing away with the PGRT and the increase in federal taxes on gasoline, that perhaps the burden of taxation has been shifted from producers to consumers? Are consumers, particularly motorists, not paying now a greater share? We just learned a few days ago that the major oil companies' profits have increased greatly over the last year,

yet they are paying less, as my hon. friend has just pointed out, because they are not paying the PGRT. Consumers have seen federal taxes on gasoline go up 58 per cent in one year. I agree with the Hon. Member that there must be fair treatment of producers and consumers right across the country. However, would she agree that there has been some shifting of taxation from producers to consumers?

**Mrs. Sparrow:** No, I cannot agree with my hon. colleague from Newfoundland. The phasing out of the PGRT is, in one respect, putting more money back into the ground to allow further exploration and development in the resource area. If we allow resource companies the flexibility to invest in Canada, and their investment is up $2 billion over the last year, they will create jobs. People will get off of unemployment insurance and welfare. These jobs are created not just in British Columbia, Alberta and Saskatchewan. A lot of people from eastern Canada live in Alberta, especially Fort McMurray.

**Mr. Rompkey:** Yes, eight thousand.

**Mrs. Sparrow:** Eight thousand. I am thrilled about that because this country has to work together. That is what the Hon. Member is driving at. We have to look at all regions and their economies. I cannot agree that it has shifted the tax burden. It does allow resource companies the flexibility to go out and invest in the country, create more activity and jobs. We will then have more housing starts and get people off social welfare programs.

The new 25 per cent tax credit will work extremely well. The Government has discussed this with the industry and its provincial counterparts. They have all agreed. So I am sorry but I cannot agree with the Hon. Member concerning the shifting of the burden.

**Mr. Mayer:** Mr. Speaker, I have just a brief comment on the exchange between the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) and the Hon. Member for Calgary South (Mrs. Sparrow). They have talked about some programs and creating employment in one region or another. We should remember that we do not make good use of our resources and make our country strong by weakening one region as compared to another. There may be concern about jobs that were created in the eastern part of the country as a result of the National Energy Program remaining, but he should remember what the National Energy Program did to western Canada. I have never heard a more graphic illustration of what the National Energy Program meant to western Canada than this: I had an opportunity to talk to a young couple in northern Alberta who were in the energy business. They were digging sump pits and preparing sites for drilling rigs. They were a young couple, presumably in their mid-thirties, starting out with a stake in their country, building a home in a community, and establishing some family ties and roots. They told me that when the National Energy Program came out they went to work the next morning digging sump pits. As a result of the National Energy Program's impact on the company they were working for, they filled in those same holes that afternoon.

• (1230)

That is what the National Energy Program did to western Canadian drilling activity, and that affected jobs right across the country. We should bear in mind that if we have a resource, it is Canadian and should be thought about as being developed in the Canadian context for the good of all Canadians rather than for the sake of pitting one region against the other.

When one thinks in terms of what happened to the one young couple whom I had an opportunity to visit with in northern Alberta, and of how that related to the whole province and the whole western region, one has an idea of the impact on employment in that part of the country and what it subsequently did to employment in other parts of the country. We should think about this as a natural resource for the benefit of all Canadians, rather than talking about whether one region should have it or someone else should control it. We should develop it in the best interests of us all.

**Hon. William Rompkey (Grand Falls-White Bay-Labrador):** Mr. Speaker, the value of this Parliament was brought home to me again today because, following my friend from Calgary South, I get the opportunity to give a view from the Atlantic region. I thought her speech was a good one and that she certainly defended her particular area, which is what she was sent here to do. She certainly defended the policies of her Party, which is also what she was sent here to do. However, it is for the people of Canada to judge. I think that in any fair debate there must be a balance in order to let them come to that judgment. I would like to try to give a view from Atlantic Canada because its view of PIP and the National Energy Program is quite different.

The Hon. Minister across the way says that it is a Canadian resource which must be treated as such and looked at fairly. It is true that it is a Canadian resource. The problem is that that Canadian resource is in various parts of the country. It is in the West, in the East, and in the Beaufort. We are not talking about weakening one area at the expense of the other, but about the regional disparity that exists in the country. All sections of the country are not equal.

There are 8,000 people from the Atlantic area in Fort MacMurray simply because there are no jobs back home for them to take. I do not think it is a bad thing for Atlantic Canadians to be working in the West. Thank God that the West was able to produce jobs when it did. However, a lot of those people would rather have stayed at home if they could have done so. The greatest export of Atlantic Canada has been some of our best young people. It is not that they do not like western Canada. They have simply had to go there because they had no alternatives. I would rather they had chosen western Canada as an alternative, given options, rather than simply have gone there because they had to. That is the problem in the Atlantic area.

I hope that sets the theme for what I want to say. I am talking about an area which, historically in the country since Confederation, has been disadvantaged. We do not like that, but it is a reality. That is the basis upon which I want to make my remarks, Mr. Speaker.

As I see it, the scrapping of PIP means a reduction of activity in the off-shore in the Atlantic. That is, indeed, borne out by statements from some people in the oil industry. The Canadian Petroleum Association says it is a step forward for the energy policy in the country. Mr. Jim Hamilton, an oil industry analyst in Calgary, says that the bottom line is that there will be greater activity in the western sedimentary basin. That is our fear. We know what the track record is. We know that under PIP there was activity off-shore. We know that under PIP there were drill rigs out there. We know that under PIP more Newfoundlanders got jobs on the off-shore than ever before. Eighty of them lost their lives on the *Ocean Ranger*, but more of then went back after the *Ocean Ranger* sank because they wanted jobs and they wanted to make their contribution in developing the off-shore of Canada.

That activity existed under PIP. We do not know whether it would have existed had PIP not been there because it was there and it did the job. Not only did it put Canadian drill rigs there, it required that every company that wanted to drill off-shore must show a percentage of Canadian materials used and a percentage of Canadians employed in order to get those grants. The grants were not simply to drill. There were strings attached which were peculiarly Canadian. That is what I am afraid will now stop.

I also think the preference for Canadian companies is a concern for oil associations in the Atlantic area. The Association of Atlantic Petroleum Producers is concerned about this very fact as well. In an area where unemployment is the highest in Canada, we see the danger of the reduction of the kind of activity that has given us jobs. The fact is that jobs are now reduced from 3,000 in the Atlantic off-shore in 1984 to about 500.

This is what the Conservative Government has been putting forward as the fundamental plank in its platform. Whenever we ask the Minister of Energy, Mines and Resources (Miss Carney) a question, she says that the Government has signed the Western Accord and the Atlantic Accord and that they are the cornerstone of its economic and job-creation policy for the Atlantic region and for Newfoundland. I am concerned about that from the point of view of exploration activity and further proving of the reserves that are there.

We have complained about the cut-backs in Government programs such as RRAP, CHIP, and COSP, which my hon. friend referred to. It is true that they have cut back CHIP and COSP, which existed not only for conservation and off-oil purposes, but were also creating a lot of jobs for small businesses. The carpenters, electricians, plumbers, pipefitters, and people who install tiles and insulation, were all working with small businesses. The incentive to do that no longer exists and a lot of small businesses have dried up.

However, when we complain about the cut-backs in such programs, about lay-offs in the Ministry of Transport and the Department of Fisheries, and about the possible closing down of railways and two heavy water plants in the Atlantic area, the Minister of Energy says that oil is going to be the saviour, that the day is coming when oil will create those jobs in the Atlantic area. When we complain about reductions in social security, about changes in the Unemployment Insurance Program, and about changes in family allowances and the old age pension, they still tell us to wait, that oil is going to be the engine of the economy in Atlantic Canada. They say that oil is going to create those jobs and that people with those jobs are going to pay the taxes which will look after family allowances, old age pensions, and unemployment insurance. Well, is it, Mr. Speaker? We have seen no evidence that that is the case so far.

The fundamental assumption of the Conservative Party is that we must let the private sector do the job and leave business alone. PIP was the direct opposite. It was government intervention to encourage and coax the private sector into exploring in areas where it was not before, into using Canadian materials, and into creating jobs in an area of Canada that was desperate for employment. That was the role of the Petroleum Incentives Program. It was Government intervention in the private sector in order to skew, bias and focus that private sector on an area that needed that attention. Where is the incentive for the private sector to continue that exploration offshore now that the world oil price is dropping?

• (1240)

We fear, as Mr. Hamilton said, that the bottom line is that there will be greater activity in the western sedimentary basin. I am not attempting to pit one section against the other because I think it is wrong in this country, as my hon. friend has said, that one region should prosper at the expense of another. I simply want to state the case in the area from which I come.

We have been assured that Hibernia is still on target in spite of the fact that the world price is going down. We also know that the Offshore Trade Association of Nova Scotia has pleaded with the Government for special measures for the East Coast. It has said that there must be special measures for the East Coast in view of what the Tory Party has announced. The Offshore Trade Association of Nova Scotia—not the Liberal Party, the New Democratic Party or consumers—said that the new policy will kill exploration off Atlantic Canada. I am a layman and I must take the word of the private sector in Atlantic Canada. It says that this new policy will kill exploration in Atlantic Canada.

The Independent Petroleum Association also wants change. Under the new plan, non-taxable Canadian companies will recoup only 10 per cent of costs, whereas under the National Energy Program it would have been 80 per cent to 90 per cent. I must mention Husky Oil again among these many small Canadian companies because Bob Blair has been a major player in the offshore of the Atlantic. I congratulate him as a

Canadian for the role he has played. I hope he continues the work he has been doing because we need people like him.

We need him in the offshore, but whereas he received 80 per cent or 90 per cent before, he will only get 10 per cent now. Perhaps his company will become non-taxable, but my fear is that those changes which will take place will not be of benefit in the Atlantic area. I fear that many small Canadian companies will not be involved in frontier exploration. Even the Canadian Petroleum Association agrees that there will be less activity in the Atlantic and more activity in the western sedimentary basin.

Many in Atlantic Canada believe that the tendency is for the Government no longer to look after our interests. What is the evidence to support that view?

First, there are the cut-backs in Government programs on which we have historically depended. The Provinces of Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island have been at a disadvantage since they joined Confederation. We lost our traditional trading markets and became a colony of central Canada. Newfoundland was a colony of Britain and we transferred our colonial status from Britain to central Canada. This was not done through any devious means by any Party, but it is simply a reality.

We must recognize that there are disadvantaged areas that need special help. However, that special help through Government support, intervention and assistance has been dropping. The Atlantic area has historically depended on Government programs, but those government programs have been slashed. Naturally, we are hardest hit because when central Canada catches a cold we get pneumonia. That is the reality in this country.

We have been thrown to the private sector, but the private sector in Atlantic Canada is historically weak. We do not have manufacturing. We are a natural resource based economy which exports fish, lumber, pulp and paper, minerals and young people. We do not produce automobiles or manufactured goods. We do not produce value-added foodstuffs. The private sector in the Atlantic provinces has been historically weak, and we are told that companies outside the Atlantic provinces which have been in their present locations for a number of years are heading to the West.

We have seen world prices plummet under the present Government, yet there is no Government policy to protect Canadian consumers. However, there was a made-in-Canada price under the National Energy Program. Now we are at the mercy of the war between OPEC and the North Sea. When the Minister is asked why the multinationals are still making huge profits in light of falling prices, she states that it is necessary to do so in order to carry out exploration and drilling. Yet we are told by the Canadian Petroleum Association and the offshore industry in Atlantic Canada that these activities are moving to the West and there must be special arrangements made for the Atlantic area. How will the Minister focus that exploration and drilling on the offshore?

The Minister says that the high federal taxes on gas are necessary in order to pay for social programs. If that is true, why is the Government cutting unemployment insurance and family allowance? Why is it cutting out programs such as COSP, CHIP and RRAP? Why is the Government laying off civil servants in Fisheries and Transport? The Government is fundamentally affecting the economy of the Atlantic area as a result of such action.

I suggest that PIP is a graphic illustration that we are the victims of a double-whammy in the Atlantic region. Government services, including social security, are being cut back, yet incentives to the private sector are being taken away. There is no focusing of the private sector in that area and, whether or not the Government realizes it, it has cut the Atlantic adrift by its non-interventionist attitude toward the private sector. I submit that that is the issue as we debate the Petroleum Incentives Program.

That program graphically illustrates the difference between the policies of the previous Government and the present Government. We knew that we had to give special help to the Atlantic area because of its unique situation. We also knew that that area would be lost without the help of the federal Government. However, the Tories have said that they are withdrawing in order to make room for the private sector which will benefit that area. Where is the evidence of that? The same article from which the Prime Minister (Mr. Mulroney) quoted that 400,000 new jobs have been created indicated that 8 per cent of those new jobs are in the Atlantic area. While I welcome the fact that there are more jobs in Quebec and Ontario, which is good for Canada, my point is that every federal Government in this country must have a regional development policy. All areas of this country are not equal. While I do not want to set one area against another or see division in this country, I do want fairness and equity. I do not see any evidence of that in this new program. I believe that cut-backs in the Petroleum Incentives Program and the PGRT are symptomatic of the Government's new approach.

We saw the same thing in the late 1950s and early 1960s when Mr. Diefenbaker was Prime Minister. He attempted to do away with a section of the Terms of Union called Term 29 which allowed us equalization payments over a period of time in view of the disadvantage we suffered. People wore black arm bands in Newfoundland as a result of that, and it is pretty close to the time when we have to trot them out again. Quite seriously, if there is not a change or a recognition that there are stronger and weaker sections of the country, particularly within the private sector, if there is no recognition of regional disparity and some attempt to come to grips with it and to devise policy to overcome the problem, then we are not going to have a strong country.

• (1250)

We do not want to be a have-not area. We want to make our contribution. I referred earlier to the 80 people who lost their lives on the *Ocean Ranger*. Even after that rig sank, young Newfoundlanders went back to the rigs on the offshore with all

the dangers attached to them because they wanted to make a contribution not just to themselves, their families and their province, but to this country. What they are asking for is an opportunity to do that.

I say to the Government that it is not going to make that happen by doing away with Government intervention in the economy. This Government, like previous Governments, has to support and protect the livelihood of the people who work and live in the Atlantic area.

**Mrs. Sparrow:** Mr. Speaker, I would like to congratulate my colleague, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). I certainly agree that eastern Canada does have some problems. I agree with him that we should not pit one region against the other. However, on September 4, 1984, the Conservative Government came into power and faced a massive national debt of some $200 billion. It costs us and the people of Canada $26 billion per year just to service the debt which was left to us by the previous Government. If we do not address this situation—and I want to add that the Government is addressing the situation—we will end up in a disastrous state. For every $3 we raise in revenue, $1 goes to service the debt. If we do not attack this national debt today, in five years it will take $2 out of $3, and we will have to cut down on at least a third, if not 50 per cent, of all of our social programs. So we are taking a look at absolutely every area, every portfolio, and we are simply looking at it from the perspective of the national debt.

The Hon. Member said something about closing the heavy water plants in the East. Was it New Brunswick?

**Mr. Rompkey:** Nova Scotia.

**Mrs. Sparrow:** Nova Scotia. I am the Chairman of the National Resource Committee. We have had the AECL appear before us and, if I understand my facts, those two heavy water plants had a 12-year supply but there was no market for their commodity. This does not make economic sense. Actually, in all reality, these plants should have been cut back and terminated many, many years ago.

I also wanted to ask my colleague about Canadian exploration and development expense. The Government has in place two expenses. The Canadian exploration expenses are deductible at a rate of 100 per cent. The Canadian development expenses are deductible at a rate of 30 per cent on a declining balance. Of course, this will depend upon the taxable position of each and every company. So there is an opportunity for exploration expenses to be deducted. Development, of course, is when we drill a delineation well into a proven area, and that comes under development expense. However, we have to realize that there are more ways for deductions to take place.

My colleague also made the comment about Canadianization. He was quite right that PIP grants were based on COR content, or the Canadian ownership rate. But we in the Conservative Party have maintained the 50 per cent Canadianization on a production licence. We agree with the Hon. Member that Canadianization within the resource industry is most important. I think that doing it on the production licence is perhaps the best way.

I wonder if the Hon. Member would give me his thoughts with regard to the write-off of exploration and development expenses?

**Mr. Rompkey:** Mr. Speaker, with respect to the Hon. Member's first point, which was on the deficit, I agree that it is a problem. I also agree that the Government and Parliament have to address what is becoming a serious problem. However, I do not think it should become a problem that is out of all proportion to everything else. I do think that we have to attack the reduction of the deficit with fairness and equity. I make the point again that not all areas of this country are equal. When we start cutting Government programs willy-nilly off the top, indiscriminately, it has a more serious effect on areas which have historically depended on those Government programs. That to me makes eminent sense. It certainly is a reality where I come from. If we start to cut all of those programs and if we increase taxes indiscriminately without at the same time having a regional development policy—and that is what I see as fundamentally lacking—we can attack the deficit all we like but we are going to create a great deal of hardship for those people who historically have found it very hard to bear that particular burden.

With respect to the tax breaks which are being given, possibly the Hon. Member is closer to that than I am, but I understand that small Canadian companies which before could take advantage of the PIP program may not be able to take advantage of it now. One of the things the Government did was to allow small companies to go to investors and say: "You can get a tax break if you invest in our company". We allowed taxes to flow through to smaller investors to capture that particular pool of investment capital. That is the kind of thing I fear will not happen now. I think the play will be biased more towards the large multinationals and I am not sure that I want to put myself in the hands of those large multinationals, because I feel I would be more vulnerable. I would rather be dependent on a smaller Canadian company which takes its fate in its hands and its Canadian dollars and tries to do the job.

The difficulty I see in the change of policy is that it will skew and bias exploration and development away from small Canadian companies towards large multinationals.

**The Acting Speaker (Mr. Charest):** Questions?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** There being no other questions and comments, we will resume debate. Question? Is the House ready for the question?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Sudbury (Mr. Frith) on debate.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I too would like to join in this debate. I notice I only have three minutes to add my comments to the Bill which is before the House—

**Mr. Towers:** Mr. Speaker, I rise on a point of order. Once you have started to put the question, is debate not completed?

**The Acting Speaker (Mr. Charest):** I had not yet put the question to the House. I did see the Hon. Member for Sudbury rise before the question had even been put. There seemed to be some hesitancy about whether or not he was going to rise.

**Mr. Frith:** On the same point of order, Mr. Speaker, the reason you saw some hesitancy was that I thought when you said "question" and Hon. Members opposite were saying "question", there was a question to be put to my colleague, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), so I was not clear as to whether or not the question to be put was a question to my colleague or the question on the motion. I am glad that I am able to clarify that for your help and judgment.

I want to indicate that—

**Mr. Mayer:** Mr. Speaker, I rise on a point of order. I would like a little clarification. It is my understanding that once the Chair rises and begins to put the question, in fact that is the termination of the period allocated for debate. I think if the Chair would like to check the "blues", it will see that the Chair had began to put the question. So regardless of any misunderstanding of Hon. Members across the floor, it would seem to me that once the Speaker rises to put the question, that signals termination of debate.

**Mr. Rompkey:** May I make a contribution to that same point of order, Mr. Speaker? It was my understanding that the Hon. Member opposite was rising to ask a question because I did not think the 10 minutes had expired. Questions had been asked and I had been answering. I was waiting for a question to come from across the way. The clear understanding on this side was that there were further questions to be raised in the question period.

**The Acting Speaker (Mr. Charest):** The Chair having determined that the question had not been put to the House and having recognized the Hon. Member for Sudbury for the purpose of resuming debate, things will stand there.

It now being one o'clock I do now leave the Chair until two o'clock p.m.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## DISASTERS

### EXPLOSION OF SPACE SHUTTLE *CHALLENGER*

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, no one who watched the television reports of the explosion of the NASA space shuttle earlier today can remain unmoved by this tragic and horrible event.

I and the members of my Party join with the Prime Minister (Mr. Mulroney), as I am sure do all Members of the House and every Canadian, in expressing our shock and dismay to the President of the United States on this terrible accident, and in offering our deepest sympathies to the families and friends of the brave and courageous astronauts. Our hearts go out to them all. Canadians have closely followed the progress of the space shuttle program and have participated with the production of the Canadarm, and even with our own astronaut, Marc Garneau.

With the enormous advances we have made in the area of high technology, it is sometimes easy as human beings to forget the great risks involved and the great personal bravery of those courageous men and women who are exploring the frontiers of space. As we have shared from time to time in the joy of the adventure, so we share in the sorrow of this tragic event.

[*Translation*]

To the families of the astronauts we offer our sincere condolences at this time of suffering.

[*English*]

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I join with the Prime Minister (Mr. Mulroney), who spoke earlier to the country outside the Chamber on this important matter, and with the Leader of the Opposition (Mr. Turner) in extending our profoundest sympathies to the Government of the United States and, most directly, to the families of the men and women who were killed today in this unfortunate tragedy.

Indeed it is the case that men and women who are on the frontier of knowledge in this important domain experience extraordinary risks. It is extremely sad that we have encountered the results of those risks today in the loss of such good and decent people whose work will one day benefit us all.

**Some Hon. Members:** Hear, hear!

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## AGRICULTURE

### SITUATION OF SUGAR-BEET INDUSTRY

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, sugar-beet producers in Canada are in a situation of crisis and need immediate help. If the Government does not take the necessary steps immediately, 3,000 jobs will be lost. Those

steps are as follows: a stabilization payment for the years 1983 and 1984 which has not taken place yet, and a long-term sugar policy for the country.

The industry is 90 years old in the Province of Quebec and 60 years old in the Province of Alberta. The industry was quite viable until 1982 and satisfied some 10 per cent of the Canadian sugar requirement. It falls under the Agricultural Stabilization Act and therefore there is no logical reason for the Government dragging its feet as it is today in refusing to give the farmers of Alberta, Quebec, and Manitoba what is rightfully theirs in terms of stabilization.

There is a further threat now. The Government of Quebec owns the factory in that province and, unless a long-term sugar policy and payments can be established by the Government, the factory will be sold. In that province some 1,300 people will be out of work immediately unless the Government acts. We see again and again that the Government is prepared to rescue various groups and industries, but it never seems—

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

* * *

● (1405)

[*Translation*]

## FEDERAL-PROVINCIAL RELATIONS

### GOVERNMENT'S POSITION

**Mrs. Suzanne Duplessis (Louis-Hébert):** Mr. Speaker, as a Quebecer concerned about the interests of Quebec, I would like to quote in the House from what Jean-Louis Roy had to say in today's *Le Devoir*, following an interview with the Prime Minister, and I quote:

Mr. Mulroney gave an impressive inventory of the complexities of the Canadian system. He appeared to be firmly resolved, however, to pursue the same goals he set out during the 1984 election campaign; . . . He appeared to be anxious to maintain his objectives, especially with respect to intergovernmental relations, . . . and to settle the matter of the Constitution Act, 1982, and to do so with regard for Quebec's interests.

Mr. Mulroney justifiably emphasized the changes that had taken place in this area since he formed the Government, as well as his firm determination to find new formulas that would make the traditional, endless bickering a thing of the past.

It is still too early to judge the long-term effects of the reconciliation policy initiated by Mr. Mulroney. In the present circumstances, however, it is clear that it is in the best interests of all concerned. It is fortunate that the Prime Minister of Canada is keeping this policy high on his list of priorities.

And Mr. Roy goes on to say:

The man we met . . . can make partisan judgments and earthy comments on his opponents. But he is also capable of dignity, frankness and courage.

"Living together" is a major operation.

And as the Member—

**Mr. Speaker:** Order. I am sorry to interrupt the Hon. Member but his time is expired.

*S.O. 22*

[*English*]

## VISIBLE MINORITIES

### REDRESS FOR JAPANESE CANADIANS INTERNED DURING WORLD WAR II

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, the Government is fumbling the ball in its attempt to redress the great injustices done the Japanese Canadians in the 1940s.

The Government began well. The then Minister of State for Multiculturalism issued a press release on December 15, 1984, which reflected the promises the Prime Minister (Mr. Mulroney) had made as Leader of the Opposition.

Early in 1985, however, the Minister refused to continue the negotiations he had both promised and begun. He also declined to consider the matter of compensation for property losses. His successor now appears to be threatening unilateral action on redress all too reminiscent of the arbitrary action the Government considered a year ago.

We in the New Democratic caucus are convinced that the process of arriving at a substantial redress package is as important as the content of the package. The Government has to begin negotiating with the National Association of Japanese Canadians. The Government has to negotiate compensation for property and other losses being evaluated by Price Waterhouse. The Government has to be sure that its plans to deal with non-monetary aspects of redress are also acceptable to the National Association of Japanese Canadians. It has to deal seriously with the legitimate representatives of the Japanese Canadian community. It cannot hope to arrive at a proper redress for injustices in the past if it refuses serious discussions today with the National Association of Japanese Canadians.

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## NATIVE PEOPLES

### FORTHCOMING NATIVE BUSINESS SUMMIT

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, on June 23 to June 26 the Native Business Summit will take place in Toronto. For most native people, business means small business and all of the problems that attend it. Conference sessions will address financial planning, technological developments in business services, and opportunities for expansion and the development of new markets. Opportunities abound in serving the local communities and the surrounding regional economy.

Special sessions will be held on light manufacturing, retail and wholesale businesses, service industries, tourism, media and entertainment and new technology. Native small business will be reviewed in relation to the need to create linkages within the regional context and to expand on those activities which have a traditional orientation.

Residential and commercial development is a multibillion dollar business in Canada. Native business leaders believe that native people are ideally positioned to play a major role in it. Indian reserve lands in Canada, at 10,000 square miles, represent one of the largest land holdings in the free world. For

example, many reserves have prime lands close to major urban centres with potential for both residential and commercial development.

It is estimated that some 50 large-scale resource development projects will impact directly on native communities in the 1980s and 1990s. Many are in the petroleum industry but several others involve the hydroelectric, mining, water control—

**Mr. Speaker:** I want to remind the Member his time has expired.

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## CAPE BRETON DEVELOPMENT CORPORATION

CANCELLATION OF COAL MINING PROJECTS

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, it is all too common for the management of the Cape Breton Development Corporation to blame the work force for problems it has created itself.

In the past few weeks there has been a steady stream of broken promises from the Government and the breaking of faith on the part of management. The Government of Canada has decided that the Donkin Mine will not be developed. The coal preparation plant at Prince Mine has been axed and, worst of all, the Government has turned a blind eye to the plight of the Town of Glace Bay, a community built on coal mines that now finds itself without its economic heart. The Government refuses to consider a coal mine for this community which has an unemployment rate more than five times the national average.

● (1410)

Industrial relations are falling to an all-time low. The present management has taken a giant step backward by instituting a system of having front line supervisors start counselling UMWA coal-miners. These men do not need a paternalistic management; they need one that recognizes the contributions and sacrifices of men who risk their lives every day to extract a resource. If management wants respect, it should start respecting the men who have made the real contribution to the Cape Breton coal industry.

* * *

## DISARMAMENT

U.S.S.R. PROPOSAL TO REDUCE NUCLEAR ARMAMENTS

**Mr. Lee Clark (Brandon-Souris):** Mr. Speaker, all Canadians, including those in a grade nine class in Virden, Manitoba, with whom I recently met, fervently desire the preservation of world peace. As a result, we applaud any serious proposal, irrespective of its origin, which might lead to fully verifiable nuclear disarmament.

While many Canadians, myself included, believe that the credibility of General Secretary Gorbachev's recent proposal for a nuclear-free world by the year 2000 would be substantially enhanced by an immediate decision to withdraw Soviet invasion forces from Afghanistan, the Gorbachev initiative still deserves serious consideration. Consequently, I and other Canadians welcomed the positive and thoughtful statement which the Secretary of State for External Affairs (Mr. Clark) made in response to the Gorbachev proposal last Thursday. Now, however, I urge both the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs to capitalize upon Canada's significantly improved relationship with the United States to ensure that American officials explore thoroughly this and any other proposal which may lead to fully verifiable nuclear disarmament.

Soviet officials must also be reminded of the need to address the substantial imbalance in conventional arms which is in the Soviet's favour, as that imbalance has led to the establishment of the western European-based nuclear forces as a deterrent. The fear and distrust which have prevailed since the cold war have let to a rapidly escalating arms race. If, as we hope, there is now a mutual will on the part of all world powers to de-escalate that arms race, much of the fear and distrust will disappear.

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

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

NEW GOVERNMENT POLICY CONCERNING BENEFITS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, the Conservative Government's new policy on unemployment insurance for early retirees is unfair and unjustified.

Formerly, an early retiree who met all the criteria was entitled to unemployment insurance, even if he was getting a pension. Now this pension is considered as income, and early retirees are no longer eligible for the full amount of unemployment insurance benefits.

Even worse, these people have not been informed of the new policy. It was adopted by Order in Council, and the Government gave this new measure very little publicity. There was no debate in the House on the subject.

Furthermore, Armed Forces pensioners are also being denied unemployment insurance benefits, despite the fact they contributed to the Unemployment Insurance fund throughout the period they were in the Armed Forces.

Mr. Speaker, I think this new Conservative measure is very unfair to our pensioners, and in my opinion, the Government ought to get rid of this policy.

[*English*]

## DISASTERS

EXPLOSION OF SPACE SHUTTLE *CHALLENGER*—CONDOLENCES TO UNITED STATES AND BEREAVED FAMILIES

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, along with the Leader of the Opposition (Mr. Turner) and the Leader of the New Democratic Party, I earlier had the sad obligation on behalf of the Government and the people of Canada to convey our deep and genuine condolences to the people of the United States and the families of the bereaved as a result of today's tragedy. May I suggest that on behalf of all Hon. Members of the House of Commons, Mr. Speaker, you give leave for us to rise and pay a moment's silent tribute to those affected by the tragedy today.

[*Editor's Note: Whereupon the House stood in silence.*]

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM FINLAND

**Mr. Speaker:** Before we commence Question Period, may I indicate to Hon. Members the presence in our gallery today of a parliamentary delegation from Finland, the Transportation and Communications Committee of the Parliament of Finland, headed by Mr. Reino Karpola, Chairman.

**Some Hon. Members:** Hear, hear!

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● (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR—STATEMENTS ATTRIBUTED TO MINISTER OF JUSTICE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Prime Minister. Yesterday the comments about the deficit of the Minister of Justice, who is a former Minister of Finance, contributed to the continuing fall of the Canadian dollar, which now stands at 70.39 cents as of 1.35 p.m. today, the lowest point in Canadian history. Was the Minister of Justice speaking for the Government and was he expressing the view of the Government that the re-election of the Conservative Party is more important than good government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, obviously that is not what the Minister of Justice said. As a former Minister of Finance he has been totally supportive of the present Minister of Finance in his determination to deal with the deficit whose dimensions have staggered the country,



given the heritage which was left with us. The position of the Government is that set out by the Minister of Finance and is that which I enunciated to the editorial Board of *Le Devoir* on Friday, which was printed on Saturday and Monday, and on which we are absolutely unbending and inflexible, that is to say, that we will deal in an ongoing, vigorous, productive and successful way in getting rid of the deficit which is paralysing growth in Canada.

**Some Hon. Members:** Hear, hear!

GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, this is not the first time that the Minister of Justice has caused the Prime Minister embarrassment in this fashion. Indeed, before the election he told the country: "If we told you everything we were going to do, you wouldn't elect us". It is that attitude which is causing confusion in the markets today. Since the Minister of Finance and the Minister of Justice are sending out conflicting signals to the world markets, will the Prime Minister ensure that his Government finally speaks with one voice and request of his Ministers that they think before they speak?

**Some Hon. Members:** Hear, hear!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, in regard to the deficit, and the comments before the election, it seems to me that before the election the Right Hon. Leader of the Opposition said that he was going to cut the deficit by 50 per cent in less than seven years. All he has done since he took his seat opposite is try to add to the deficit and to the problem. He was the father of the deficit. He brought it about.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I can say that there is no contradiction between the views held by the Minister of Finance and the views held by the Minister of Justice. They are entirely consistent with the views which I set out. I know that the Right Hon. Leader of the Opposition will appreciate the seriousness of this since he is not unaware of the implications of deficits, which is what I set out to the editorial board of *Le Devoir*, and which says that this Government is consistently and unswervingly committed to reducing that deficit in the interests of national economic growth.

**Some Hon. Members:** Hear, hear!

REQUEST FOR POLICY STATEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, that is a recent conversion of the Prime Minister, who stated on CTV just before Christmas that the deficit was not going to be dealt with brusquely and was not necessarily a priority of his Government. Because of the confusion which his Ministers have aroused, would he request the Minister of

Finance to make a statement in this House to set forth clearly and unequivocally what the position of the Government is on the Canadian dollar as it relates to the interest rate structure?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, with respect, may I tell my right hon. friend, because I know he will want it corrected, that the statement he attributed to me in regard to CTV is absolutely false. I said no such thing at any time. I know he will want to read the transcript and reflect upon it.

**Mr. Frith:** Another retraction.

**Mr. Mulroney:** There will be a retraction, and it will come from the Right Hon. Leader of the Opposition. We never said that, and we have said the opposite.

**Mr. Rossi:** Why don't you blame the press again?

**Mr. Mulroney:** The transcript is there. We have been consistent. I know my right hon. friend believes in fairness. I either said it or I did not. I am telling him I did not say it. He will want to read that transcript and apologize for misleading the House on a very important matter.

● (1420)

MINISTER'S POSITION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister of Finance is quoted by the wire service as saying that the Government is doing what it can domestically to bolster our currency. This suggests that the Government is going to increase interest rates, which is one thing it can do, or intervene and purchase Canadian dollars. Would the Minister indicate whether he is undertaking to do both those things in order to prevent the dollar from breaking through the 70-cent barrier because of the statements of the Minister of Justice?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is a very broad question. Let me focus on a couple of points. I have made it very clear during the past year, and any time this question has been raised, that the policy of the Government and the Bank of Canada is to try to moderate changes in interest rates and exchange rates. We can only moderate because of the substantial financial requirements of the Government of Canada caused by the huge deficit which we have to deal.

What I was focusing on in that response to the media this morning was that we are going to do what we can here in Canada to stabilize the level of the dollar by following fundamentally sound economic policies. At the heart of that is the following of a much tighter fiscal policy than was the case with the previous Government, to get the deficit down, not as an end in itself, but as a means to an end, because by getting the deficit down we can afford our social and economic programs, our defence commitments, as well as the other things.

[*Translation*]

INCREASE IN INTEREST RATES—CONSEQUENCES FOR TAXPAYERS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** I have a supplementary, Mr. Speaker. I think my question was quite clear. Will there be an increase in interest rates this week? Is he going to buy Canadian dollars? And if he has to keep the dollar from falling below 70 cents, how much is it going to cost the Canadian taxpayer in terms of interest rates, buying dollars, and so forth? Can he give us an estimate?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the response to that question is essentially the same as the response to the first question. The Hon. Member knows it is not possible for the Government of Canada or the Bank of Canada to say precisely what interest rates will be or what the level of the Canadian dollar will be. That will be decided in the market-place. We do moderate, as I said in my previous response, movements in interest and exchange rates, both up and down. That has been the policy and it is designed to reintroduce stability in the market-place. That is the continuing policy of this Government.

[*Translation*]

EXCHANGE VALUE OF DOLLAR—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. Today, the Canadian dollar fell to record levels. And today the Minister of Justice indicated there is no consensus in Cabinet on economic policy. That is the exact opposite of what the Minister of Finance said. This confusion is dangerous for the dollar. Where is this Government's sense of direction?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member claims that the Minister of Justice said there was no consensus on a major issue. That is false! The Minister of Justice never said such a thing. There is a very clear consensus in this Government on all major current issues.

[*English*]

*LA PRESSE* ARTICLE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister in question is quoted at length in the *La Presse* article. Has the Prime Minister asked the Minister of Justice if what has been attributed to him about the confusion in the Government is incorrect? Has he got that explanation? If not, on what basis does he make the statement that he just did, that there is coherence in the Government, when the whole country sees nothing but confusion?

● (1425)

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my answer is exactly the same. As far as I know, there is no reference to anything the Minister might have said to that effect. On the contrary, the Minister of Justice never made such a statement. So I do not think you should build your argument on this because it is construed out of something that does not exist, which means that the premise of your question is false.

[*English*]

REQUEST FOR PARLIAMENTARY DEBATE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I hope that the Minister of Justice will get up at the end of Question Period and correct what the Prime Minister says is an error. It was he who had the interview. It was he who was quoted. It is the Government of Canada that is confused.

Would the Prime Minister himself, or the Minister of Finance, undertake to have a debate in this House within the next two days on the over-all economic direction of this confused Government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I may be wrong, and I will take another look at it, but with regard to the statement just attributed by the Leader of the New Democratic Party to the Minister of Finance—

**Some Hon. Members:** The Minister of Justice.

**Mr. Mulroney:** I find no such statement.

**Mr. Fulton:** Confused again.

**Mr. Mulroney:** The allegation is absolutely false.

* * *

## ENERGY

PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister has said many times that Governments do not set the price of gasoline, that markets do. Perhaps the Minister can explain why the markets are not working and why Petro-Canada's wholesale price for gasoline is 7 cents a litre higher than the New York Harbour wholesale price.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, in view of the Hon. Member's gloom and doom in the past about drilling activity, I thought he was rising to ask me about the new well that Shell is spudding off Sable Island and the other one that will follow later.

**Some Hon. Members:** Hear, hear!



**Miss Carney:** He is also, Mr. Speaker, a member of a Party that had a rigid, regulated energy policy which increased the price of gasoline by 80 per cent, from 32 to 50 cents a litre. I attempted to explain to him that our energy policy will ensure that consumers do get the benefits of decreases in gasoline prices. I can assure him that I have communicated with industry executives to ensure that consumers get the full and fair benefit of the price declines which are in the system now.

MINISTER'S POSITION

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, it is just the opposite. The policy of the former Liberal Government kept the prices of gasoline down.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Ms. Copps:** Right on!

**Mr. Speaker:** Order, please!

**Mr. Axworthy:** That shows how smart you guys are.

**Ms. Copps:** That's what he gets for telling the truth. The truth hurts.

**Mr. Clark (Yellowhead):** Read the McMillan Binch newsletter.

**Mr. Speaker:** Order, please. Will the Hon. Member for Lanark-Renfrew-Carleton come to order please? Question, please.

**Mr. MacLellan:** Why does the Minister not just admit that Petro-Canada is keeping the price high so it can increase its profits to get the best return possible on its share issue? Why does the Minister not just admit that?

**Ms. Copps:** Tell the truth.

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am so bedazzled by the Member's statement that an increase of $1.20 a gallon on gasoline under the Liberal administration is a decrease in price.

**Mr. Axworthy:** It was below world price.

* * *

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR—REQUEST FOR ECONOMIC STATEMENT

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is also directed to the Prime Minister. I am sure he will agree that part of the reason our dollar is suffering so in international money markets is because there is confusion about what exactly the Government's economic policy is, and

the statement attributed to the Minister of Justice adds to that confusion.

Would the Prime Minister not agree that we cannot afford to wait five more weeks for the Budget of the Minister of Finance in order to clear that up? Will he ask the Minister of Finance, or direct him if need be, to make an economic statement now about where the Government is going with regard to the deficit and the dollar?

**Mr. Clark (Yellowhead):** Where is Bob White?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think the falsity of the affirmation of my hon. friend is clearly established by the OECD report. I know it was inadvertent, because my hon. friend clearly forgot the OECD report which categorized the action of the Government of Canada as being clear, consistent, logical, and destined to bring about great economic progress. I think he would be happy with the fact that the OECD gave Canada what I think can be described as very high reviews as a result of the policy instituted by the Hon. Minister of Finance. They substantially refer to coherence as opposed to any degree of confusion.

● (1430)

Where there is truth by implication in my hon. friend's statement is that the dollar is indeed affected by one substantial thing, the deficit. From the year of Confederation it took us 100 years to accumulate a net debt of $18 billion, and in 15 years the Liberals took that debt from $18 billion to $190 billion and built a further $120 billion into the system. That is the degree of profligacy and waste that has hurt Canada, and we are now working to rebuild.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** It could be falsitude. I am not sure what that means.

NEWSPAPER REPORTS OF COMMENTS ATTRIBUTED TO MINISTER OF JUSTICE

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, does the Prime Minister agree with the Minister of Justice, as quoted in an important journal in Quebec today, that it would be politically suicidal for the Government to pursue the cuts necessary to meet the deficit reductions that the Minister of Finance has spoken about and, therefore, that plan of the Minister of Finance should be abandoned?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, he never said any such thing and that is a typical socialist trick of distortion and fabrication. People have had it up to their ears with you.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** You look at it.

**Mr. Mulroney:** It is not there.

[*Translation*]

## CONSUMER AFFAIRS

INQUIRY WHEN O'FARRELL REPORT WILL BE GIVEN TO RESTRICTIVE TRADE PRACTICES COMMISSION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Prime Minister.

Yesterday, his Minister of Consumer and Corporate Affairs was still refusing to send the O'Farrell Report to the Restrictive Trade Practices Commission which is completing its investigation and, as I heard this morning, intends to report and publish its findings in April.

Could the Prime Minister give the House the assurance that the O'Farrell Report will be sent to the Commission in due time, in other words, now, so that it can consider the report's findings before publishing its own report in April?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the documentation will be submitted in due time, as appropriate.

REASONS FOR DELAY

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, what we must realize is that the investigation is drawing to a close, and that the appropriate time is now.

I would therefore ask the Prime Minister whether he could inform the House why his Government is dragging its feet on sending the O'Farrell Report to the Canadian Restrictive Trade Practices Commission. Why are we seeing this attitude which consists in obstructing the activities of a Commission that is conducting an investigation in the interests of Canadian consumers?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I assume the Minister will follow the usual procedure and process, and at the appropriate time, to borrow your expression, the report will be submitted to the parties concerned.

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## ENERGY

PRICE OF GASOLINE—REQUEST FOR GOVERNMENT INTERVENTION

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

The National Committee for the Reduction of the Price of Gas which was set up recently in Montreal, has sent a telex to the Prime Minister, asking for an immediate reduction of six cents per litre in the price of gas at the pump. The price of gas

in Montreal is at least 15 cents more per litre than in neighbouring American states.

When is the Minister going to listen to consumers and order Petro-Canada to take the lead in reducing the price of gas?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I really fail to understand how the Hon. Member who represents the New Democratic Party could want me to inflict a policy on Petro-Canada that would damage it. It is owned by Canadian taxpayers. Why would we impose self-inflicted wounds on the corporate body of Petro-Canada?

Petro-Canada is not a price leader, it is a price follower. I have assured the Hon. Member that Petro-Canada will pass on the savings on gasoline prices when Petro-Canada receives them.

MINISTER'S APPROACH

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, from Newfoundland to northern Ontario to Vancouver Island, consumers across the country are asking the Government for relief. If the Minister is not prepared to direct Petro-Canada, will she tell the House what she will do for Canadian consumers?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I have already put in place a system on behalf of the Government which will ensure that savings will be passed on to consumers.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** I have told the House that I am communicating with industry executives to ensure that all of that price decrease is passed on to consumers.

* * *

[*Translation*]

## EXTERNAL AFFAIRS

ELECTIONS IN THE PHILIPPINES—INQUIRY IF GOVERNMENT INTENDS TO SEND OBSERVERS

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Does the Government intend to send observers to the upcoming elections in the Philippines, to give the Western world the assurance that these elections will be held in accordance with standards normal in a democracy?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, that is not our intention.



REQUEST FOR GOVERNMENT AID

**Hon. Jean Chrétien (Saint-Maurice):** Can the Minister give the House the assurance . . . Could he offer private groups—and I am thinking of certain Canadian and other groups that are going to send observers, ordinary citizens, to observe the election—the assurance that they will be able to count on the Government's support, so that as private groups, they can at least exercise some pressure on the Government of the Phillippines so that these elections will be held under the best possible conditions?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, if the Hon. Member has a specific group in mind, I may take the option of the Canadian Government taking such action into consideration.

* * *

[*English*]

## ENERGY

PRICE OF GASOLINE—ROLE OF OIL COMPANIES

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister said yesterday that prices "reflect competition in the market-place" and that the market-place will ensure that Canadian consumers benefit from falling world oil prices.

Is she aware that the Director of Investigation and Research under the Combines Investigation Act reported in July, 1984, that: "The Canadian consumer has been forced to bear the increased prices that result from anti-competitive arrangements in the marketing and refining sectors—" of the oil industry and, if so, will she now instruct Petro-Canada to break the price-fixing monopoly of the big oil companies in this country?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, with respect, I suggest that the Hon. Member has just supported my point because the date he mentioned, July, 1984, is when the Liberal Government was in power. I agree that their energy policy was against competition and against the interest of the consumers. That is why I am telling the House that our energy policy is in the interest of consumers.

ROLE OF PETRO-CANADA

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, since the Minister agrees with the Director of Investigation, does she not agree further with the Director of Investigation that: "Petro-Canada has a role to play in fostering more competition at the pump"? Will she ensure that such a role is now played by our national oil company so that the consumers can get the benefit of lower oil prices?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, since I have directed Petro-Canada to act as if it were a privately-owned commercial operation that does respond to market pressures, I can assure the Hon. Member that that is in fact what is happening.

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## ADMINISTRATION OF JUSTICE

### COMPENSATION FOR VICTIMS OF CRIME

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, my question is directed to the Minister of Justice. Canadians are becoming increasingly concerned about the apparent lack of compensation that victims of crime receive. Will the Minister tell the House what measures the Government is proposing to assist those who are tragically affected by crime?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the compensation schemes for the victims of crime are primarily matters for provincial Governments. The Government of Canada has a policy under which the costs of compensation for the victims of crime are shared.

We will be bringing in new initiatives in the victims' field in the next several months. We also hope to increase the proportion of the burden of the cost of compensation that the provinces share.

As of now, only one province does not have such a scheme. We will do what we can with the resources left to us by our predecessors to see that the percentage contributed by the federal Government is improved.

* * *

● (1440)

## VISIBLE MINORITIES

### REDRESS FOR JAPANESE CANADIANS INTERNED DURING WORLD WAR II

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is directed to the Minister of State (Multiculturalism). It concerns the Japanese Canadian redress. Earlier today my Leader and I met with the National Association of Japanese Canadians and it is not impressed with the Minister's recent pressure and intimidating tactics. Given that it was Canadian citizens whose rights were trampled on, and given that the process needs to include those who were wronged, is the Minister prepared to await the Price Waterhouse report commissioned by the community and then negotiate a package with the National Association as his Government said it would only last year? What is so wrong with this process?

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** Mr. Speaker, here is a Hon. Member who is representing the Liberal Party which in the last 43 years—

**Mr. Caccia:** Answer the question.

**Mr. Jelinek:** —has had ample opportunity to deal with this situation and did nothing whatsoever.

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** The Hon. Member is not only hypocritical in asking such a question, but inconsistent, because two weeks ago—

**Ms. Copps:** Order.

**Mr. Jelinek:** —he asked: "Why aren't you moving right away?" Now he is saying: "Wait". Can he not make up his mind and stop playing political football with the Japanese Canadians?

**Mr. Marchi:** Mr. Speaker, Diefenbaker and Clark tried their best to ruin this country but—

**Mr. Mazankowski:** Shame!

**Mr. Marchi:** —we are looking to this present Government.

### REQUEST THAT ACTION BE POSTPONED PENDING RECEIPT OF REPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, I would like to ask this Minister, who knows about skating better than anybody else—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. It is difficult for me to know whether the Hon. Member has asked a question if I cannot hear him over the noise from this side. Would the Hon. Member come to a question, please.

**Mr. Marchi:** Will the Minister stop with the threats, await the report, and negotiate in partnership with the national association so that the two parties and, indeed, all of Canada, can have an agreement of which we can be proud for once and for all? What is he afraid of?

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)):** I can tell the Hon. Member that I am not afraid of him, that's for sure.

**Mr. Gauthier:** Skate around the edge.

**Mr. Broadbent:** What is this, a shoot out at the O.K. Corral?

**Mr. Jelinek:** The Hon. Member knows very well—he is grandstanding again—that I have been discussing this matter with all Japanese Canadian associations, including the National Association of Japanese Canadians. I met with them yesterday, and with Mr. Miki. I think we had a very fruitful discussion.

**Mr. Guilbault (Saint-Jacques):** So you say.

**Mr. Jelinek:** We are looking forward very soon to a solution or resolution which will bring honour and dignity to the survivors of the wrongs which were attributed to a Canadian Government 43 years ago.

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## PORNOGRAPHY

REQUEST FOR TIGHTER CUSTOMS AND EXCISE LAWS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, my question is directed to the Minister of National Revenue. A dreadful type of cancer is eroding the morals and dignity of this country. I am referring to the insidious proliferation of hard-core violent pornography. Over 200 magazines depicting hard-core violent pornography involving women and young children now enter this country.

**Ms. Copps:** And he cut back on customs.

**Some Hon. Members:** Shush.

**Mr. Attewell:** When are the customs and excise laws going to be tightened to prevent this garbage from coming into the country?

**Mr. Keeper:** What about the inspectors?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, my colleague realizes that our Department administers the customs tariff which prohibits the importation into this country of obscene material.

**Mr. Keeper:** Without staff.

**Mr. MacKay:** I can assure my colleague that my officials will be working closely with the officials of the Department of Justice in terms of a legislative response to the Fraser and Badgely Commissions. In the meantime I can assure all Hon. Members that this Government will be vigilant in attempting to keep this sort of material from being imported into the country.

**Mr. Broadbent:** There are only two inspectors in the whole country.

* * *

[*Translation*]

## IMMIGRATION

POSSIBILITY OF HIRING FOREIGN WORKERS IN ORDER TO CUT WAGES OF CANADIANS—GOVERNMENT'S POLICY

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is directed to the Minister of State (Immigration). As the Minister is aware, his colleague, the Minister of Regional Industrial Expansion, has discussed and rejected a proposal by the multinational corporation Daewoo to import hundreds of Korean workers to work in a textile plant in Quebec or elsewhere in Canada at lower wages than those paid—

**Mr. Speaker:** Order. The question, please.

**Mr. Heap:** Yes, Mr. Speaker.

Has the Minister previously considered bringing in foreign workers to cut Canadian wages?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member for Spadina, who has obviously been misled by a story which appeared in *Maclean's* magazine, the truth is that I have spoken once to an official of Daewoo. They put a proposal into our Department which we, out of hand, told them is unacceptable.

REASONS FOR REJECTING PROPOSAL

**Mr. Dan Heap (Spadina):** Mr. Speaker, my supplementary question is directed to the Minister who answered for the Minister of Employment and Immigration. Was the reason for rejection the proposed cut in salaries, or will the Minister in future be willing to consider a deal that includes bringing in foreign workers to cut Canadian wages?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the main thrust of the question is, of course, hypothetical, but let me assure the Hon. Member that there were at least five reasons why we thought the proposal from Daewoo was unacceptable as presented.

**Mr. Broadbent:** Give us a few.

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## REGIONAL INDUSTRIAL EXPANSION

GRANT FOR CAPE BRETON LOBSTER PROCESSING FACILITY

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. In his absence the Government of Canada has given financial assistance to Clearwater President John Risley to open a two million pound lobster holding and processing facility in Arichat, Cape Breton. Lobster fishermen in that area fear that the proposed lobster pound will destroy many more jobs if in fact the farming operation takes place. Will the Minister undertake to give to those fishermen a written undertaking, and a directive to that particular company, to not carry out a lobster farming operation in that particular facility?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, once again the Hon. Member is playing catch up. The information he has conveyed to the House is something which has come to our attention and is now under review.

*Oral Questions*

LOBSTER FARMING—REQUEST FOR MINISTERIAL UNDERTAKING

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, perhaps the Minister would be in a position today to give a commitment since I have with me petitions from 11 communities in Cape Breton which are all opposed to this farming operation. Would the Minister not do the honourable thing, stand in his place today and give a written undertaking to those fishermen in those communities that there will be no farming operation?

**Mr. Blaikie:** Get your pen out.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I may feel I can do many things, but I do not know how to stand and give a written undertaking.

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## EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES' SUPPORT FOR CONTRAS

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question is directed to the Prime Minister who will know that President Reagan has recently initiated plans to provide an additional $100 million in largely military support to the Contras who are fighting to overthrow the legitimately elected Government of Nicaragua. I wonder if the Prime Minister has yet expressed to the President Canada's opposition to this military support for the Contras? If not, will he express our concern about this militarization and outside intervention by the United States when he meets with the President in March?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the position of the Government of Canada, as is well known by the United States administration and by others, is that the basic cause of the situation in Nicaragua and throughout Central America is an economic problem. We think it is unfortunate that that problem has been aggravated by the intrusion of a superpower conflict. That is well known.

In addition to expressing our views, the Government of Canada has, in various countries in that region, tried to contribute by economic development assistance to improve the lot of the people who live there. We intend to continue to do that.

CANADIAN POSITION

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, the question is really whether or not the Government approves the giving of military aid to the Contras and I would like a direct reply to that question.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the question is really whether it is the purpose of the foreign policy of a sovereign country to give lectures to others, or to act within our own capacity to achieve the results we can achieve. We believe it is our business to do our business, and we are doing it.

* * *

● (1450)

## ENVIRONMENTAL AFFAIRS

LOCATION OF UNITED STATES NUCLEAR WASTE DUMPS

**Mr. Bob Corbett (Fundy-Royal):** Mr. Speaker, my question is directed to the Minister of the Environment. The United States is investigating the possibilities of storing nuclear wastes in underground storage dumps, most of which are along the Canada-U.S. border. Will the Minister assure the House that he will insist upon full Canadian consultation and agreement before such dumps are constructed?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, yes, I think the position of the Government of Canada is clear. Certainly it has been made clear to American officials. When I met with my counterpart, Lee Thomas, the head of the U.S. Environmental Protection Agency, on October 17, I put Canada's position to him, as did the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs to their respective counterparts. We oppose the location of such plants close to the Canadian border, especially if preparatory field work would be required in this country. That position is clear, and it will remain so.

**Mr. Blaikie:** They are doing it in Epp's riding.

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## RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY—GOVERNMENT POLICY

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Transport. In today's *The Globe and Mail*, and indeed in Newfoundland's press yesterday, the most senior ranking Conservative of the House of Commons from Newfoundland, the Hon. Member for St. John's East, is quoted as saying that the Government of Newfoundland ought to stop pretending that the railway in Newfoundland has a future and should make a deal with the federal Government to close it down in exchange for highways moneys. Does the view expressed by the Hon. Member for St. John's East indeed reflect the attitude of the Government of the day in respect of the Newfoundland Railway?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I think it reflects the attitude and the position of the Hon. Member who just posed the question. The Government is discussing the broader issues of transportation in Newfoundland, and certainly the future of the railway is one of the items under consideration.

TIMING OF GOVERNMENT ANNOUNCEMENT

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, I was quoting the Hon. Member for St. John's East. Does the Minister agree with the comment attributed to the Hon. Member for St. John's West last week who told the Mayor of Bishop's Falls that a definitive decision within two weeks would be announced on the future of the Newfoundland Railway? Could the Minister tell us whether or not in the next 14 days the people of my province can expect an answer in respect of the Government's intentions regarding the Newfoundland Railway and its thousands of employees?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, my understanding is that my colleague indicated that a decision may be coming down within a matter of weeks, not within a matter of two weeks. That is what the Hon. Member informs me. I can assure the House, and indeed the Hon. Member, that if a decision is made he will certainly be notified amply, and I will expect him to respond in kind.

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## FISHERIES

ISSUANCE OF CLAM FISHING LICENCES

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, my question is directed to the Prime Minister. It concerns the Nova Scotia clam scam. Is the Prime Minister aware that the Minister of National Revenue lobbied the Minister of Fisheries on behalf of Mother Snow's Fine Foods and Dennis Snow to obtain fishing licences, and that Dennis Snow owes thousands of dollars in outstanding judgments to the Ministry of National Revenue? Does the Prime Minister condone this activity on the part of the Minister of National Revenue, or would he ask the Minister to resign for such a blatant conflict of interest?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the implications contained in the allegations in the preamble to that question are not only wrong but are right next door to being scurrillous. The fact of the matter is that the regional director in Halifax invited applications for an experimental clam fishery to last for four months. Four such applications were received for six licences, two of which were granted by the regional director in a perfectly proper fashion.

APPLICATION FOR DREE GRANT—REQUEST FOR INVESTIGATION

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, would the Prime Minister undertake to investigate an application by Mother Snow's Fine Foods for a $900,000-odd DREE grant to fund an interim processing operation in relation to these ill-gotten clam licences? Would he undertake to investigate the grant and cancel it on the basis that the principals are not entitled to that particular licence?



**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, as the Acting Minister of Fisheries I will take into consideration the almost contemptuous remarks of the hon. gentleman. I know nothing of his allegations, but if they should in any way be even close to the truth, then they will be acted upon. I would not, if I were the Hon. Member and having regard to all of the other allegations which he has made in the past, hold my breath on this one.

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[*Translation*]

## PUBLIC SERVICE

SALARY INCREASES—GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It is a fact that collective bargaining in the Public Service has been dragging on for months. Last week we heard that a number of senior executives of Crown corporations and other senior public officials have obtained from the Government salary increases of 3, 5 and 8 per cent and, in some cases, even as much as 40 per cent.

How can the Prime Minister find $475,000 to pay the president of a Crown corporation, when during the last sixteen months the Government has laid off 3,000 public servants, when the Government has a privatization policy that takes jobs from low-income Canadians, and when its human resources management system is a disaster, how can he justify spending this kind of money on the top brass and giving so little to those earning an average wage?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I would like to react to some of the premises of my hon. friend's question. Recently, it was announced that senior executives in the Public Service would receive a 2.3 per cent raise, compared with the average 3.5 per cent negotiated through collective bargaining with our employees. I think that on this level, the principle of equity is being observed, and that the premises of the question are absolutely false.

[*English*]

REQUEST THAT PRIVATIZATION COST BENEFIT STUDIES BE TABLED

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, given that there is very little information forthcoming from the Government on questions concerning the negotiations on the salaries of public servants, and given that I take it the Government has made cost studies on the benefits of privatization, for example, will the Minister table in the House those studies on cost benefits which he has? Does he have studies on the social costs to public servants who lose their jobs because of the policies of the Government?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I think we have been most forthcoming in all the information for which the Hon. Member has asked. I will be more than happy to make available to him any studies which we have bearing on the rate of remuneration and bearing on the cost benefits type of information for which he is asking that we have at our disposal.

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## ABORIGINAL RIGHTS

HAIDA CLAIM TO SOUTH MORESBY, B.C.

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is directed to the Prime Minister. Could he report to the House today on whether or not he has had any further response from the Premier of British Columbia in relation to the negotiations with the Haida people regarding South Moresby?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I inform the Hon. Member that the Minister of Indian Affairs and Northern Development, as he knows, has been dealing very directly with this issue. I will convey the question which the Hon. Member asked to the Minister when he has returned.

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## AGRICULTURE

SUGAR-BEET INDUSTRY—STABILIZATION PAYMENTS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Prime Minister because we cannot obtain answers from the Minister of Agriculture concerning the sugar-beet industry in Canada. This industry is 90 years old. When specifically—on what date—will the agricultural sector involved in the sugar-beet industry be receiving the 1983 and 1984 stabilization cheques? When can farmers expect a long-term sugar policy from the Government?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I do not know why the Hon. Member is confused. I do not know whether he was in the House yesterday. I think it was yesterday that a question was posed to me in respect of the future of the sugar-beet industry in Canada. Of course the Government took action earlier to provide stabilization payments to ensure that the 1985 sugar-beet crop was planted.

**Mr. Boudria:** I asked about 1983 and 1984.

**Mr. Wise:** It was to ensure that last year's crop was planted. Of course growers in the Province of Manitoba and in the Province of Quebec took advantage of the program. However, it was not possible to reach an agreement in the Province of Alberta.

Also, in response to a question which I received yesterday from one of the Hon. Member's colleagues, I indicated that to this point in time the Government has not made a decision in respect of the sugar policy.

• (1500)

[*Translation*]

SITUATION IN QUEBEC—GOVERNMENT POLICY

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I would like to know specifically with respect to Quebec farmers whether the Minister is aware that Quebec's refinery will shut down if it does not receive assurances from the Federal Government that there will be a long-term sugar policy.

Does this Government want to wipe out 1,000 jobs in Quebec in this sector?

[*English*]

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the Hon. Member should realize that beets are not just grown in the Province of Quebec, but are also grown in the Province of Alberta and in the Province of Manitoba. We are concerned about this issue and we have spent a great deal of time and effort on it. I want to compliment, indeed everyone in the industry should compliment my colleague, the Minister in charge of the Canadian Wheat Board, who has provided some real leadership.

**An Hon. Member:** Where are the cheques?

**Mr. Wise:** We have not yet reached a decision.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Monday, January 27, 1986, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Fraser Valley East (Mr. Belsher) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

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## POINT OF ORDER

TIME LIMITED ON SPEECHES AT THIRD READING—RULING OF MR. SPEAKER

**Mr. Speaker:** I should like now to give a ruling with regard to a matter raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) on Friday, January 24, 1986. The Member for Ottawa-Vanier asked for clarification on the interpretation of Standing Order 36(1) in relation to the length of speeches at third reading. Having considered the matter and verifying

precedents I am now prepared to rule. Standing Order 36(1) reads as follows:

Unless otherwise provided in these Standing Orders, when the Speaker is in the Chair, no Member, except the Prime Minister and the Leader of the Opposition, or a Minister moving a government order and the Member speaking in reply immediately after such Minister, shall speak for more than twenty minutes at a time in any debate.

In situations where a Minister moves the motion for third reading and speaks first it is quite clear that the Opposition Member replying immediately after the Minister would be entitled to unlimited time. It would appear logical to me to carry this practice further and say that in those instances where the Minister's Parliamentary Secretary makes the first speech on behalf of the Government, he or she should have unlimited time and the Opposition Member replying immediately thereafter should also be entitled to unlimited time. This is the interpretation of the rule that the Chair intends to follow henceforth.

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## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

FUTURE OF CN MONCTON SHOPS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I have the honour today to present a number of petitions from the southeastern part of the Province of New Brunswick in which the signatories are expressing their concern with regard to the future of the CN shops in Moncton. They are concerned that the current assessment being conducted by CN with regard to their maintenance capacity may have negative implications for the thousand or so workers working at the CN shops in Moncton. They call this matter to the attention of Parliament and ask us to stop in any way any effort to downgrade the shop in Moncton.

EFFECT OF FREE TRADE NEGOTIATIONS ON AGRICULTURAL PROGRAMS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I have 138 petitions signed by 1944 electors of the riding of Glengarry-Prescott-Russell asking the Prime Minister of Canada (Mr. Mulroney) to give his immediate personal assurance that no agricultural programs will be sacrificed in the free trade negotiations between Canada and the United States of America.

INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, I have a number of copies of two petitions relating to the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia, pointing out that the use of this range causes environmental damage, contributes to the nuclear arms race and is of doubtful economic value. One petition calls for all weapons testing at the said test range to be brought to an end, and the second calls for a full public inquiry before the present agreement is renegotiated.



FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have petitions from the residents of Spadina who are still protesting and objecting to the deindexation of family allowances and they ask the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

LOBSTER FARMING OPERATION AT ARICHAT, NOVA SCOTIA

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I have a number of petitions from the residents in Cape Breton who are opposed to a farming operation of lobsters, which was started with money given to Mr. John Risley of Clearwater. These petitions are from residents in Main-A-Dieu, residents of Isle Madame and Gabarus, and Fourchu, residents of Glace Bay, Cape Breton, residents of Bras d'Or Lakes, residents of Buysborough, residents of Auld's Cove, residents of L'ardoise and Richmond County, residents of Port Morien in Cape Breton. All these residents are opposed to a lobster farming operation in Cape Breton, but I want to underline, Mr. Speaker, that they are not opposed to economic development taking place in these areas.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, today it is again my duty to table a petition from people in the Moncton area, expressing their concern about the CN shops in Moncton. There are persistant rumours that the guarantees given by the Minister last summer no longer are guarantees as such.

Mr. Speaker, people are concerned more than ever before.

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### QUESTIONS ON THE ORDER PAPER

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** I ask, Mr. Speaker, that all questions be allowed to stand.

**Mr. Speaker:** Shall all questions stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

### PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Carney that Bill C-85, an Act to amend the Petroleum Incentives Program Act, be read the second time and referred to a legislative committee.

**Mr. Frith:** I would just like to indicate that there is a disposition on our side of the House, if the Government so wishes, to vote on this Bill at the present time.

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is as follows: Miss Carney, seconded by Mr. LaSalle, moved that Bill C-85 be now read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**An Hon. Member:** On division.

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

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### PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

**Hon. Ray Hnatyshyn (for the Minister of Finance)** moved that Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Hon. Barbara McDougall (Minister of State (Finance)):** I am very pleased indeed and very proud to be moving second reading of Bill C-90, a measure which will bring, I think, long awaited reform to the federal Pension Benefits Standards Act. This legislation, we are very pleased to report, is a landmark in the evolution of Canada's pension system. It and other measures the Government is taking to improve pensions in Canada mark the culmination of a decade of intensive study, debate and deliberation. Over this long period progress towards a consensus on pension reform has been painstaking and it has been frequently contentious. I am very proud to be able to say that the legislation before us today is based on consensus. It is a consensus involving compromise to be sure, but a very genuine consensus. This Government, I believe, has again demonstrated its ability to work together with Canadians to achieve concrete results on a very important matter.

The Bill before us now represents major changes to the minimum standards affecting federally regulated pension plans. This Government has acted decisively to improve pension benefits, a key component of the quality of life of Canadians in their retirement years. Bill C-90 will ensure greater fairness, greater flexibility and greater security for Canadians participating in these plans. More than that, it will provide Canadian workers with opportunities to exercise individual initiative and responsibility in saving for their retirement years.

• (1510)

The Pension Benefits Standards Act sets the basic standards which pension plans provided by Canadian companies operating in Canada, subject to federal jurisdiction, must meet. We are proposing to improve those standards in so many fundamental ways that the existing legislation must be completely and fundamentally rewritten. Since the Act was passed 20 years ago, social standards have changed, the economy has changed and the Charter of Rights and Freedoms has established a new legal touchstone. Bill C-90 reflects those changes.

Before describing the main features of the Bill, I would like to say something about the place of employer-sponsored pension plans in Canada's pension system and the principles that underlie that system. First, we share a collective obligation to ensure that Canada's elderly do not live out their lives in poverty. This is our fundamental and most general social responsibility, a responsibility which the Government accepts as fundamental to human rights and to our social programs in Canada.

Old age security benefits combined with a guaranteed income supplement provide basic security for those over 65. Spouses' allowances help others in need who have not yet reached 65. The Government has recently extended such help to all widows and widowers between the ages of 60 and 64. On this base is built the Canada Pension Plan and its parallel in Quebec, the Quebec Pension Plan. These are compulsory plans to which all Canadians in the paid labour force must belong and they ensure that workers and their spouses can maintain a reasonable standard of living in retirement.

As I am sure you are aware, Mr. Speaker, in December the Government concluded a historic agreement with the provinces which share responsibility for the Canada Pension Plan to put its financing on a firm footing for the future and to adapt the benefits it provides to changing needs and expectations. Legislation to give effect to this agreement will be introduced in the spring.

[*Translation*]

Furthermore, in addition to the basic mechanisms of the Canada Pension Plan, Canadians must be able to determine, on an individual or collective basis, the additional amount in pension benefits that would meet their needs upon retirement, which means that they must accept responsibility for saving enough money to maintain the standard of living they want for

their retirement. Canadians want to be self-reliant and they want to have a choice.

What the Government can do is encourage supplemental retirement savings. As you know, tax provisions to assist retirement savings have been expanded considerably, and according to the new Pension Benefits Standards Act I am discussing today, pension plans offered by employers will have to meet basic standards that set higher and fairer levels than was the case in the past. Consequently, many more Canadians will be eligible for such plans and will want to participate, and more Canadians and their spouses will receive better pensions from the plans to which they contribute at the present time.

[*English*]

I want to emphasize that this legislation sets basic standards in what is essentially a voluntary system, not a compulsory one. Employers are not compelled by this legislation to offer pension plans and employees are not compelled to join them. However, if plans do exist and they exist widely, they must meet certain standards of fairness and adequacy that are the best we can provide. Employers are free to exceed these standards and indeed many do. Unions are free negotiates benefits and indeed many have. The system is a flexible one in which employers, employees and unions can work out specific arrangements which best suit their circumstances and their expectations.

The Government recognizes, of course, that what Canadians deem adequate today will change as society itself changes. For this reason, there may be a need in the years to come to again review this legislation. The changes being proposed now, however, reflect today's realities. They will put an end to the uncertainty of the past several years that has caused many employers to delay reforming their plans and others to delay introducing them. Employers and employees will know where they stand.

The changes being proposed to the Pension Benefits Standards Act reflect extensive consultation with the general public, with employers and labour, with women's groups and pensioners and with the pension industry. Their insights have been most valuable. The changes also reflect lengthy and close consultation with provincial Governments. In Canada this is essential because the pension system is a shared federal and provincial responsibility.

The federal pensions standards legislation applies directly to some 650 employer-sponsored plans covering 500,000 people. Indirectly, the terms of the legislation will apply to a further 500,000 federal public servants because the Government has undertaken to see, in consultation with the Public Service unions, that the Public Service pensions will generally meet these standards. Provincial legislation applies to more than 14,000 employer-sponsored plans covering some 3.5 million people.

It is important to know that for pension reform, to which we are very committed, to serve the needs of Canadians, both employers and workers, we and the provinces must enact similar pension standards. Fundamental to our efforts has been our view that Canadians, no matter where they live, should have the same opportunities to build pensions for their old age. They must not be deterred from moving freely between provinces because of concerns about their pensions, and companies operating in more than one jurisdiction should not face needless and costly administrative burdens in having to conform to different pension standards.

In view of the importance of having a high degree of uniformity across the country, I am particularly gratified that the Ontario, Quebec and Alberta Governments are planning to implement parallel legislation concurrently with our legislation. Other provinces have indicated that they will consider similar legislation at a later date, hopefully in the very near future. This Government which has taken the lead on this matter will continue to work closely with the provinces as pension reform is translated into reality.

The changes introduced in the legislation before us are timely. Canadian society has altered dramatically in the last 20 years. Women have entered the paid labour force in unprecedented numbers. Traditional family structures and marriage patterns have changed. Career patterns are different and new working arrangements are evolving. At the same time, the Government, employers and employees alike must be concerned about the cost burden imposed by pension plans.

Both employers and employees must judge pension plans to be worth while and cost effective. They must be willing to pay for them. The cause of pension reform will be set back rather than advanced if the cost or administrative burden of plans became such that employers were discouraged from sponsoring plans and workers were discouraged from joining them. A balance is required. We believe and are proud to report that a balance has been achieved. For instance, it is estimated that for employers, the proposals in this legislation will increase the costs of average pension plans by about 8 per cent to 10 per cent. This in turn will increase payroll costs by about half of 1 per cent. We have taken very great care to avoid imposing retroactive costs.

I submit that the proposed changes are fundamental and are far reaching. They will serve Canadians well and they will be affordable.

• (1520)

I would now like to outline to the House what some of these changes are. Current pension standards on vesting, for example, specify that persons do not acquire rights to the part of their pensions contributed by their employers until they reach 45 years of age and have 10 years' service or membership in their pension plan. This is clearly a Draconian standard in today's times. Although many employer-sponsored plans have not been that rigid, the standard nonetheless has deprived many young people, and people who have left the labour force or changed jobs even after considerable time with employers, of a good part of their pension benefits. Employees now will be entitled to vested benefits two years after joining a pension plan. That is an improvement of eight years. They will then be able to leave their jobs if they wish and not jeopardize their pensions.

As a result, the amount of pension which today's mobile Canadians can accumulate over their working lives will be significantly increased. Because women tend to move in and out of the paid labour force more often than men, the proportion of women benefiting from this change will be particularly high. That is something that I am very pleased to report to the House. Vested benefits will also be locked in. This means that the funds will remain in a pension plan or be transferred to a locked-in RRSP to provide for retirement income as they are intended. This early vesting and locking in will therefore result in more persons having private pension coverage at retirement and many persons having increased pension coverage at retirement.

Portability is another important matter. Pensions will be portable, allowing Canadians who change jobs the option of leaving their pension entitlements with their former employer, transferring them to their new employer, or locking them into an RRSP. This long awaited pension reform will remove an obstacle which has stood in the way of many Canadians wanting to make significant career changes. Also, by encouraging a more mobile labour force, portability will enhance the competitiveness of our economy and of the country's prosperity. People will be more willing to move where there are job opportunities as these open up.

I would now like to turn to minimum employer contributions. For the first time, the new legislation will require that in all circumstances employers pay for at least 50 per cent of the value of pensions earned by their employees. This usually happens now with long-service employees, but not with those who spend shorter periods with an employer. So this change will particularly benefit young workers and mobile workers, many of whom are women. In the case of pension entitlements which employees have earned when they change jobs, the same objective can be met by indexing these deferred entitlements. These amendments also improve access to pension plans since they ensure that more workers will have the opportunity to join plans.

Of major importance are the provisions which will require employers to allow part-time workers to join pension plans currently available only to full-time workers, provided they have earned at least 35 per cent of average wages, or met an equivalent hours-related criterion for two consecutive years. As Hon. Members know, increasing numbers of people, especially women, are taking part-time jobs. For the first time many of them will be able to build up pension plans. Also important is the provision that all full-time workers in any group for which a pension plan exists will now be eligible to join the plan at any time, provided they have at least two years of service. At present, some plans have more restrictive eligibility requirements.

I would now like to deal with another important social issue, that is, flexible retirement. The new standards being proposed in the legislation before us will permit employees more choice in deciding when to retire. Canadians will be able to elect early retirement anytime within a ten-year period before the normal retirement age specified in their pension plan. Should they do so their pension will be appropriately adjusted to reflect the longer period over which the benefits will be paid. This change is in keeping with evolving patterns of retirement and may be particularly attractive to many working women who are younger than their retired husbands and wish to join them in retirement.

Another area of concern has been information and pension committees. A major thrust of the PBSA amendments is to encourage pension plan members to be more knowledgeable about their plans and to participate in decision making about them if they wish. The amendments will require pension plan sponsors to provide members and their spouses with regular information about the amount of benefits earned, their accumulated contribution and the plan's financial situation. This will help them to plan responsibly and knowledgeably for retirement. As well, representation of plan members will be required on pension committees, if the plan has 50 or more members and if a majority of the members request representation.

I have emphasized two or three times the implications for women because that is what I am most proud of in this legislation. In Canada today pension policy must recognize that working patterns for many women have changed dramatically and will continue to change. At the same time, pension policy must recognize that many women will continue to choose more traditional family roles. It is our responsibility to ensure that the pension needs of both are met.

In describing the changes I have outlined thus far I have mentioned that while they are designed to deal with fundamental shortcomings affecting everyone, several of them will be of particular significance to women because women, on average, change jobs more often and hold more part-time employment than men. There are a number of other changes, however, which are explicitly intended to remedy the failures of present standards to meet women's pension needs.

I would now like to turn to the subject of equal pension benefits. One such change will ensure that women and men who retire under similar circumstances will receive the same monthly pensions. Many plans meet the standard now, but others may have lower periodic benefits paid to women than to men because a woman's life expectancy is longer than a man's. This change is fair because it costs women just as much to live month-by-month as it does men.

I would now like to speak about survivor benefits. The new provisions concerning survivor benefits are of major significance to women. Many women now find themselves totally unprovided for, or inadequately provided for, by their husband's pension plan if he dies. The new standards will require pension plans to offer survivor benefits which will provide surviving spouses with at least 60 per cent of the pension which would have been paid had the retired plan member lived. These benefits will not be ended if the survivor remarries, as has been the case in the past. If the plan member dies before becoming eligible to retire, the full value of the pension that has been earned will be transferred to a locked-in RRSP for the spouse.

With regard to credit splitting, the new standards will also ensure that women do not lose their share of pensions or pension savings if their marriage breaks down. Pensions already being paid, or the value of pensions earned during marriage, will become part of the family assets to be divided on breakdown of the marriage, according to the provisions of provincial family law legislation.

I now wish to deal with the controversial area of inflation protection. As Hon. Members well know, this is a question which, over the years, has been of persistent concern to the architects of pension reform. Indeed, no other issue has been such a source of disagreement and such an obstacle to reform. The Government recognizes the need to maintain the purchasing power of pensions provided by employer-sponsored pension plans. However, many business groups continue to be opposed to mandatory inflation protection because they do not believe that it is affordable or predictable. There is no provincial consensus on this matter either. Therefore, we must acknowledge that to mandate inflation protection at this time could have serious negative repercussions on the willingness of businesses to establish or to continue pension plans for their employees.

• (1530)

This outcome would not be in the interests of employees and of course we will have to continue to work at it. As well, it has proved impossible to achieve any agreement on what method or formula might be appropriate for providing inflation protection, and we will continue to work at that. However, we cannot delay pension reform solely for want of agreement on mandatory inflation protection when there is agreement in so many areas, and when the need for reform is so great. We have therefore adopted a voluntary approach to inflation protection. I want to stress that the majority of large pension plans already provide inflation adjustments which amount to about 40 per cent of the increase in the Consumer Price Index. We will build on this by encouraging all firms under the jurisdiction of the federal Government, especially Crown corporations, to provide such inflation adjustments both to pensioners and to the pension savings of persons still working. These firms will be required to report regularly on the adjustments they make and the source of funds they use for these purposes. Information on both the inflation adjustments and the sources of funds will be submitted to the Superintendent of Insurance and the resulting statistical information will be made public.

The Government will be closely monitoring the response of pension plans to the voluntary approach. As we gain a clear picture of how well it is working, we will once again be consulting with the provinces, with business, and with other groups which have an interest in effective pension arrangements to determine what further action is necessary and nudge ourselves toward further action if we come to that conclusion. Clearly, there will be a need to review the question of inflation protection on an ongoing basis. That is just what we will be doing.

Canadians have been awaiting reform of the pension system for a long time. Much work has been done on this over the years and I know that the Hon. Member for Sudbury (Mr. Frith) has done a lot of work in this area. He is to be congratulated for the work that was done while his Government was in office. However, we on this side of the House are very proud today that a consensus has been reached which reflects the realities and values of the Canada of today. I believe all Canadians will welcome the significant achievement which this Bill represents and will be anxious to see the changes take effect. I am proud to present this Bill on behalf of the Government. I hope all Members will support it wholeheartedly so it can receive speedy passage on behalf of those who are approaching their retirement and those who must plan ahead in the pension fund reform context.

Canadians are eager to see this legislation pass because if it receives speedy passage it can take effect at the beginning of 1987 as proposed. This can only happen if the measures are in place in sufficient time for employees to make the substantial adjustments in their plans which may be required. Again, it is with very great pride that I present this Bill to the House today.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, as the spokesman for my Party on this issue may I say that I, too, am prepared to give this Bill relatively swift passage in order that the legislation go to committee. There are some areas in this legislation with which I have some concern. I think we can make some improvements to the legislation without causing a fundamental problem for the Government. One in particular that I want to mention, while the Minister is still in the House, is this. At the time the all-Party parliamentary task force travelled across the country meeting individuals and other groups, but particularly representatives of religious groups which prohibit membership in private associations, we took their presentations into consideration. The Province of Manitoba took their concerns into account and this wording was placed not only in the Manitoba legislation, but the previous Liberal Minister of Finance, Mr. Lalonde, accepted that wording in the draft Bill we had prepared. I have had representations from the same religious groups. They are very small in number, and I think the Government would do well to listen to what they have to say and amend the legislation to alleviate their problem.

The Minister indicated that this Bill has been a long time coming. I could not agree more. In recent months there have been public opinion polls which indicate that the Canadian public in general is very confused about the role of pension plans in this country, both public and private. That has led to a misunderstanding on the part of most Canadians as to what role pension plans play. The Minister indicated that this legislation is only going to deal with the private pension plans covering areas of federal jurisdiction. As she said, that covers some one million Canadians. My understanding is that a consensus has been reached with the provincial Governments on a pension reform package which will be undertaken in each of the provinces concerned. That of course will cover a great

many more workers. However, we have to use this debate not only for the purposes of this Bill but as an educational tool to explain to Canadians the difference between public and private pension plans. Fundamental to that explanation must be the acceptance by the people of Canada that there is a role to be played in pension planning by Government, by the individual and their employers.

In years past, when one was advocating a pension system, it was based on the premise that Old Age Security would cover 25 per cent of the average industrial wage. The public pension system, known as the Canada Pension Plan outside of Quebec where it is called the Quebec Pension Plan, would cover an additional 25 per cent. In other words, at age 65 Canadian workers would be guaranteed at least 50 per cent of the average industrial wage. It was up to the individual to supplement that through personal savings or a private pension plan. In effect, they would then be able to live in retirement with the standard of living they were accustomed to before they reached the age of retirement. That triad of Government, business and the individual has served Canadians relatively well.

One of the major concerns which led to the creation of the all-Party task force on pension reform was that in the latter part of the 1970s and the early part of the 1980s some 54 per cent of OAS recipients also qualified for the guaranteed Income Supplement. That was considerably higher than most other OECD countries. For that reason the task force was asked to investigate why pension benefits for retired Canadians was so much different than in Europe. I must say that in the North American context, which we must take into consideration because our major trading partner is the U.S., our neigbhour to the south has a worse track record than we do regarding private pension plans. The caveat I want to place on that is that Canadians are much more familiar with the RRSP as a vehicle whereby the average Canadian can plan his retirement income. That is an important consideration when one looks at a snapshot view of the pension system in our country. The point I am making is that the triad I referred to earlier was intended to serve Canadians reasonably well.

● (1540)

The trends that are now impacting on Canadian society had a great deal to do with the type of recommendations that the task force made to the Government of the day, which were accepted by the Government at that time, and have now been accepted by the present Government. I think that speaks well for the committee members on that task force on pension reform. I know, as I think Members opposite know, that when a report of a parliamentary task group is accepted by two different stripes of political philosophy in Government, the task force has done a reasonable job of deciphering the actual needs of the Canadian public with regard to pension systems.

I talked about what kind of trend lines had a degree of impact on the recommendations that the all-Party task force made. The most important one was the assumption of the change in work patterns. Previous to the 1960s when the Canada Pension Plan was first being thought of, the premise was that most Canadians would enter the workforce at age 18 and exit at age 65. As a result, the maximum pension under the Canada Pension Plan, before the introduction of the changes that will come into effect in the spring of 1986, was based on the premise that one would be in the workforce for 47 years. People now recognize that the odds of young people, who are taking post-secondary education, entering the workforce at age 18 and staying in the workforce in the same place until age 65 are very remote. Due to the way in which the economy is unravelling and due to the post-industrial age, it is evident that young people will have to be retrained several times during their working careers to develop different life skills in order to have a meaningful job in our society.

As a result, we suggested that the system will have to be much more flexible than it was in the past to accommodate that emerging work pattern. That was one of the major reasons which led to our recommendation to make the maximum pension under the public pension plan system payable upon 35 years in the workforce as opposed to 47.

The fact that young people are going to have to go in and out of the workforce in order to be retrained led us to make the recommendations that we did with regard to the need for earlier vesting of pension plans and a more portable pension plan system. I am pleased that the Government has accepted the idea of a two-year vesting period. The locking in of the Registered Retirement Savings Plan can create a vehicle for better portability of the pension system. Therefore, the emerging work patterns had a significant impact on the recommendations of the task force and that is what is being reflected in the legislation before us.

Another major trend that had an impact on the legislation was the emerging family patterns in the country. Only one in every five marriages in the country reflect what we think of as the traditional family structure which existed one generation ago, that of the male being the worker and the wife staying home and raising children. Only 20 per cent of Canadian families now reflect that situation. I read in an article yesterday that that kind of family structure is only represented by 7 per cent of the American population.

One can see that this emerging family pattern had severe impact on the way in which the legislation was drawn up. That was one of the major factors that led to the number of changes in Canadian pensions that affect women. That is to say, upon marriage breakdown pension assets should be divisible, survivors' benefits should be increased, and upon remarriage they should not lose their entitlement to a pension. I see that the Government has accepted those premises in the legislation before us.

In addition, one of the major trend lines that also had an effect on the legislation before us is the concern that all Members of the committee had about the ability of the next generation to sustain the burden of intergenerational pension income. That is a very complicated way of saying that we have some concern about the next generation of Canadians being

able to sustain the burden of income for the next generation of elderly.

I would like to speak a bit about the differentiation between a public pension plan system and a private one in the country. Very few Canadians are aware that if you are over the age of 65 today and draw a pension from a public plan, namely from the Canada Pension Plan system, for every dollar you draw you have only paid 17 cents. The other 83 cents will be picked up by the next generation of Canadians.

The burden that is capable of being handled by the next generation has been studied in Europe. Under the present Canada Pension Plan system, my children, in the year 2010 and beyond, will have to pay roughly 9 to 10 per cent of their income to cover the Canada Pension Plan at that time. I do not believe that that is an excessive burden compared to that in most other industrial states which demographically reflected, in 1985, the state that Canada will be in in the year 2010. I speak of the United Kingdom, Germany, and France where the present average age and number of workers supporting the system reflect what the Canadian reality will be in the next generation.

We did, however, have some concern about what impact any changes to the public pension plan system would have on the capability of the next generation to carry that burden. I believe that was taken into account when we recommended that the Canada Pension Plan system not be expanded, because we were not concerned about whether the next generation could sustain that burden. The committee chose not to expand the Canada Pension Plan. We did, however, include homemakers in the Canada Pension Plan. There are some 2 million Canadians in the country, namely the homemakers, who do not have access to a private or a public pension plan system.

As a result, homemakers who have chosen to stay home and raise a family, which has value to Canadian society, find themselves being penalized. That was one of the major reasons that we recommended the inclusion of homemakers in the Canada Pension Plan. In the consensus package which the Minister of State for Finance (Mrs. McDougall) indicated had emerged, the inclusion of homemakers in the public pension plan system is still under review by the provinces. Therefore, one should bear in mind that if the inclusion of homemakers in the Canada Pension Plan does not become a reality in the future, with the exception of some of the technical changes that are going to be made under the Public Service Benefits Act, there will be very little which will significantly improve the lot of women in the country.

If there is a failure to include homemakers in the Canada Pension Plan, I think serious consideration should be made to the Cofurantes model which advocated that there would be an improvement in the first half of the average industrial wage replacement earnings by the public pension plan system. Without that, very little will be done for women in our society who either stay at home and raise a family or are unfortunate enough to work at only very low paying jobs. It comes as no surprise to any of us in the Chamber this afternoon that if you work in a poor-paying job you will have a poor-paying pension because they are earnings-related. For that reason, when we debate the changes to the Canada and Quebec Pension Plans some consideration should be given to that idea in the event that the inclusion of homemakers in the public pension plan system is rejected by the provinces.

I also want to indicate some other areas of concern that I have with respect to the legislation before us. When we look back on the debate that occurred in the country in the seventies and eighties we see that one of the major factors that led to the establishment of the task force on pension reform, besides the dismal record that we had in terms of today's elderly population with regard to the Guaranteed Income Supplement and other things, was the concern about inflation protection. If you were one of the 40 or 45 per cent of males fortunate enough to have access to a private pension plan in the workplace and you did not have any inflation protection on that pension plan, with inflation at 11, 12 and 13 per cent per annum in Canada from 1978 until 1983, if you retired in 1978 on what you thought was going to be a reasonable pension plan, that inflation had a significant impact on your purchasing power over a very short period of time. In other words, many pensioners in this country who retired in 1978 found that the purchasing power of their private pension decreased by half within five years. For that reason, the Government of the day asked the Parliamentary Task Force on Pension Reform to investigate whether or not inflation protection should be included in an over-all private pension plan system in this country.

● (1550)

In the Lalonde Budget of February, 1984, the principle of inflation protection was accepted by the Government with the formula to be the Consumer Price Index minus 2.5 per cent. Although that formula did not reflect a consensus across the country, the principle of inflation protection was accepted by the Conservative Government of Bill Davis in Ontario.

There is a good case to be made that despite the fact we have not been able to reach a consensus on pension reform, it is no reason that the federal Government should not lead by example in this country in areas in which it has responsibility and require those employers to have an inflation protection rider in their pension plan system. I make this point because it is one area which will cause great concern when this Bill goes before committee. I expect many pensioners in this country to appear before the committee and submit their views on the need for inflation protection under the private pension plan systems.

Inherent in this debate as to whether or not the Government should legislate inflation protection is the definition of what is a pension. What is a pension? Is it a reward for years of service to the company or is it a form of deferred wage for employees? If one accepts the view that a pension is a form of deferred wage, I suggest that such an asset belongs to the worker and not to the company. Furthermore, if that is the case, then we are going to fail again in legislation before the House. As the Minister stated, this is the first time in 20 years

that we have had an opportunity to change the legislation and if we again fail to protect Canadian workers with respect to inflation protection, I do not think we have done our job.

We have yet to determine whether or not a pension belongs to the employer or the employee. Therefore, a number of companies have found that there is a surplus in the pension plans as a result of the actuarial assumptions that were made at the time they introduced the pension plan. They have taken advantage of this and simply asked an insurance company to bid on an annuity that would pay their obligations under the pension plan and then pocket the surplus in the pension plan system. The law allows them to do this and it is perfectly understandable. The surplus in the pension plans which I believe belong to the workers are used by the employers for their own purposes.

I believe there is something fundamentally wrong with that concept of a pension and I had hoped the Government would have reflected in its legislation the definition that the pension belongs to the workers and not to the companies. I believe that definition was agreed to in that committee. I suggest that is a serious flaw in this legislation, but I also recognize that it will be very difficult to deal with because I do not underestimate the cost to the Government in accepting such a proposal.

I agree with the Minister that this is good legislation. I will not strenuously object to this legislation because it will go a long way to ameliorating a situation that has existed for the last 20 to 25 years. However, that does not mean we should not do our job as parliamentarians and ensure that the members on the committee at least understand the concept I am trying to get across that those assets belong to the workers and not the employers. I will be asking the committee to seriously consider this flaw in the Bill when it goes to committee. The pension groups will have an opportunity to explain their views.

I know that many Members of the House have constituents who are CN pensioners. I can assure the House, having investigated the way CN, a Crown corporation, has treated its pensioners, that it leaves a lot to be desired. One reason why the company has been allowed to treat its pensioners in that manner is that the current legislation does not clearly define who has the control of the assets in the pension plan system. Again, we are passing legislation, that I suspect will be the standard for the next 25 years, which is missing the mark on inflation protection and the definition of who owns a pension plan system.

It is also important to recognize some concerns about the definition of "part-time" in this legislation. My friend from the New Democratic Party, the Hon. Member for Beaches (Mr. Young), will speak in more specific terms about this matter but it should be drawn to the attention of Government Members who may be sitting on that committee. The issue of part-time workers is an area of potential concern for us all.

There are rare opportunities for Parliament to reopen legislation. It has been 20 years since we dealt with this legislation and when we deal with amendments to the Canada Pension Plan it will be our first opportunity to significantly change the rules and regulations of the public pension plan system since it began in 1966. Therefore, I caution Members that when we pass this legislation we must attempt to ensure that it is tailored for the needs of the emerging generation that will be entering the workforce. I am looking particularly at the pages in the House who will be in that workforce in the next several years. Earlier, I spoke of the emerging work patterns in this country. It appears that more people will find themselves in and out of the workforce, seeking retraining as a result of working in industries that will become obsolete.

Another emerging work pattern concerns work sharing or part-time work. This, combined with an apparent decrease in union membership in this country, indicates that the Government should be careful that it brings forward legislation that will ultimately protect the Canadian worker. The participation of Canadian workers in a union has significantly decreased between 1961 and 1981. When one considers the emerging entrepreneur class in this country, the majority of jobs being created are in companies that employ 20 people or less. These employees will be primarily non-unionized and the trend lines indicate that the owners of those enterprises will be women. Furthermore, women who enter the workforce do so on a work-sharing or part-time basis. Therefore, we should be very careful with the definition we use for "part-time" because it will have a significant effect on women entering the workforce. I hope that the committee accepts the recommendations of the task force with respect to the issue of part-time work and workers. We will have ample time to call witnesses on this issue in the committee.

A royal commission on part-time work was commissioned in the latter part of 1982. It reported to Parliament and made many recommendations with respect to benefits. If that emerging work pattern which I have described comes into being, it is important that the benefits that are made available to full-time workers are equally accessible to part-time workers, otherwise I suggest that we would have failed to do our job properly.

• (1600)

When I talk about the need for information disclosure and employee participation, I want to commend the Government because I think that is an excellent part of the legislation. Union workers and all other workers, even those not covered by union contracts, indicated to the all-Party task force on pension reform the need for information dissemination to the workers. I talked earlier about the fact that no legislation defines to whom the pension assets belong, why that is such an important definition and why it has to be ascertained. I believe that for too long a lot of employees have not had access to information about the actual extent of the funds which are kept in pension plans which have been used by employers for other purposes.

I agree that our track record when we were in Government left a lot to be desired in terms of pension reform. I suppose the fact that we failed to act on pension reform until 1984 was due largely to the fact that there was not a consensus in this country as to how we should undertake pension reform. That having been said does not take away from the fact that up

job creation with the agreement of the employees. However, I am opposed to an employer unilaterally grabbing the money for purposes for which it was not intended without discussion and without seeking the agreement of the people who have a vested interest in that pension fund. I believe that that is absolutely wrong and I do not think even my good friend, the Hon. Member for Scarborough West (Mr. Stackhouse), would disagree with that.

**Mr. Stackhouse:** I don't disagree at all.

**Mr. Young:** The other problem I have with the Bill is another departure from that which was promised in the budget papers and that is the treatment of part-time workers and their eligibility to participate in private pension plans as covered by Bill C-90. The budget papers seemed to indicate that part-time employees would now be covered by private pension plans. After reading the legislation, I am not as enthusiastic or optimistic as the Minister of State for Finance (Mrs. McDougall) seemed to be that that will in fact happen. I will not go through the complicated formulation used in the Bill, but in essence, the Bill indicates that if a part-time employee earns more than $8,000 per year, he will be eligible to participate in a private pension plan.

The latest figures I have on the earnings of part-time employees are out of date, but considering what has happened to the economy and, as I understand it, what has happened to part-time workers, I think the figures I am going to use are probably not too far off. In 1981, 72.3 per cent of part-time workers had incomes under $5,000; 19.5 per cent had incomes between $5,000 and $10,000; and only 8 per cent had incomes of over $10,000. As the Hon. Member for Sudbury (Mr. Frith) pointed out earlier, 72 per cent of all part-time workers are women, 40 per cent of part-time workers work less than 15 hours per week and 33 per cent of part-time jobs lasted for less than a full year. If these figures still hold true, and I would hope someone could present figures that are different, I can see that an awful lot of part-time workers will not be eligible to participate in private pension plans because their incomes are too low. I think that that is unfortunate.

● (1640)

Another point I wish to address is with respect to the vesting provisions in the Bill. As I read the budget papers last May, and I have reread them since, I am of the impression that an employee would be eligible for vesting after two years of service. However, if one takes a close look at the Bill before us, one will see that it does not say that. What it says is that the employee will have a vested pension two years after enrolling in the plan. That is totally different from full vesting after two years of employment because, under most plans, an employee is required to work for an employer for one full year before he or she becomes eligible to enrol in the pension plan. Many other plans require that the employee be employed for two full years before he or she can join the pension plan and have a right to the contributions made, which is otherwise known as vesting.

With respect to the scenario I envision under the Bill, we are not talking about two years vesting as an employee but really a minimum of three years of employment before becoming eligible for full vesting or, in some cases, even four years. Also, if an employer elects to change this provision under the pension plan, it would totally destroy the principles about which this Bill speaks. It is not inconceivable that an employer could do that because most pension plans are not subject to arbitration under grievance procedures. If, after $x$ years of employment an employer chose to say: "I don't like this full vesting stuff", what he could do is up the period of time whereby one could enter into the plan. This is something which could be avoided. I had hoped that the Bill would have made it more difficult for an employer to do that.

What happens to an employee once he or she leaves the pension plan? If an employee withdraws his or her contributions to the pension plan, then what the budget papers spoke about was the employee being entitled to a rate of return on the contributions equal to what one could expect to receive on a non-chequing savings account. I was not too happy with that provision; and it was also removed from the Bill. What the Bill says is that whoever supervises pension funds will have the right under the Bill to establish what a reasonable rate of return on the contributions will be. That is also somewhat of a disappointment to me since, under many pension plans today, an employee is fortunate if he or she receives a 4 per cent return on contributions made over the years into the pension plan. Even though the provisions in the Budget were not satisfactory, they were better than what is contained in the Bill before us.

I would much rather have seen a proposal which suggested that the rate of return be the same as that on treasury bills. At least in that case there would have been a standard application. However, that is removed. The Bill says that it will now be up to the head honcho in charge of these pension plans and no guarantee will be provided. I would have preferred to see some equitable rate of return guaranteed to the employee. As I understand it, that will not now happen. I see some Members opposite shaking their heads. I will wait and listen with interest to what they have to say on the subject. I wait to be educated on the point. I have gone through the Bill with a fine-tooth comb and that is what it seems to say to me. I certainly hope I am wrong in this respect, since it would pay a disservice to employees who have withdrawn contributions made to a pension plan to be treated less equally than they may be at the present time.

The Government also seems to have back-tracked from its budget promise with respect to pension splitting on marriage breakdown. It did not go as far as I would have liked to see it go. I have argued in the past that pension splitting on marriage breakdown should be mandatory. The Government seemed to indicate that it saw some merit in my argument. However, when it presented the Budget it backtracked from the point. The Government is now saying in this Bill that pension credit splitting should be based on provincial property laws. That satisfies nothing. One of the major problems on marriage

breakdown is that most women—and it is mostly women who are affected by this lack of mandatory splitting, and the evidence is there to prove it—are in their early forties. By that time most of their family have gone and for one reason or another the marriage no longer works. Invariably, it is the husband who leaves.

The woman, who has not been in the workforce for a number of years because she has been raising a family in a great many cases, has to find a job. She has increasing pressures placed upon her to do so because she has to have an independent income and because she wants to get on with her life. What happens in some cases is that the couple goes into a lawyer's office, the husband's lawyer, who says to the wife: "Look, you really don't want to be bothered getting into a big court hassle about how your husband's pension credits will be split". Invariably, they end up offering her some cash settlement in lieu of a pension promise to be paid from the contributions made by the husband, which were really made on behalf of both of them over the married years.

When the woman reaches the age of 65 she suddenly discovers that she has an inadequate pension income. It is not as though she would receive an adequate pension under the present legislation, but she would have been better off if she had been able to hold on to that portion of the pension credits she had helped contribute toward as a result of her work on behalf of the family. It seems to me that what should have been included in this Bill was a provision making credit splitting mandatory. It should not be a matter of getting some sharp lawyer with a sharp pencil trying to bamboozle the parties. It should be a matter of right and it should be spelled out in the Bill.

Another area about which I feel strongly, and which has been a source of amazement to me over the years, is the one in which an individual becomes disabled in the workplace for whatever reason and applies to the Canada Pension Plan for disability benefits and they are granted. At the same time, the employer may have some sort of disability insurance carried with an insurer. What happens in these cases is that the employer says: "Because you receive a disability benefit under the Canada Pension Plan we do not feel we should duplicate that by providing you with the full benefits promised to you under the plan". What happens is that the employer deducts from the disability insurance the amount the individual receives under the Canada Pension Plan. I feel that the employee has bought this insurance and is fully entitled to any benefits derived therefrom. On that basis alone it is unfair.

What I cannot understand is why Government's have not acted on this point. In effect, we are allowing the Canada Pension Plan to subsidize the insurance industry. That is exactly what is happening. Rather than the insurance industry having to cough up the full amount of disability pension to that recipient, they deduct what the Government gives the individual from the moneys they owe him or her. That is totally unfair and it really is about time that the Government acted and put a stop to it. There are many disabled people out there and they are suffering enough without having to undergo the strain being imposed upon them. As was pointed out, I was a Member of the all-Party committee which dealt with the problems that disabled people face. It was unanimously concluded that there are costs associated with disabilities which able-bodied people do not have to face. It seems to me that principle should be recognized by both the Government and the insurance industry and the disabled should not have that additional pressure placed on them simply because they are disabled. That is quite apart from the fact that it should never have happened in the first place.

● (1650)

Even though I may have a minute or two left, Mr. Speaker, I have made the main points that I wanted to make. I hope that in committee we will be able to move some amendments to make the Bill stronger, and help the Government live up to the promises it made in the budget statement. In general terms we support what the Government is trying to do in this Bill. That does not mean to say we are totally happy with it and I would be surprised if the Government thought we were. Thank you, Mr. Speaker. I will be very happy to answer any questions which I am sure Tory Members have.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Trade—Canada-United States negotiations (a) Lumber exports. (b) Suggested trade promotion in United States; the Hon. Member for Trinity (Miss Nicholson)—Banks and banking—Canadian Commercial Bank (a) Government's information in March. (b) Range of information; the Hon. Member for Don Valley East (Mr. Attewell)—Finance—Balanced budget initiative.

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## GOVERNMENT ORDERS

[*Translation*]

### PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn (for the Minister of Finance) that Bill C-90, An

because only a half of all workers, and only a third of women workers, belong to any occupational public pension plan. It will have very little effect, if any, on today's older workers. It will not come as any great surprise that I will be arguing that if we are to achieve full universal coverage, which means immediate vesting, full portability and full inflation protection, there is no substitute for the Canadan Pension Plan and the Quebec Pension Plan. If all workers and their spouses are to have adequate retirement incomes, the benefits under these plans will have to be increased. At the present time the CPP and QPP pay about 25 per cent of pre-retirement earnings. This Party calls for a doubling of those benefits of up to 50 per cent of pre-retirement earnings, up to the average industrial wage.

● (1620)

With respect to inflation protection, I would make the argument that a pension which is not protected against inflation is no pension at all. It would not provide any guarantees that a retired worker would have the right to access to an adequate retirement income after age 65, or earlier, if a pension plan had that kind of provision in it. In terms of arguing the support of what the Government should have done—even though I said at the outset that we support this Bill because it does provide a better pension for employees in the federal jurisdiction who have a private pension plan—we are favourably disposed to support anything that provides a better pension for Canadians. That does not mean to say we are not prepared to argue that there is another approach, that in our view it has not been adequately dealt with by this Government. That is vastly improving the public pension system in Canada, primarily the Canada Pension Plan and its counterpart, of course, the Quebec Pension Plan.

I know Members will be interested to listen to the words of "Mr. Pension" himself, the Hon. Stanley Knowles in a debate that took place in the House on November 9, 1964 when the Canada Pension Plan was being considered. What Mr. Knowles said he liked most about the Canada Pension Plan, the two-stage plan which we are now developing for Canadians in their years of retirement, was that we were trying to reach a position of providing pensions that are adequate. He did not suggest that the levels which would be achieved by combining the Canada Pension Plan, at its best, with old age security at its present level were really the last words on adequacy. At least we are talking about pensions of quite a different order from that which seemed to be accepted a few years or decades ago. I hope that having accepted the principle that retirement security should be on the basis of adequacy, we will go on improving that basis, finding ways and means of raising the levels of our pensions so that all Canadians can look forward to retirement in decency and dignity.

The arguments that Mr. Knowles advanced on November 9, 1964, can still be used today in support of improvements being made to the Canada Pension Plan. I am sure that several Members from the Government side will hastily jump to their feet and say "Hold on, just a second". The Minister of Finance (Mr. Wilson) on December 13 announced that he had arrived at some kind of an agreement with his provincial counterparts, as required under the provisions of the plan, and they will propose some amendments to the Canada Pension Plan to improve it somewhat.

These changes, by the way, have been a long time coming. I congratulate the Government for entering into that discussion with the provincial counterparts and getting that kind of an agreement. However, to date we have not seen any legislation that would give effect to the discussions, I would assume successful discussions that took place between the Minister of Finance and his provincial counterparts. We will see what that legislation has to say, of course, and whether it does provide for the improvements that we are led to believe developed. The reason I say that is because the proposals that were made by the Minister of Finance in his Budget of May of last year spoke about the need to improve various provisions under the Pension Benefits Standards Act, particularly as it affected women and a number of other areas. From that date last May you find on close examination of Bill C-90 that there has been a departure from the promises made in the Budget in a number of important respects.

There was a proposal in the Budget that employee representation on pension boards, for example, would be possible and would include the right of a bargaining agent, that is an organizaation which represents employees in a union, for example, to have the right to representation on a pension board. That is taken away in the Bill. All the Bill talks about is an employee who, upon election of a majority of the employees in the group affected, would have the right to be on the pension board, but only for the purposes, as I understand the Bill, and I am quite willing to be corrected in that regard, of examining information which may be presented by the fund's auditors. The power of decision-making participating in the decision making has been removed, and yet that was promised in the May Budget.

Therefore, the bargaining agents on behalf of employees will not have that right under this Bill. They did not have the right in the first place, but the Budget gave them the right. The Bill takes it away from them again very quickly, which is really quite a disappointment. It has been an issue in the trade union movement for years that employees should have the right through the bargaining agent to representation on the board that manages their pension fund. It is un fortunate that the Government did not maintain that provision in the Bill.

On the disclosure of information to employees who are enrolled in the pension plan, the Budget papers indicated that employees would have the right to information concerning the funding of a pension plan. With this Bill, the Minister of Finance has backtracked somewhat from the promises made in the Budget papers. The Budget papers specify the financial data would be made available to bargaining agents of plan members. This has been removed from the proposed legislation. Another possible problem arising from that is that the Bill states that the acturial and financial statements may be examined at the Canadian head office or other mutually agreed upon place of the administrator of the plan. The

administrator of the plan, as I understand it, means the employer.

It does not take too much imagination to see a pension plan member who is employed in a remote area of the country such as in northern Ontario, Newfoundland or B.C., who when planning for retirement may wish to take a look at the assets in the pension fund and how those assets are invested, et cetera, et cetera. I can just imagine Inco, for example, or the Iron Ore Company or some other company saying: "Well, look, that information is certainly provided for under this legislation, however if you want to see that information you will have to go to the company's head office in Toronto", or somewhere else. That would make it virtually impossible for that employee to examine the fund's assets.

To live up to the spirit of what I think Bill C-90 is trying to do, it would seem reasonable for an employer to say: "Look, if you want to examine various areas of your pension fund, surely to goodness we can get the information for you and provide it to you either at the workplace or mail it to your home". We all know that an awful lot of employers—and I do not want to be unfair when I say this—view pension funds as something that belongs to them rather than something that belongs first of all to the workers and to them if they make a contribution to that pension fund. There are two parties involved here and I do not think that any employer has the right to act unilaterally and go over the heads of its employees.

● (1630)

It would seem to me that it would be reasonable to have spelled out in the Bill that if information is to be shared, first it should be shared through the bargaining agent on behalf of the employees and then with the employees themselves on reasonable request. No one would expect an employer to run around day after day providing up-dated information but surely a periodic report of the pension fund itself could be made available on a reasonable basis. I believe the omissions in the Bill leave it open to some abuse and I would like to see that tightened up.

Another issue I feel rather strongly about is the omission from the Bill of what happens to surpluses in pension funds. The House may be interested to know that I placed a question on the Order Paper some time ago asking how many companies had actually applied to withdraw money from pension funds under federal jurisdiction, money which they considered to be surplus to the needs of the fund, and I received a fairly quick response from the Government. In the five-year period covered by 1980, 1981, 1982, 1983 and 1984—information was not available for 1985—the total amount of surplus funds requested was in the area of $58 million, an awful lot of money. In nearly every case, approval was given to withdraw those surplus funds from those pension plans. As I said, theses figures were not available for 1985. I have since placed a further question on the Order Paper requesting that that information be made available to us.

That money is money that employers have unilaterally withdrawn from pension funds. I suppose an argument can be made for this and I have no strong arguments to be made against it under certain circumstances. In many cases, those funds are being withdrawn to create jobs within the company or the corporation and in many cases this has been done with the acquiescence of the union involved. I have no difficulty with that. Where I do have difficulty is with the employer unilaterally grabbing that money without any agreement from the employees who are covered by that pension plan.

A very blatant case in point of this is the current dispute with Dominion Stores. Dominion Stores grabbed $62 million from its employees' fund claiming that it needs to use it to shut down Dominion Stores. That $62 million is employees' money. Up until about two years ago, those employees paid into that pension fund. Yet Conrad Black has stepped in and grabbed $62 million, is using it to shut down Dominion Stores and is leaving a big question as to whether or not there will be adequate funding in that pension plan to pay the pensions that are owed to employees. At the same time, Conrad Black has the unmitigated gall to lay those workers off in such a way that he can avoid paying them severance pay under provincial legislation.

**Mr. Benjamin:** It's called free enterprise.

**Mr. Young:** If that is free enterprise, then they can stuff it because that is legalized theft from those employees. There is no other way it can be described. To do that and then to manipulate the shutdowns of those stores so that the employees can no longer apply for severance pay under provincial legislation is—

**Mr. McCrossan:** It's the NDP-Liberal coalition in Ontario.

**Mr. Young:** I could respond to that but it would probably be recorded in *Hansard*.

**Mr. Stackhouse:** What protection is the union giving?

**Mr. Young:** Actually, that is an interesting question. According to a report in the *Toronto Star* of Saturday, January 25, it is clear that the union has challenged first what has happened to those pension funds and also the manipulation involved in laying those employees off. I had a meeting with the employees of one of the Dominion Stores over the weekend and they have some questions that demand answers. There is absolutely no question about that.

**Mr. Stackhouse:** That's why I put the question to you.

**Mr. Young:** I am all for as much information being given to people as possible and I think they are entitled to that information. If I can assist them in getting that information, I certainly intend to do so.

**Mr. Fulton:** I wonder if the Prime Minister (Mr. Mulroney) is assisting.

**Mr. Young:** I think I have expressed my sentiments on what happens to surplus funds. I have no disagreement with surplus funds being used for purposes other than pensions if used for

Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am delighted with this opportunity to speak to Bill C-90, respecting the Pension Benefits Standards Act. As you know, Mr. Speaker, and as was pointed out by both Opposition parties, this is the first time in twenty years that this Act is being amended. This legislation affects 500,000 employees in Canada, 500,000 people who will at last be able to take advantage of the benefits arising from these positive amendments to Bill C-90, the Pension Benefits Standards Act.

Perhaps it would be useful to recall briefly the measures that will be amended and that are important, and I am thinking first of all, of the portability of pension plans. As we know, the existing legislation contains no provision allowing an employee who changes employers or decides to start up his own business to transfer his pension plan. Thanks to the new legislation, Mr. Speaker, if the employee changes employers, he will be able to transfer his pension plan to the new employer, and if he decides to start his own business, he can transfer the pension plan he had with his former employer to a pension plan to be set up within his own business. Mr. Speaker, I believe this is a very positive step.

Furthermore, as far as access to the plan is concerned, according to the existing legislation, it is necessary to have been employed by an employer for ten years in order to have access to the plan, while from now on, the 500,000 employees we mentioned earlier will have access to the plan after two years, and this applies to full-time employees. Part-time employees will also have access after two years, provided 35 per cent of average annual pensionable earnings under the terms of the Canada Pension Plan Act corresponds to their income as part-time employees.

Mr. Speaker, I repeat, this is a very positive measure.

Under the existing legislation, when employees lose or leave their jobs, in some cases they cannot recover a single penny of their pension plan contributions. With Bill C-90, Mr. Speaker, the employee will automatically be entitled to at least half the value of his pension plan with the employer. I feel this too is a very fair measure that will ensure that employees are able to benefit from the money contributed to their plan.

Mr. Speaker, as far as retirement age is concerned, employees will be entitled to receive their pension benefits ten years before the normally prescribed retirement age. I think that in many cases, this measure will be welcomed by employees who want to take early retirement. This was not possible before. Employees could retire, they could stay home, but were not entitled to receive their pension before reaching the prescribed retirement age.



The same applies to employees who decide to leave before becoming a member of the pension plan. According to the existing legislation, they lose all pension rights. Under the new system, if the employee has no pension, in other words, if the amount contributed is not sufficient to say he has a pension, the employer has an obligation to reimburse contributions paid by the employee, plus interest.

The Hon. Member for Beaches (Mr. Young) said that perhaps the employers will be making money at the expense of their employees under the new legislation. With all due respect for my colleague, Mr. Speaker, I would suggest that he is badly mistaken because the employees will have to be reimbursed, with interests.

I would like to refer to another very significant measure concerning the surviving spouse. Under the existing legislation the surviving spouse is not entitled to anything at all, but once Bill C-90 becomes law the employer will be expected to pay the surviving spouse at least 60 per cent of the pension of his or her deceased spouse. In the case of an employee who dies before retirement, the employer will then have to transfer to the spouse's Registred Retirement Savings Plan the amount set aside for that employee who died before retirement age or before retiring.

Mr. Speaker, those measures were long overdue. It has been 20 years since any kind of change or addition has been made to take the current legislation situation into account, so these are important measures which reflect the socio-economic reality and the family patterns in 1986.

Mr. Speaker, marriage breakdowns are another reality of 1986. As we all know, there are now more marriage breakdowns than there were 20 years ago, but nothing has been done about it since then. In any future marriage breakdown, each spouse will get half of the pension. Earlier today the Hon. Member for Beaches said he was against this measure . . .

**The Acting Speaker (Mr. Charest):** Order, please. I regret to interrupt the Parliamentary Secretary, but it being five o'clock the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

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● (1700)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

### SOCIAL SERVICES

SUGGESTED COMMUNICATIONS PROGRAM TO AFFIRM IMPORTANCE OF MARRIAGE AND FAMILY LIFE

**Mr. Reginald Stackhouse (Scarborough West)** moved:

That, in the opinion of this House, the government should consider the advisability of sponsoring, with the Provinces, a communications program,

including the use of television, that will affirm the importance of marriage and family life.

He said: Mr. Speaker, this is only Private Members' Hour and we do not have the stimulus of Government business before us. This is only a motion and will not initiate legislation that will call forth direct action. However, Mr. Speaker, I say to all Members of the House and to all who are joining with us that this Parliament cannot discuss any issue of greater importance to the people of Canada than that of the quality of family life. To support that I quote none other than the Prime Minister (Mr. Mulroney) who said: "Nothing matters more than this. It's the family that counts. That's what makes our society, and that's what makes our country".

Through the ages the family has taken many forms, but in every civilization and by every tradition the family has been the basic institution of society. The tragic irony of these times in which we live is that never have people needed more what the family offers men, women and children, and never has the family been under greater challenge than it faces now. I submit, Mr. Speaker, that Parliament must join all other people and institutions of goodwill in helping the family cope and face that challenge.

We have recently passed amendments to the Divorce Act that were required. They passed without dissent and we can, therefore, conclude that they had at least the goodwill of all Members of the House. They were necessary amendments. However, even though they were a necessary word to issue forth from Parliament Hill, they were, nonetheless, inevitably a negative word. I ask the House today whether we cannot also send forth a positive word. Is the only word that Parliament can offer the country on the subject of marriage and marriage breakdown this necessarily negative word? Can we not offer a "yes" on the quality of family life? The need for it is illustrated by one of those who have written on the subject of divorce and separation by saying that: "This national and local government policy has more often addressed issues of divorce law than it has addressed the needs of families".

I would like to focus attention on the way in which those needs of families demand the attention of Parliament and the Government. I recognize the necessity for providing an opportunity for divorce and the dissolution of marriage. It is necessary, no matter how regrettable, but let us not forget that it demands a high cost, and usually a cost from those who should least have to pay it.

In one recent study entitled *The Divorce Revolution* the writer points out and supports the conclusion that for most women divorce means a long list of negatives including less financial income, fewer skills with which to cope, lower self esteem, increased anxiety, and greater fear of the future. The author makes this comment after that discussion: "For all its aims at fairness, the current no-fault system of divorce is inflicting a high economic toll upon women and children". Another study, *Marriage and Divorce in Canada*, compiled in 1983 and funded by the them Government of Canada concluded: "The financial arrangements made by most divorcing families were not usually adequate for dependent children".

I recognize and welcome the way in which our new legislation is at least designed to help the enforcement of court support orders but, at the very best, that benefit will be limited to the payment required by those orders. So very frequently, if the payment is made in full, it is less than is required for the kind of life the family once knew, and perhaps less than the family requires for a decent human existence. I ask Parliament to face the question of whether we are really counting the cost of marriage breakdown. Certainly we must provide legislatively for it, but are we counting all the costs that this breakdown inflicts upon people, particularly women and children?

One of the studies of Family Service Canada has reminded us that the cost goes beyond that which can be reckoned in dollars and cents. It identifies four areas in which children are affected particularly: one, the change of physical domain, not always for the better; two, emotional disturbance; three, reduced academic performance; and, four, a routine disruption which, among children particularly of young age, can be negative. In each of these areas vital to the lives of children very often parents demand that children pay a price no child should have to pay.

What are we going to do about it? We have already passed legislation. Can I point out, Mr. Speaker, that there is open to Parliament, and certainly open to Government, a step that does not require legislation. Laws can achieve only limited results. We cannot and should not say: "Thou shalt stay together", but we can provide, as Governments do all the time, education that aims at encouraging people to remain together, and at affirming the qualities, values, and necessities of family life. We need to do that, particularly now that we have passed the amendments to the Divorce Act that we rightly passed last week. Even though the law does not say to anyone: "Thou shalt be divorced", the fact remains that what is legalized is approved, and what is approved is very often adopted. It has been demonstrated over the years that the liberalization of divorce law has led to the increase of divorce action.

For example, the rate of divorce in this country increased from 6.4 divorces per 100,000 people in 1926 to 222 divorces per 100,000 people in 1975. The divorce rate grew approximately 35 times in those years. I will admit the cogency of what two writers on marriage and divorce law have said, namely, that legislative changes lag behind social reality. I will admit that the amendments we passed last week were an effort at legislative catch-up with social realities. However, let us also admit that legislative changes also shape social realities. We can expect that the amendments we passed, which I believe we rightly passed, will lead, not intentionally, but almost inevitably, to an increase in the number of divorces and the rate of divorce in Canada.

Therefore, I submit that we need some educational program that will provide a positive message to the country that Parliament is not simply saying that we will make divorce easier and quicker. We are not saying that. Rather, we are providing, through the amendments which we passed last week, a relief for those who rightly need it. At the same time, we are

recognizing the importance of family life and marriage for the wellbeing of society.

• (1710)

We are taking the educational route as our way of saying yes to the family. I am suggesting that on the one hand we have legislated for marriage breakdown; let us now educate for family build-up. This resolution urges that the Government consider, along with the Governments of the provinces, a program of public education that will affirm the family and will make use of television in so doing.

Let us recognize that already both the Government of Canada and the Governments of many of the provinces include within their educational programs certain provisions for educating people on the merits and values of the family. I say that simply to submit that there is no problem of principle in this resolution. The Government is already providing educational programs *vis-à-vis* the family. This is also true in the provinces. I do not think we have a principle to debate about whether it is in the legitimate scope of a government. It has been established over many years that governments have the right as well as the responsibility to provide educational efforts of this kind. It is a valid dimension of Government responsibility.

The issue that should concern Parliament is whether these existing programs are enough. Are they effective enough to do the job? With all respect to those who have devised those programs, I would have to say that the facts demand the conclusion that they are not enough because we have seen such a rampant increase in marriage breakdown over the past several years.

If we believe that it is in the interest of society as well as individuals concerned that the family be reinforced, then I say we ought to be open to think new thoughts and try new methods of becoming more effective on behalf of the family.

For example, we have seen in recent years how much power there is in the use of television for educational purposes. For several years now the Government has educated us on behalf of physical fitness and has done so with remarkable success. It has used television to arouse public concern for physical fitness and has enlisted support for such efforts as Participation and has done it well because of television. We have seen in recent years an increasing effort by Governments to inculcate the merits of safe driving and to educate us not to drink when we are driving. Governments have used television for this purpose.

Recently we have seen Governments adopt the use of television to persuade us not to smoke cigarettes and contribute to our own illness and the illness of others. Can we in Canada, as others have done elsewhere, use television with all its powers to communicate the value of family life and use this medium of communication to arouse within our people again a concern for the importance of the home and the importance of marriage that contributes so much to the quality of home life?

Fine family educational programs are presently sponsored by our Government. These are sometimes carried on by the Government directly through its departments and sometimes they are carried on by agencies that have been funded from Government funds. In discussing this motion, I think we simply need to take another step, a powerful forward step that can mean an increase in the effectiveness of the Government's efforts to reinforce family life.

I have discussed the possibility of this with experts and authorities in the use of television. I have discussed it with television writers and producers who are capable of creating short, dynamic, persuasive messages on the family. I am persuaded by what they have submitted to me. I know that any Department of the Government and any committee of the House would find quite instructive and encouraging the kind of program that expert writers and producers have put together and which requires only the necessary funding to communicate throughout the country.

When I use the word funding, I am not thinking in terms of large amounts. For example, one estimate for five spots produced at one time would come to $176,600. If a one-spot message were produced at one time, the estimated cost is $45,400. We are not speaking about extravagant amounts or astronomical figures of the kind we have become almost too familiar with in the House. We are speaking about something well within the power and capacity of the Government and the people of Canada which would not add appreciably to the cost required of the people but would achieve an objective which I am confident the people of this country would endorse.

Such a series need not judge anyone or reflect negatively on anyone who has sought relief from a matrimonial tragedy. It is just the opposite. It has been my experience as an observer and student of society that a remarkably large number of people who suffer a marriage breakdown go on to attempt a second marriage. They do not give up on marriage. We would not be offering simply a message that reinforces those people who enjoy a stable marriage and a stable home, but one for those who have suffered a troubled marriage and a troubled home and are seeking to begin life again.

Surely that is worth the effort of this Parliament. It is worth the effort of this Parliament to provide something that will reinforce those who are trying to carry on or trying to start again. This can be a way by which the House of Commons will say yes to the family and concur with the words of the Prime Minister that it is the family that makes our society and makes our country.

**Some Hon. Members:** Hear, hear!

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I am very pleased to speak to the question of the quality of family life. I agree with the Hon. Member who just spoke that this is an extremely important question and a very basic part of the quality of life in our society.

I do not want to be particularly partisan because I do not believe that this is a partisan issue. I am sure everyone in the House supports strengthening family life. However, I feel so deeply about the family allowance program, I cannot help but mention Bill C-70. When the Member quoted the Prime Minister (Mr. Mulroney) saying that nothing is more impor-

tant than family life, indeed Bill C-70 seemed to contradict this when there was no agreement on the part of the Government to withdraw the Bill which will reduce the value of family allowance. However, I will put that aside because that is not the debate for this evening.

I believe it is very important that we discuss the whole question of family life and the reasons for family breakdown and divorce. I and my Party also share the Hon. Member's concern about the very high incidence of family breakdown with the stress and unhappiness of the couples that occurs, not to mention the unhappiness that often happens to the children as well.

I know the Hon. Member is very serious about this issue, however I think there are many more questions we must consider besides that of a communications program which would be targeted to expounding the value of marriage and family life and perhaps deal with it in a somewhat superficial way. I am not saying that I am opposed to this idea but I am suggesting that the cause of family breakdown is much deeper and must have more significant remedies.

● (1720)

I now understand, after hearing the Hon. Member speak, that one of his motives for proposing this Bill was to put forward the positive side of family life. We talked much about divorce and the very high incidence of family breakdown when we were debating Bill C-48 and Bill C-49, certainly, the increase in divorce and the desperate situation in which women and children find themselves. We had statistic after statistic showing how much harder it is in economic and social terms on women who are left alone with children.

I think we should look at the many factors which contribute to family stress, the things which happen before a family breakdown. We must look at ways to strengthen families. To do that we must in a very realistic way look at the new type of families in our society. We have a very rapidly changing society where many of the values and taboos which my generation grew up with have changed, and we must open our minds and attitudes to the different values of younger people today. Many of us, perhaps, yearn for the traditional family we see quoted so often in StatsCan; two parents, the man working and the woman looking after two children, one boy and one girl. We know that in reality the norm for Canadian families today is that the two parents work. When we talk about families, we have to include single parent families. Just because there is only one parent raising a family, it does not mean, as we used to believe, that it is a so-called "problem family". I strongly commend many single parents, both mothers and fathers, who are doing a wonderful job of raising children on their own.

We must also look at blended families. We are seeing many remarriages and families coming together in different kinds of arrangements in which, I am sure, there are many stresses involved. We must certainly look at two working parents in most families. I think we must also look at extended families. In my riding, there are many families who come from Asia, and it is the grandparents who take on a lot of the child care while the two parents work. The aunts and uncles as well often work to try to pay off the mortgage and everyone lives together in one home. We also have communal families where young people choose to live together. So let us keep our minds open when we think of the supports which are needed for families.

There is no question but that there are many serious stresses and family problems. We know that 40 per cent of Canadian marriages end in divorce and single families are the fastest growing type of family. I mentioned the other day that there has been a 50 per cent increase in single parent families over the period between 1971 and 1981.

Another very serious family situation which we have not recognized and are not doing enough research on is the increasing incidence of adolescent pregnancies. It is a tragedy when young teenage girls become pregnant and decide to keep their children. In fact, we have children raising children. One wonders about the life of the new child and what kind of maturity he or she will gain when the mother has no chance to become an adult in the real sense of the word herself. A recent article in the *Toronto Star* stated that 40,000 teenagers in Canada become pregnant each year, which translates into one pregnant teenager in 11. I want to come back to this subject and talk about a TV program which could be targeted to this group.

We are seeing today many changes in attitude toward marriage. Customs have changed. The whole question of legalizing marriages is something else which is quite different and trial marriages are fairly common. Perhaps, for many people, that is the way to go, although my generation is not used to this custom. Fortunately, young people are no longer under so many taboos and must make their own decisions. However, I am sure all of us would agree that where children are involved, a very secure situation with loving parents certainly is very important.

We need to look at the reasons for marital breakdowns and family problems and at the kind of community support and Government funded programs which will help to ease stress and prevent family breakdown. There is no question that unemployment and underemployment causes stress in many families when the father, who has been the traditional worker, reaches the age of 30 or 40 years and finds himself out of work. There is a tremendous impact on how he feels about himself. This creates stress along with, of course, the family not having enough money. The lack of job security is, I am sure, a major contributor to family stress.

We see many women who have to work and who want to work but who are working at a low rate of pay. They are being forced into part-time jobs and do not have adequate child care. We have a very damaging child care situation where people are forced very often to use babysitters.

Many families are living in poverty or in near poverty conditions. What does this do to a marriage? I would like to quote the Minister responsible for the Status of Women (Mr. McLean) who said in his briefing notes to the Conservative caucus, and I quote:

until this legislation was introduced, the average worker who did have access to a private pension plan did not have this contributions and the employer's contributions locked in until he had either reached the age of 45 years or had worked for that company for 10 years. One, therefore, can understand that there would be a problem when companies laid off workers.

I think of International Nickel in my home town of Sudbury, which has, over the last several years, a tremendous lay-off and attrition record. At the time the company began laying off its employees, a lot of them had not worked for the company for 10 years and left International Nickel without a dollar in their pockets from the pension system. Because there was a failure to define the ownership of the pension fund, the company had been allowed to use that surplus which was built up in the fund in any way it wished. That has not been addressed in this legislation.

There is no clear-cut definition of pension assets and I believe that is a flaw in this legislation. I believe we should have a full debate in committee as to whether or not we as parliamentarians believe that that sort of situation should be left for the next generation. If we do, then I think it is a disservice not only to Canadian workers but to society as a whole. I say that because if we go on the assumption that my definition of a pension is correct—I firmly believe that a pension belongs to the worker. I view it as a deferred wage—then surpluses which have been built up in pension funds should be used to significantly improve retirement packages so that workers can take advantage of early retirement and leave the jobs for our young.

The Hon. Member opposite will agree that one of the towns in his riding, Port Colborne, suffered a tremendous blow from the lay-offs which occurred at the International Nickel Company in Port Colborne. I am sure he agrees that had there been legislation in place which clearly indicated that the pension fund surplus belonged to the workers, they could have bad significantly improved retirement packages which would have allowed people as young as 54 years and 55 years to take early retirement. That way the jobs in Port Colborne and Sudbury could have been kept for the younger workers. However, that was not the case. Because a lot of the workers were worred about inflation and their ability to make a living from the time they took early retirement until they hit the age of 65, they did not take advantage of the early retirement options which were offered by the company. As a result, the company had no option but to lay off the younger workers. Those younger workers then left Port Colborne and Sudbury and I believe that circumstance had a very deteriorating effect on the local economies of those two towns.

I mention Port Colborne and Sudbury as examples, but that type of situation, I am sure, happens in every community across this country. To a large extent, it reflects a downturn in the economy of our natural resource based industries. I suggest that that pattern has been repeated in Atlantic Canada, northern Quebec, northern Ontario and in parts of British Columbia. I cannot speak for the Prairies but that certainly is the pattern. I wish we could have had legislative tools at our disposal so that we could have improved the track record of those communities and kept the young people there rather than giving them no option but to ship out of those communities to seek employment elsewhere.

I would like to deal now with that part of the legislation which deals with the new Registered Retirement Savings Plan. I think it is very important that the public understand clearly that there will now be a different kind of Registered Retirement Savings Plan in effect after this legislation goes through. With the existing system, up until the taxation year of 1986, if one belongs to a Registered Retirement Savings Plan in one's place of work, one has access to a $3,500 Registered Retirement Savings Plan. If one has no access to any pension plan system in one's place of work, then a maximum of $5,500 per year is allowed to be put into a pension plan. That is so that these people will have similar benefits when they reach the age of retirement to other Canadians who belong to a defined pension system.

I understand that my colleagues to my left have difficulty with this legislation. Both the Lalonde Budget of 1984 and the Budget of the now Minister of Finance (Mr. Wilson) in 1985, significantly improved the limits under the Registered Retirement Savings Plan systems. It is going to be done in a staged manner so that over the next four or five years people who do not have access to a private pension plan, that is, those who previously had been under the capping rule of $5,500, will have, by yearly increments, their limit increased to somewhere in the neighborhood of $15,400 by the year 1990-91. Some people have asked why we are so generous with those individuals because it will represent a further financial drain resulting, as it will, in higher forgone revenues.

The major reason we accepted this premise was because in our investigation of private pension plan systems, we found roughly 45 per cent to 50 per cent of males in our society have access to a private pension plan at their place of work. In the neighborhood of 30 per cent of Canadian women have access to a defined pension plan at their place of work. When we investigated the actual tax systems of those pension plans, we were astonished to learn that under the legislation that has existed in this country for the last two decades, people who belong to a defined benefit plan—and that includes every one of the table officers and all of the *Hansard* reporters—receive tax assistance because their pension plans are not taxable. In the year they work, they have to now determine what is the value of that tax assistance. When we look at the public pension plan systems in Ottawa—we investigated this across the country and, frankly, Ottawa is no different from provincial houses—we find that most of the employees belong to a 2 per cent, best five year, defined benefit program. Not all Canadian workers have access to such a rich pension system but the tax legislation reflects the fact that some 500,000 Canadians alone work for the federal Government and there is almost an equal number who work for the provincial Governments. I suspect—and I do not have all the numbers—that when one adds in the people who work for the municipalities

we are looking at a large chunk of the Canadian working population.

● (1610)

Let us assume for the purposes of discussion that the table officer in front of me works for the federal Government for 35 years. At the end of that time he will be entitled to 35 years at 2 per cent. Therefore 70 per cent of his base salary will be his pension. The public pension plan system is enriched even further. It guarantees that the best five years of that 35 years will be the maximum pension payable to the person. In other words, we should not underestimate the value of that pension plan. Perhaps the President of the Treasury Board (Mr. de Cotret) will want to argue with some of the numbers, but a significant portion of Canadian workers come under the public pension plan system.

**An Hon. Member:** The best six years.

**Mr. Frith:** I stand corrected. It is not the best five years; it is the best six years. There is a large number of people who work for the federal Government and earn between $65,000 and $70,000 per year. Their pensions will be equal to 70 per cent of their best six years. In order to create the necessary pension sum somewhere in the system, we are talking about significant amounts of dollars that are all non-tax deductible.

Everyone who belonged to a defined benefits program was receiving significantly different tax assistance for their pension than those who did not have access to a defined benefits plan at their place of work. Therefore we decided as a committee to adopt the philosophy of a life-time sum for tax assisted purposes. In that way, regardless of whether one worked as a private entrepreneur, for Government or for private industry, everyone would be treated equally under the tax laws. That is why we brought in the definition of a life-time limit for the purposes of tax calculations. Because that is not well understood, many Canadians now object to the fact that the Budget of the Minister of Finance and the Lalonde Budget of February, 1984 will significantly improve access to pensions for those who work as private entrepreneurs. It should be understood that under the proposals affecting RRSPs and defined benefits plans we will all be treated equally.

I see Mr. Speaker signalling that I have two minutes within which to wind up. I do not know why that is. I thought there was a ruling by the previous occupant of the chair that we would have unlimited time. In any event, I will respect Your Honour's ruling because my colleague in the New Democratic Party, the Hon. Member for Beaches also wants to speak on this matter.

Under the proposed legislation RRSPs will be locked in, which we recommended. We also recommended the creation of a new vehicle, a registered pensions account. The problem in respect of RRSPs was that when people thought of those plans, the connotation was that that asset was in fact a deferred savings. However, under legislation, when people drew money from their RRSPs, they were forced to go to insurance companies to purchase annuities. When they purchased annuities and passed away, all the assets did not go into their estates; they went back to the insurance companies. From my experiences during the time I chaired the parliamentary task force on pension reform, many Canadians would like to have a second say with a committee of the House as to whether or not a monopoly should be given to insurance companies. I understand that it is not just insurance companies now, that some banks are allowed access under a different type of fiduciary vehicle for people to draw their moneys from RRSPs. Because we have significantly improved the size of RRSPs—we have gone from a maximum of $5,500 per year to $15,200—that problem will be magnified in years ahead if we do not deal with the monopoly situation as to from whom annuities can be purchased. I hope the committee takes its time and asks various people from the financial community to come forward with different ideas on how to use RRSPs. I also hope the Government is flexible and that the committee remembers that just because the Government has put this forward as legislation does not mean that it has to be passed as is. It is one area in which we can do a service to Canadians. I hope the Hon. Member for York-Scarborough (Mr. McCrossan) will be on that committee. It is one area in which we can become involved that could be a significant improvement to the legislation.

In conclusion, this legislation has been a long time coming. It reflects the only consensus on pension reform which has developed in the country in the last 20 years to 25 years. It is long overdue. It will receive passage this year so that it can impact on taxation year 1987. I sincerely hope that Hon. Members opposite remember my concerns in those three areas and that they take them into consideration when the matter is brought back for final reading on the floor of the House. Hopefully the improvements to the public pension plan system will reflect my concerns. Between the two pieces of legislation, it was well worth spending the time which Hon. Members opposite and I spent in 1983.

**Mr. Neil Young (Beaches):** Mr. Speaker, in general terms we support the proposals set out in Bill C-90. It should be understood that there are a couple of significant changes. The Bill will bring into force the pension provisions presented by the Minister of Finance (Mr. Wilson) in his May 23 Budget.

The Bill sets a minimum standard for pension plans in federally regulated industries—for example, railways, banks, broadcasting, airlines, et cetera—covering some 500,000 workers. It does not apply to federal servants whose pensions are governed by the Public Service Superannuation Act. As I understand it, the Government plans to extend comparable changes to those employees although it has not said when.

As I said, we will be supporting the Bill as it improves the situation of those with private pension plans. However, there are some problems with the legislation, specifically its lack of a provision providing mandatory inflation protection and its failure to prohibit the removal of surpluses by plan sponsors from pension funds.

The legislation does not mean that all retirees and their spouses will enjoy adequate retirement incomes, simply

For many wives and mothers, working outside the home is a matter of necessity, not a matter of choice. In many families, both parents must work just to keep the family income above the poverty line. In 1982, almost 10 per cent of all two spouse families were living below the poverty line. If women had not worked outside the home, 15 per cent of those families would have been poor. In other words, 62 per cent more families would be poor if the women did not work outside the home.

Therefore we must have decent child care. We must have support for families. The fathers must be able to share the load at home. There must be the kind of parenting and family relationships so that both parents can share this burden and the home responsibilities do not create additional stress.

I could go on and talk about poverty, I have lots of poverty statistics here, but surely Hon. Members realize that probably more than anything else, lack of adequate income and the worry about poverty is what puts stress on marriages and on relationships, whether or not the couple are married, as well as on their children. It certainly is a major social problem which faces us today when we talk about family life.

According to a consultant for the Canadian Council on Social Development, 630,000 more Canadians will be forced below the poverty line by the May, 1985 Budget. This is something I hope Hon. Members will reconsider, and Bill C-70 did not help in this matter. There is a lack of affordable family housing. The Government, unfortunately, has cut back on social housing. That is something else which creates a great stress on families who live in rented accommodation, or cannot get into a home at a rate they can afford or are overburdened with debts and high mortgage payments.

The stress on children and young people is shown as well in the trends of today's society. We have increasing child abuse. In inreased by 50 per cent in 1985. Yet the Government has not taken action on the Badgely Report which was tabled well over a year ago. In fact, I think it is getting close to two years now. We have already started a child care task force but that is not the answer. What we are going to have to do is put money, planning and negotiations with provincial Governments, into a comprehensive and universal child care system across Canada which is affordable.

• (1730)

An increase in child abuse has also been documented. However, I say to the Hon. Member that I am not suggesting that it is not a good idea to promote family life programs. We know that such programs have been started by family agencies, counselling agencies and family centres such as the one in my riding. We know that they are very effective programs which promote communications, assertiveness when necessary, child development, sharing in parental roles and home tasks, involvement of the children in family meetings and so on. It would be a great idea to have a television program which concentrated on these matters, not just to say: "Isn't family life wonderful", but some real stimulation of thinking and involvement on the part of the viewing audience, as well as related discussion groups in communities.

I have mentioned adolescent parents and the concern about the high incidence of teenage pregnancy. A couple of years ago Planned Parenthood designed a television program which was especially targeted to young adolescents, to help provide a positive education in family life, to help them understand themselves and their sexuality, and to help them think about responsible sexual behaviour. Unfortunately—and this was in the Liberal regime, so maybe the Conservatives will have a change of heart in this respect—the federal Government cut funds from Planned Parenthood which were designated for this program. The Conservative Government has cut even more funds from organizations such as Planned Parenthood. We should be increasing funding for these organizations and others. Surely this is a way to put our real intentions where our mouths are. It is not a lot of money, but it very important money which should be given priority when we talk about strengthening families.

I am sure we are beyond the point of moralizing about traditional family marriages in a television program. We want to look at the real life situation of many families undergoing stress. Certainly I strongly support Government sponsored programs which would promote family life education, would encourage pre and post-marital counselling, family planning, child development and a whole range of human relations and would perhaps offer problem solving situations in which families are interested and need. I think television would be a very good adjunct, but of course it should go beyond television as well.

As I said, we must have a very positive program if we are to strengthen families. We must recognize new types of families and egalitarian relationships between couples. We must have economic programs, job programs and retraining programs. There must be many opportunities for men and women and young people so that they will have economic security in the future. We must think of the stress on many parents who are forced into having adult children live at home, still dependent upon them, and the kind of frustration experienced on the part of both the children and the parents, not to mention the economic stress created. We must have affordable housing. We must have income support programs which do not condemn families to the poverty cycle. It is not too late to work toward reindexing fully the family allowances and increasing child tax credits even more. Social assistance programs are abominable. To think that the Prime Minister was talking the other day in Quebec about cutting back on the unemployment insurance program, another program which is certainly not adequate for many families with children.

In closing, I commend the Hon. Member for his aim in advocating programs and Government action to promote family life education and to strengthen families. I urge that it go beyond television programs to many of the other economic and social programs which I have suggested.

• (1740)

[*Translation*]

**Mrs. Suzanne Duplessis (Louis-Hébert):** As Members of Parliament, Mr. Speaker, we may be especially aware of the importance of family life.

*Marriage and Family Life*

I am sure that at one time or another, we have all realized just how difficult it is to reconcile the demands of a heavy schedule with the desire to be with our families. We know just how much we need the support, encouragement and understanding of our families to carry out our duties here.

Also, we have all eventually realized how important it is to enhance the quality of the time spent together with our families, no matter the quantity.

For most Canadian men and women, the family is the place where, in an atmosphere of love and confidence, each member can establish the balance between his or her personal needs on the one hand, and on the other the demands of a social position, the pressures resulting from the duty to get an education and earn a living.

We are asking a lot from the family, and in turn it is asking a lot from us, since we have the responsibility to ensure its success and survival. Anything that can hurt the family unit can have tragic consequences for its members.

While striving to strenghten and support the family unit, we must be careful not to idealize it or consider it as too narrow to embrace the life experience of a great many Canadians. It is true that most Canadian families fit the traditional mold. There is no doubt in my mind that it is through the participation of both the father and mother, to the greatest possible extent, that parents can better bring about the full development of their children. But let us not forget that there are in our country a great many men and women who, as heads of single families, are working very hard to provide their children with a positive family surrounding. These men and women must accept singular challenges and also fight against the remaining stereotypes developed by past generations.

We must also take more into account these other men and women who have the necessary love and understanding to assume the demanding role of step-parents. In short, we are now living in a society where there are many variations of the traditional family, and a narrow vision of the legitimacy and viability of these new families will change nothing to their existence.

In our modern families, there is another dimension which the public has paid too little attention to and which it has not taken enough into account. I refer here to the increasing number of these children who, as adults, are taking care of their parents. This means for a number of them caring for a father or mother in addition to their heavy workloads as housekeepers, breadwinners and parents. For others, it means looking after them in their old age while wanting at the same time to prepare for retirement and feel discharged of the great many demands of life.

I am thinking also of adoption. The time when adopted children were the target of the other childrens' teases and mockeries are gone, hopefully for good. Canadians have shown that they are really able to provide a family environment for children who have lost their parents. In the last few years, hundreds of orphans and refugee children from other countries and children with special needs or requiring special care have been adopted in Canadian homes. The adoptive parents have thus provided these children with an opportunity to grow and develop which they would have been denied otherwise.

Of course, the family does not live in a constant state of harmony. External and internal pressures can undermine the capacity for adjustment of the best parents and their children.

However, since the public is now aware of problems such as various forms of violence against children, women and the elderly, widespread efforts are being made to prevent such violence, put an end to it and understand its origins and consequences. I believe that, in these difficult times, a lot can be done if we provide the family and its members with the means to use their existing strengths as an entity and as individuals.

We are now witnessing a phenomenal increase in the number of organizations and non-government groups which devote their energies to strengthening all aspects of the family institution. Many of these organizations are rooted in the community and provide a wide range of official and informal services which are perfectly adapted to the needs of the environment. One of the secrets of their success is their ability to work with the families without interfering with its essentially personal relationships.

We accept as normal the requirement to study and train in our professional occupations. Outside the home, our lives are deeply influenced by the knowledge gained by ourselves and others. On the other hand, we can assume without much training or preparation two of the most basic roles in life, those of a spouse and of a parent. For a number of years, the Canadian Government has been financially supporting programs to prepare people for married life and parenthood, that are implemented in the community by qualified non-government groups.

Preparation for married life is in essence an experience designed to help participating couples learn how to live together in marriage. It is aimed at preventing marriage breakdowns. Participating couples learn better to communicate. Each partner learns how to understand his own family background, in order to appreciate the other partner's attitude towards the fact of being married and how he or she defines the role of a partner in marriage. Those courses also deal with other topics that are basic to a stable relationship, such as financial management and the need to have a positive sex relationship. A good marriage preparation course can help couples prevent conflicts or, where applicable, find a satisfactory solution.

Often the courses on parental guidance are provided within a prenatal program including health and social needs. Those courses deal especially with the years during which the child-

parent relationship develops and the vital association or partnership of both parents in the education and care of children.

Because it is interested in promoting qualified support services, the Government also wants to prevent marriage breakdowns. The increasing number of centres across Canada is an alternative to the adversarial approach too often used in dealing with the issue of divorce and the care of children. Couples considering divorce may avail themselves of the services of a mediator who will help them mitigate the negative impact and frustrations often associated with that decision, and find the best formula for the care and protection of children, and also for parental visits.

In every undertaking of governments and non-government groups alike, the vital question is not the means, because it is both necessary and desirable that there be a diversity of frameworks and services. The capital issue is the message. Are we to assume that a single message or a single set of values will meet the needs of a population with such a varied mosaic of cultures, life experiences and family contacts as we have in Canada? I do not think so. The Government might assume responsibility for emphasizing the value of marriage and family life, or again it could be the numerous non-government bodies already existing. Where does the responsibility lie? A considerable amount of care and sensitivity will have to be exercised if Canadian families are to feel understood, appreciated and encouraged.

A study of Canadian teenagers conducted this year points to the existence of an interesting paradox in the way they view the family. For many teenagers, family will be losing its influence in the future; on the other hand they have—and this is food for thought—high aspirations and expectancies as to their own roles in establishing a family and fulfilling its needs. Essentially, this is a very positive sign, because our youth always have been a strong factor for change and social progress. The forthcoming generation of families perhaps will tap that tremendous source of energy, giving a new meaning and vigour to family life.

**Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, this Government sees the family as the very foundation of our society. Article 16 of the Universal Declaration of Human Rights describes the family as a natural and basic element of our society. As such, it provides the best possible milieu for the moral, social and personal development of future generations.

Last year, in the Speech from the Throne, the Government strongly emphasized measures aimed at supporting and strengthening families in Canada. In doing so, we realized that the needs of families today differ considerably from the needs of past generations. The twentieth century has seen changes in all segments of our society. Like all other institutions, the family has undergone a profound transformation.

*Marriage and Family Life*

Many still see the family in traditional terms, that is, the father as the sole breadwinner and the mother staying at home to raise the children. In 1961, that was still the case in about two-thirds of Canadian families. Today, however, scarcely twenty-five year later, the situation is quite different: only 29 per cent of Canadian families live on the husband's salary alone. This radical change in the manner of earning the family income reflects other changes that are now affecting the social and economic structures of our country. It reflects the fact that for a great many families, two incomes are an economic necessity. In fact, statistics for 1982 show that if women did not work outside the home, 62 per cent more families would be living below the poverty line. The economic reality has brought about one of the major social upheavals in our history, and I am referring to the massive influx of married women on the labour market in the last twenty years.

Mr. Speaker, the role of the woman in the family has, by necessity, changed drastically. Unfortunately, our provisions for social assistance have not kept pace with this development. As a Government, we have a duty to help Canadian society, and Canadian women in particular, to adjust to new realities. The statistics give us a clear picture of these new realities. They show that in 1984, 59 per cent of Canadian mothers with children under sixteen were part of the labour force. Fifteen years ago, only 20 per cent of this group was seeking gainful employment.

Among these statistics, the most revealing are probably those on the number of working mothers with young children. Today, more than half of all women with children under three years of age have paying jobs. This situation clearly shows how important it is to provide assistance to working parents.

Another aspect that must be considered, and that is related to the former, is the changes in the very structure of the Canadian family. Much has been written about the disappearance of the extended family and the fact that parents can no longer depend on relatives to look after their young children, but that is not the only consequence of the so-called nuclear family. It is a fact, families are smaller these days. Couples have children later in life, they have fewer, or they even choose not to have any. This demographic regression has a significant impact on almost all aspects of this country's socio-economic planning.

• (1750)

In my opinion, Mr. Speaker, two main factors prompt women not to have more children or even not to have any. The first one relates to what I said earlier, namely that a great many couples find it necessary to have two incomes to meet the needs of their family. Many Canadians cannot even consider the income loss associated with maternity and the need to stop working to raise children. That is the reason why women's groups have formed a common front with thousands of

Canadian parents who are asking for paid maternity leave and more readily available leave for looking after their children.

The other factor behind our diminishing population is the double responsibility which women must assume—family and professional responsibilities. Studies on that issue have revealed that, on average, working women spend close to four hours a day looking after their children and doing household chores, as compared with six for women who do not work and two for men.

In this day and age when all trends point to fewer working hours, women with children have a work week of 60 to 80 hours because to the working hours for which they are paid they must add the many hours doing house chores for which they are not paid.

Mr. Speaker, we must also consider the ever growing number of women who are the sole family source of income. At least one out of ten single-parent Canadian families is now headed by a woman. Those families are more likely to be struck by proverty. Indeed, a recent National Council on Welfare study has shown that five out of ten single-parent families headed by women are living under the threshold of poverty, against two out of ten such families headed by men.

This situation and other changes in the structure of families give rise to a number of concerns which Governments must consider and about which they have to take immediate remedial action.

High among such concerns is the need to make good quality and reasonably priced child care services readily available to all Canadians. As they know only too well, there is a wide gap between day care applications and the number of services available.

Consequently, many Canadian families are now forced to make inadequate arrangements which they must change regularly for the care of their children.

A task force led by Mrs. Katie Cooke has examined this issue. All the Members of this House are anxious to see the official report of this task force which should be tabled early this year. I am certain that it will contain a substantial research base which the recently created Parliamentary Task Force on Child Care will be able to use.

The Government has also taken action to alleviate the negative effects of marriage breakdown on the means and welfare of women and children.

Bill C-48 now before the House provides for access to information contained in federal data banks on spouses who default on their support payments.

In addition, this legislation would provide for the attachment of federal payments to enforce the support order.

A number of provinces have shown their interest by establishing automatic support order enforcement systems. Manitoba and Quebec already have such systems and other provinces, such as British Columbia, Alberta and Ontario, have announced their intention to implement them. To promote the creation of such systems, the federal Government has undertaken to pay $1 million of their cost.

The Government is also considering other aspects of family law. Among the issues examined by Status of Women Canada, let me mention the integration of commitments related to private family law and the welfare system and the development of instructions for the judiciary concerning appropriate child support levels.

Another issue which is of major concern to our Government is family violence. For many years, violence against women was a hidden fact and it is only recently that this problem has been revealed. We now know that the problem of battered women exists in all communities, among people of all cultures and all income levels. According to the statistics, one out of ten women is the victim of violence from her husband or partner. This Government takes seriously its commitment announced in the Speech from the Throne to provide additional assistance to the victims of family violence.

We have examined this problem in depth in close co-operation with the provinces and territories. In addition, we support our commitment by providing continuous financing for projects designed to help battered women and support halfway homes.

Mr. Speaker, there are obviously many areas in which this Government has acted efficiently to meet the changing needs of Canadian families.

I am certain that all the Members of this House will agree that we must continue to do what is necessary to guarantee the development of such important institutions as marriage and the family.

[*English*]

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, I would like to speak for a few moments on what I consider to be a very important resolution brought to the attention of the House by the Hon. Member for Scarborough West (Mr. Stackhouse). I would like to congratulate him for the very thoughtful remarks he made when speaking to the motion. As well, I would like to congratulate the Hon. Parliamentary Secretary to the Minister for International Trade (Mrs. Landry) for putting on the record what the Government has been doing up to this point in terms of securing what the Hon. Member for Scarborough West said was the principle of Governments realizing the importance of preserving family life. I do not think that there is any question about the principle of which the Hon. Member spoke.

The motion before us today reflects something very special about our lives as Canadians. We are fortunate to have the ability and will to examine fundamental concepts and relationships that sustain us as a society and to have the energy and resources to act upon what we learn of ourselves. As is often

the case in matters closest to the essence of our lives, family life poses intriguing paradoxes for us.

The family is an experience common to us all but we have traditionally been very hesitant to intervene in destructive family situations for fear of interfering with matters of a very personal and private nature. The family is a basic unit of our society and yet we still have much to learn about its dynamics. We should expect that the family as a basic social element will reflect the earliest consequences of social adaptation and change. However, our response as a society to new and different family structures has often been less than supportive. For all the importance we attach to family life, how many of us can truly say that we devote as much energy to our families as we do to our jobs and public activities?

The attention the Canadian family is now receiving thanks to motions and resolutions like the one put forward by the Hon. Member for Scarborough West is no matter of expediency or ideological convenience. The past two decades have been especially hard on the family unit as we once perceived it in its traditional terms. The capabilities of the family for self-reliance and protection have been seriously challenged by the complexity and gravity of today's problems. However, at the same time, families in difficulty have available to them a wide and growing range of support resources offered through Government and an extensive system of voluntary and other services and informal—

**The Acting Speaker (Mr. Charest):** Order, please. I am sorry to interrupt the Hon. Member.

[*Translation*]

I must regretfully interrupt the Hon. Member. The hour provided for the consideration of Private Members' Business has now expired. We shall deal now with the proceedings on adjournment motion.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### TRADE—CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS. (B) SUGGESTED TRADE PROMOTION IN UNITED STATES

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, I am pleased to have this opportunity to say something more about concerns which were expressed in questions I asked on October 2, 1985. These were questions which reflected concerns expressed by my colleague, the Hon. Member for Skeena (Mr. Fulton), in various context, with respect to the threat to Canadian softwood lumber exports to the United States.

In Question Period on October 2 I focused on two different aspects of the problem. The first had to with the suggestion of the U.S. Ambassador that Canada might consider a voluntary restraint on exports of softwood lumber to the United States. The second dealt with lobbying efforts which were required in the U.S.

My suggestion to the Right Hon. Secretary of State for External Affairs (Mr. Clark) that the call for voluntary restraint on exports represented a suggestion of illegal activity by Canadian softwood lumber exporters was confirmed, in a sense, a few days later by the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Weiner). He said that his understanding was that the Ambassador had expressed a personal view. He then went on to say that any such action might well have serious anti-trust implications and that these are considerations which he was certain would be taken fully into account by the Canadian industry.

Representatives of the Canadian industry in northwestern Ontario were certainly not in any doubt about these matters when, together with my colleague from Skeena, we met with them a few days before these discussions in the House of Commons. At those meetings we considered the importance of softwood lumber exports to northwestern Ontario. We were impressed and astonished—staggered even—to realize that 80 per cent, and more, of the lumber production of northwestern Ontario went across the border to the United States. We realized then that the threat to these exports resulting from the action of Congressmen in the United States was a threat which could really devastate employment in the industry in northwestern Ontario.

Thus we had the very best of reasons in our communities, in the City of Thunder Bay and in the surrounding towns where the lumber industry is so important, for emphasizing to leaders in industry and in unions to do everything they could to urge the Government of Canada to perform that lobbying effort which only the Government can carry on but which is so imperative.

I was pleased to receive a response from the Right Hon. Secretary of State for External Affairs with respect to the matter which suggested that the Government realized the importance of the matter and that it was, in fact, mobilizing an effort in various parts of the United States to form a coalition. I was also pleased to see later in the fall that success was attending these efforts and that a coalition had been gotten together. It was comprised of people involved in the transportation of the lumber and those who wanted to use it without having to pay the price increases. Those in the southern United States who are prepared to pay a premium for spruce, pine and fir lumber, which they use for framing purposes in house construction as opposed to using southern yellow pine which is simply not as good also, responded to the Canadian Government urging it to act in the U.S. to ensure that protectionism did not triumph.

In the last few days a conference sponsored by student foresters was held at Lakehead University. It focused in on these matters. There is very great reason to be concerned about what the U.S. Congress may yet do. Informal discussions have been under way in San Diego over the last few days to try to encure that the U.S. Government becomes sensitive to all aspects of the question. However, it seems to me that we face a threat in Congress which could end half a century of reasonably happy trade relations between Canada and the U.S.

• (1805)

In 1935 the Canadian Government was able to sign a freer trade agreement with the U.S. administration. That was a very happy development. Later we saw it develop into the General Agreement on Tariffs and Trade, GATT, which has been so important. What Representative Sam Gibbons is proposing in his Bill would have the effect of devastating the industry. That Bill may yet come to a vote in Congress, and, if it has the kind of support this winter or spring that it seemed to have last summer, it would be veto-proof. This would end an era of happy relations. It would be in complete contradiction of the freer trade developments which the Government has encouraged and which it seeks to pursue with the U.S. Therefore I say to a Government which did not take seriously enough the danger in quotas on fish and pork, that it is absolutely imperative that it respond to this threat and ensure that our softwood lumber industry is not devastated as it could be.

**Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, there are times when Opposition Members do themselves, their ridings and their country no good in what they advocate. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) must remember that every opponent of Canadian lumber going to the U.S. will listen to his words with care.

With respect to the question of export restraint, there has been no proposal from the U.S. administration that Canada restrain its exports to the U.S. Furthermore, the administration continues to take a firm stand with Congress in rejecting any linkage of the lumber issue with the trade talks. Both the Canadian and U.S. Governments agree completely that the lumber issue should be addressed on its merits.

To that end, in the context of ongoing consultations, Canadian and U.S. officials met in San Diego, as the Hon. Member mentioned, on January 20 to examine and review issues related to our bilateral trade in lumber. Views were exchanged on production and consumption trends, forest management policies in both countries, as well as prospects for increased market opportunities in third countries. It was agreed to schedule another session in this series of discussions to consider questions raised by both sides. Arrangements for the next meeting are in the process of being confirmed. This has been the case from the beginning.

The Canadian Government continues to work very closely and co-operatively with the provinces and Canadian industry. Therefore, I suggest to the Hon. Member that he had better have another talk with the Hon. Member for Skeena (Mr. Fulton) and realize that he is not serving his country well with this kind of question.

## BANKS AND BANKING—CANADIAN COMMERCIAL BANK—GOVERNMENT'S INFORMATION IN MARCH. (B) RANGE OF INFORMATION

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, last fall, in the wake of the failure of the Canadian Commercial Bank, I asked many questions of the Minister of State for Finance (Mrs. McDougall). In March, 1985, the Government had taken unprecedented action when it committed millions of dollars in taxpayers' money to bail out this bank. When that same bank went into liquidation so soon afterwards we in the Official Opposition raised again the same questions we had asked in March which the Government had not answered. By then it would have seemed it was more important than ever that we should have some answers to the very reasonable factual questions we were asking.

The fundamental question is: What information did the Government have when it decided to bail out the Canadian Commercial Bank? Despite all the questions asked of the Government in the House and in committee we were given just one response: The Government acted on the best information available. Not only is this an inadequate answer to the many specific questions I have raised on the subject, it is also less than accurate.

• (1810)

On September 26, for example, I asked the Minister of State for Finance if the group negotiating the CCB bail-out had considered the opinions of the bank's external auditors and the minutes of the CCB's internal audit committee. The Minister did not answer the question, and in my supplementary I asked for a specific response which, again, I did not get.

The bank's external auditors, in their appearances before the House of Commons Finance Committee and the Senate Banking Committee in October, said that they were not involved in any aspects of the design or evaluation of the March, 1985, support package. So there is the answer to my question in the testimony of witnesses over a month after I asked it of the Minister in the House.

After saying repeatedly that the whole matter of the banks failures would go to a parliamentary committee for in-depth study, the Prime Minister (Mr. Mulroney) instead appointed a commission of inquiry headed by the eminent Justice Willard Estey. While I look forward to seeing his report, I do not see that the existence of a non-parliamentary inquiry justifies the Government in its continued evasion of legitimate questions about the actions it took in bailing out the Canadian Commercial Bank.

Let us not forget that, after taking a purely political decision to bail out the bank without any recourse to facts that might have got in the way of that decision, the Government went on

to guarantee the viability of the bank and, once it had failed, decided to appropriate nearly $1 billion of taxpayers' money to reimburse the uninsured depositors. While all this was going on and the Bills were being debated in the House and in committee and questions were being asked, the Government still gave us no answers.

Parliament was asked to approve the original bail-out, which we did, taking on faith the Government's assurances that it was necessary for the stability of the system and that the amount involved was sufficient to ensure the bank's survival. In fact, soon after the Canadian Commercial Bank failed Parliament was asked to approve the bail-out of uninsured depositors, people and organizations whose holdings exceeded the $60,000 ceiling on deposit insurance. Add to this the costs of reimbursing insured depositors, the considerable administrative costs to liquidate the failed institution, the consultants' reports, the Estey commission, the legal fees for Government officials appearing before the commission, and we have, out of that hasty and ill-considered decision last March, a multibillion dollar mistake for which taxpayers are footing the bill.

It would seem from the Government's demeanor in the House and in committee that we are simply expected to approve these expenditures, and that we should do so blindly without getting any information or response to the questions that we have quite reasonably and responsibly been asking. This is not acceptable. The Government has shown a sad lack of accountability and responsibility throughout this entire matter. Canadian taxpayers deserve better and the institution of Parliament deserves better.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, the allegations made by the Hon. Member for Trinity (Miss Nicholson) are false and unfortunately a little too partisan. The Hon. Member for Trinity constantly raises the issue of the information upon which the Government, together with two provincial governments, the six major chartered banks in Canada and the Canada Deposit Insurance Corporation, based its decision last March to bail out the Commercial Bank of Canada. We have indicated on many occasions to the Hon. Member and her colleagues that the best information available, on almost all subjects dealt with during the Question Periods in the House, were taken into account in the final decision made in this most difficult and complex issue.

• (1815)

As to the specific issue of the relations or communications with the Bank's auditors. I should like to remind the Hon. Member for Trinity that the auditors appeared before the Standing Committee on Finance, Trade and Economic Affairs during the hearings held last Spring to deal with this issue.

At that time, the auditors had had to answer a series of specific questions concerning communications with the Government or its representatives before and during the March events. I remember, Mr. Speaker, that the auditors had stated they had, in December of last year, completed their examination of the bank accounts as of October 31, 1984. Following that, they had only resumed auditing on March 14, 1985.

This, Mr. Speaker, as you certainly know, is current practice with bank auditors. Once they have completed year-end auditing in a bank, they usually resume their activities in that bank several months after the start of a new fiscal year. Therefore, Mr. Speaker, the auditors may not be completely aware of events between the end of their client's fiscal year and the time when they resume auditing for the new period.

Mr. Speaker, it must also be remembered that to a very large extent, the terms of the package were aimed at the future, since the objective was to solve problems that were imminent but had not yet appeared as of October 31, 1984, nor for that matter on March 14, 1985.

Mr. Speaker, the extent of the contacts last spring between the Government or its representatives and the auditors of the Canadian Commercial Bank is clearly spelled out throughout the Committee proceedings. Furthermore, I am convinced the Estey Commission will also look into those issues. I am sure the Hon. Member will agree that all relevant information was used at the time of establishing the terms of the Canadian Commercial Bank rescue package.

[*English*]

## FINANCE—BALANCED BUDGET INITIATIVE

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, a very simple but profound message must get out to all Canadians. It is simply that we must start paying our bills in this country.

On December 18 I asked the Minister of Finance (Mr. Wilson) a question about a balanced budget initiative. I highlighted the fact that on the preceding Friday, December 13, 1985, President Reagan signed an historic public debt statute amendment whereby the United States must achieve a balanced budget by 1991. While the Gramm-Rudman Bill excludes the cost of servicing the debt, it is nonetheless a tough, disciplined measure to bring spending under control in that country.

I plan to introduce a private Member's motion shortly with the same purpose and objective. I say that it is time that Canadians understood that we must begin paying our bills.

Let me share some background on this topic. It took us a full 100 years to accumulate a total debt in this country of approximately $20 billion. In the last 10 years we have seen the annual deficit grow from a mere $2 billion to the height of $36 billion. We have seen our total cumulative debt rise from that $20 billion figure I mentioned to over $200 billion.

In simple round numbers, our country is now taking in roughly $65 billion in tax revenue each year but spending approximately $100 billion. In other words, we are spending $35 billion more than we are taking in. Theoretically, if we did not have to pay interest charges on that debt it would not be a

problem. However, we must pay those interest charges and we must reduce that debt.

Let me give some examples to show the very serious trends that have developed over the last decade especially. In 1974-75, the interest component of our total expenditures amounted to 11 per cent. That left 89 per cent of our expenditures for other forms of Government projects with respect to Health and Welfare and in other areas.

● (1820)

In 1984-85 the interest cost is 22.6 per cent which, of course, reduces the amount available for other social programs to 77.4 per cent. Clearly, the dollars available for these other programs are shrinking. They are getting smaller and smaller because of the ever increasing burden of servicing that awesome debt.

Just last Saturday I held a policy committee meeting in my own riding of Don Valley East. It was chaired by Mrs. Lynn Brebner and Bill Mackness, the Vice President and chief economist of the Bank of Nova Scotia who was with us to lead the discussion. There were almost 70 people at that meeting and by the time we finished the hour of discussion and debate it was clear in the minds of those people just how serious the debt situation and the servicing of it is for our country. I only hope that type of discussion will take place with more and more people across the country so that they can understand the true magnitude of the problem.

The dollar has been declining for several years. There has been a lot of attention paid to that problem in the last couple of weeks. I would submit that one of the reasons for the decline, the underlying reason, can be summed up in one word, "confidence". The major investors of this world are not confident in the way this country has been run. They are not confident with the lack of fiscal accountability. The erosion of confidence started years ago. The National Energy Program was central to the problem of billions of dollars fleeing this country. The foreign investment review agency had a very negative effect on capital and even Canadians began investing abroad.

We are in the midst of a great economic performance. In the western world I suppose our numbers would rank highest of any. Yet in this up cycle we are toting up a deficit of something in the order of $34 billion this year. We should have a surplus this year, if the country had been run correctly for the last 10 years, to pay down the deficits of some tougher earlier years. We just cannot pursue Keynesian deficit expansion because it will inevitably drive up interest rates. There are many examples of countries which have tried that process such as Brazil, Argentina and Mexico. Clearly if wild and reckless spending was the solution, these countries would be enjoying a wonderful economic performance. Instead, their currencies have been debased and devaluated. Their standard of living has plummeted. They are basically insolvent. Mexico, of course, is in very dire straits because of the drop in oil prices and, unfortunately, it may not be able to service the colossal debt it has as a country.

There are many ways in which to tackle this tough problem, but let me name seven. First, we should take a closer look at grants to businesses and other agencies. We cannot keep pouring taxpayers dollars into as many schemes as we have in the past. Huge tax deferral processes have to be looked at more closely. We must downsize the size and cost of the Government, which has grown exponentially over the last decade. I was delighted to see the Government's initiative to have the Nielsen tax force review hundreds of programs of the Government. I know it will produce some savings and get at some of the waste which has been occurring. The major review of the Unemployment Insurance Commission under the leadership of Mr. Forget is an excellent example. Many Canadians feel there have been some abuses and waste in that area. We have started on the process of privatization of Crown corporations and we must move more quickly and on a broader basis to get companies which are not viable and not part of public policy back into the private sector so they can stop bleeding the treasury of the country. The new President of Canada Post, I understand, will be appointed shortly. We are haemorrhaging there. Yesterday we heard that $243 million must be poured into that organization. We also must examine in a co-operative way with the provinces transfer payments which are so costly to the overall treasury.

The equation is very simple. It is a combination of more taxes and less spending. I do not necessarily mean raising taxes, but with a healthier economy, with more confidence in it, businesses will do better and will pay more taxes, as will individuals, so the volume of taxes will rise. We cannot ignore the other part of the equation, and that is spending. Canadians expect us to be tougher in this area. It is not going to be easy. It is a massive communications job. As a matter of fact, according to a recent poll, Canadians highlighted that their first concern was unemployment, that their second concern was hunger in the world and that their third concern was the pursuit of peace. The deficit or the financial problem of the country ranked thirty-sixth, I believe it was. We can see the grave problem in terms of communicating to people what a tough and difficult situation we have ahead of us.

● (1825)

I have confidence that we as a Government will deal with it because to ignore it would be ignoring a tremendous albatross or burden, a burden which will be placed not only upon our children but upon our children's children if we do not turn around this massive, awesome problem.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, it is indeed a pleasure to hear questions in the House being put to the Government in a positive way, questions that give one something to think about and that are positive.

The Hon. Member for Don Valley-East (Mr. Attewell) has been talking about the budgetary measures taken by the United States. As you know, Mr. Speaker, both in Canada and

the United States, the fiscal situation has deteriorated enormously since the beginning of the eighties and continues to be a serious threat to sustained economic growth in both countries.

Because of an increasing perception of the harmful economic impact of uncontrolled budgetary deficits, the U.S. Congress recently passed legislation known as the Gramm-Rudman Bill that will reduce a deficit of more than $200 billion in several stages, in order to obtain a balanced budget by 1991. Starting in 1986, the Bill sets certain ceilings for the budget deficit for each financial year. These levels may not be exceeded, and the main provision of this Bill authorizes the President of the United States to automatically impose spending cuts sufficient to achieve these objectives if the forecasts of the U.S. Congressional Budget Office (CBO) or the Administration for the budget deficit are higher than the ceilings set for each financial year.

Mr. Speaker, in the United states the proposed budgetary measures remain the responsibility of the Members of the Executive. However, the final version of the Budget is determined by Congress.

In recent years, this division of budgetary responsibilities has made it difficult to introduce measures to systematically reduce the deficit. The constraints provided under the Gramm-Rudman Bill are a response to this policy co-ordination problem.

In Canada, Mr. Speaker, the federal Government is in a better position to legislate its fiscal policies. As a result, similar legislation would not necessarily be useful.

Since our Government was elected, our strategy has been to co-ordinate fiscal policy and structural economic policies to create healthy economic growth. The Economic Renewal Program announced in November 1984 clearly established a set of policies aimed at increasing Canada's productivity and bringing about a general improvement in Canada's economic performance.

Mr. Speaker, the May Budget introduced the measures proposed in November 1984, plus a significant number of measures to reduce the constraints created by a rising federal deficit during 1980-84 in this country.

The Budget also established a medium-term strategy for reducing the federal deficit in order to create the requisite conditions for sustained and non-inflationary growth in Canada. Mr. Speaker, once implemented, these measures, will make it possible to reduce our deficit very substantially.

I predict that the next Budget will be another major step towards realizing this objective. Restoring our fiscal balance while maintaining the Government's flexibility to deal with contingencies remains an integral part of the Government's fiscal policy. The means used to achieve these objectives, however, must take into account the Canadian situation and remain acceptable to all Canadians.

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

# HOUSE OF COMMONS

**Wednesday, January 29, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### CANADA POST CORPORATION

DELAYS IN MAIL DELIVERY

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I rise today on a matter that has caused a great deal of frustration and alarm in the city of Hamilton. All past Governments regarded regular mail delivery as an essential service which was guaranteed to all Canadians. This is not the case with the present Conservative Government. The deterioration of postal service in my riding and throughout Canada is indicative of the Government's stop-at-nothing attitude when it comes to cost-cutting.

Over the past few months my constituency office has been bombarded with complaints about poor mail service in Hamilton and the increasing number of occasions when there is no mail delivery. In the past two years 80 full-time positions have been eliminated. This has resulted in greater delays, more complaints, and an intensification of the negative view of Canada Post. On any given day 600 to 700 households in Hamilton do not receive their mail. People like Dawn Walker, Patrick and Sharon Le Donne, and Cheryl Seth are frustrated when they do not get their mail, and become incensed when they are told they can pick it up at the post office. As taxpayers these people have a right to regular household delivery.

Mothers, pensioners, and families on welfare are literally living from day-to-day and waiting for cheques that do not arrive because postal service has been stopped. Does the Government have no sense of how critical the prompt delivery of mail is? I had initially planned to mail my complaint to the Minister of Consumer and Corporate Affairs (Mr. Côté). However, because the arrival of such a letter is no longer guaranteed, I stand in this House to call upon the Government to cease its neglect of Canada Post.

[*Translation*]

### IMMIGRATION

PLIGHT OF LANDED IMMIGRANT

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I would like to draw the attention of the House to the case of a woman, a landed immigrant since 1972, who is now being threatened with deportation.

Mrs. Weinroth still has permanent resident status, but an Immigration Officer in the Montreal area decided to interpret the Immigration Act and Regulations very strictly and is trying to have her status revoked.

Mrs. Weinroth was educated in Quebec from 1969 to 1979. Her family lives in Montreal. Her father teaches at McGill and her mother at Dawson College.

In 1979, she went to Michigan to continue her studies, and she had two children there. Since then, she decided to return to Canada but is now being threatened with deportation. Pending a decision on her case by an arbitration officer, I think it is unfair to threaten Mrs. Weinroth with deportation. She is now battling the U.S. courts for custody of her children, and I think the last thing she needs is to be worried as well about being prevented from taking up residence in Quebec.

Mr. Speaker, I think it is of the utmost urgency to deal with this case and ensure that residents and permanent residents can feel safe and secure. At a time when family re-unification is the order of the day, I think it should be relatively easy to deal with Mrs. Weinroth's case.

* * *

● (1405)

[*English*]

### SOCIAL SECURITY

PHILOSOPHY OF NEW DEMOCRATIC PARTY—PRIME MINISTER'S POSITION

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, in a recent interview with *Le Devoir*, the Prime Minister (Mr. Mulroney) presented his Government's blueprint for creating a society of "haves" and "have-nots". He said: "Canada must rethink its social philosophy."

The social philosophy we hold provides all Canadians with certain rights and services, such as medicare and old age pensions, and certain safeguards against the vagaries of a capitalist economy, such as unemployment insurance and

income security programs. It is not a perfect system but it is a good philosophy which most Canadians are proud of and support. Our Prime Minister now says we can no longer afford this philosophy. He would have us embrace a pre-Depression philosophy which offers programs, through a means test, to the deserving poor, and relies heavily on voluntary charities such as food banks. He wants quiet consultation, but no embarrassing public debate or political confrontation. He forgets that social policy consultants claim Tory consultation was a farce since their views were ignored.

Instead of listening to consultants and the Canadian public, the Prime Minister relies on the Nielsen recommendations to cut all programs except the military. He allows his hatchet man to develop a new social philosophy, not Canadians.

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## RAILWAYS

### DERAILMENT AT RAITH, ONT.

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, the derailment of a CP Rail train yesterday near Raith, not far from Thunder Bay, focuses the problems we face in ensuring safe train movement. The derailment, which fortunately occurred in a sparsely-populated area, was the result of a roller bearing burn out. This happened 45 kilometres past one hot box detector and 10 kilometres short of the next one. The technological problem is that burn outs occur more rapidly with roller bearings than with steel axles in brass seats. This means roller bearings fail with very little warning. One of the recommendations of the Grange Inquiry into the Mississauga derailment was that roller bearings should be installed on all tank cars. That recommendation is now in question.

The railway companies have sought approval to do away with cabooses and replace end-of-train crew members with an End-of-Train Information System which is to provide all the monitoring and supervision which crew members presently provide. That now appears more and more dubious.

I call upon the Minister of Transport (Mr. Mazankowski) to institute a thorough investigation of these technological challenges. Derailment of trains, especially in the winter-time, appear to be inevitable in our rail transportation system. Let us be sure that on the trains and elsewhere we have all the means to deal with them as safely as possible.

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## PUBLIC SERVICE

### REPRESENTATIONS MADE BY LINDSAY, ONT. UNION MEMBERS

**Mr. W. C. Scott (Victoria-Haliburton):** Mr. Speaker, on January 22 the Public Service Alliance of Canada asked all their locals to picket the offices of their local Members of Parliament. The Lindsay, Ontario local of the Canada Employment and Immigration Employees' Union, and Revenue Canada Customs Employees' Union, instead of picketing my office, chose to act in a very responsible manner and put their concerns in a letter to me. I am very pleased that they chose to put their faith in my efforts and the good will of our Government to assist them.

● (1410)

In their letter they urge the Government of Canada to negotiate contracts in good faith for their respective groups. I too urge the Government of Canada to give this very sincere representation every consideration, and to acknowledge the very constructive input of all these public servants.

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## SHIPBUILDING

### ANNOUNCED CLOSURE OF BELL AIRE SHIPYARD IN BRITISH COLUMBIA

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, the people who used to work in the shipyards in British Columbia must be wondering what they have done to incur the wrath of the Conservative Government. The reason given for the announced closure of B.C. Marine Shipbuilders was that the company could no longer wait for the federal Government to deliver on its campaign promises to provide the industry with a policy designed to foster its growth. In fact, if it were not for an accident with a Fisheries Department ship, the workers at B.C. Marine Shipbuilders would already be on unemployment and a padlock would now be on the gates.

Now, more bad news for British Columbia courtesy of the Mulroney Government. The Bell Aire Shipyard in British Columbia will close its doors on Friday. Sixteen months after its election to office, the federal Tory team can point to the accomplishment that at least 728 shipyard workers in three B.C. yards have lost their jobs or are about to pick up their last pay cheques.

Nationally the number of shipyard workers who have the Government to thank for UIC instead of a regular salary runs into the thousands. Why does the Government not do the proper thing and assist shipyards in British Columbia and elsewhere to build ships needed for Canadian purposes?

Unions and the shipyard owners across the land speak in one voice. They told the Government well over a year ago that the Canadian shipbuilding industry could put 40,000 Canadians to work if only the Government would announce the policy it promises so often when it is seeking votes.

Is it too much for B.C. shipyard workers to expect the Government to live up to its promises? Shame on the Tories!

## INSURANCE

LIABILITY COVERAGE—DIFFICULTIES EXPERIENCED BY SMALL BUSINESSES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, 20 insurance companies agreed to form a voluntary association in Ontario to provide liability insurance to small businesses and non-profit organizations that cannot otherwise get coverage. This group should be praised, but they cover a maximum of only a million dollars in liability insurance, which is not enough to help a Windsor, Ontario, machine tool manufacturing company with 300 employees needing $5 million liability product insurance.

The Minister of State for Finance (Mrs. McDougall) is not coming forward with any solution to this national crisis. We need Government action immediately. The pretext of provincial jurisdiction is a way to do nothing to help small businesses and institutions get liability insurance. When is the Government going to act? Is it going to act right away?

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[*Translation*]

## ENERGY

PRICE OF GASOLINE

**Mr. Vincent Della Noce (Duvernay):** Mr. Speaker, this week I was very suprised to hear questions from the Opposition about the price of gas, and I realized how little these people know about the subject, or else they are putting up a good show.

I fail to understand why the Leader of the Opposition and the Hon. Member for Saint-Jacques (Mr. Guilbault) are asking why the price of gas in Montreal is 59 cents a litre and in Boston, 43 cents. Yesterday, Mr. Speaker, I was talking to one of my friends in the State of New York, who has a child that has been ill for several years. He told me he would be glad to swap the U.S. price of gas for our Canadian social services, because his son's illness has already cost him over $200,000 in medical expenses.

Mr. Speaker, he has no money left, he has lost his home, his son is still sick, but his gas still costs 43 cents a litre.

The other point I would like to make about the price of gas is that anyone who tells Quebecers that the price of gas has gone up is wrong. Mr. Speaker, the price has gone down, and this will continue, thanks to the Conservative Party and its policies.

I can assure the House that gas was selling for 59.9 cents a litre in September 1984 and even after the increase of 2.04 cents per litre in the Wilson Budget to pay for our social services. On January 28, 1986, the price of gas was 58.3 cents a litre. This means that the present price is lower than the price of gas when we were elected.



Mr. Speaker, I therefore want to make it clear that we have been—

**The Acting Speaker (Mr. Paproski):** Order. I am sorry to interrupt the Hon. Member, but his time has expired.

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## AVIATION INDUSTRY

PROSPECTS FOR DE HAVILLAND

**Mrs. Claudy Mailly (Gatineau):** Mr. Speaker, Canadians are proud of the accomplishments of de Havilland. The invention of the Dash-8 and the unbelievable potential of the stretched Dash-8 give Canada a world-wide lead in a highly competitive industry. That is why the Government of Canada wanted to guarantee the successful marketing of these aircraft by giving a new lease on life to de Havilland and enabling the company to prosper.

So far Canadian taxpayers have contributed $850 million to this Crown corporation. It would need hundreds of millions of dollars more just to survive, yet it would not necessarily be competitive.

As a result of the unbeatable alliance between Boeing and Canadian engineering resources, de Havilland will become Canada's jewel on the international scene. Thanks to the design, manufacturing and development of the Dash-8 and the stretched Dash-8, Canadians will crown their achievement by securing a significant share of the promising field of 20-to-50-passenger aircraft.

[*English*]

Fokker Corporation and the F-50: "Eat your heart out"!

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## CROWN CORPORATIONS

SALE OF DE HAVILLAND

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Prime Minister. Now that the evidence has been submitted to the parliamentary committee reviewing the de Havilland sale, it has become clear that in addition to the question of price the Boeing Corporation will also receive from Canadian taxpayers about $246 million—

**The Acting Speaker (Mr. Paproski):** Order, please. I believe that this matter is still in committee. I do not know whether I should really interrupt the Right Hon. Leader of the Opposition, but questions about anything in committee should not be asked in the Chamber until it comes out of committee.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, the facts which are now on the public record indicate that Canadian taxpayers are contributing $246 million to the deal, in addition to the give-away price. In view of the fact that it is more than a give-away, that it is an outrage, giving away a priceless Canadian asset—

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** You are right.

**Mr. Turner (Vancouver Quadra):** —would he stop the sale when there is still time, allow a postponement of the concluding date this Friday, and take a look at it himself?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Right Hon. Leader of the Opposition, I should like to remind him of what he said on May 9, 1984, in his leadership run in respect of Canadair and de Havilland. He said: "These are prime examples of what can go wrong when the Government gets into commercial businesses and fails to exercise proper supervision and control. Before these companies have stopped losing money, I venture to say that it will have cost us $5 billion". He concluded that the solution "lies in co-production with a few major manufacturers left in the world". In effect, that is what we are proposing.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, the Hon. Minister refused to conclude that statement by saying that I felt the solution was in a joint venture with an international company but retaining the control and the technology in Canadian hands. He has not finished reading that statement.

**Some Hon. Members:** Hear, hear!

REQUEST THAT PRIME MINISTER INTERVENE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, once again my question is directed to the Prime Minister. Would he delay the conclusion and closing of the sale so that he can personally evaluate the evidence, make up his own mind about it, and give it the benefit of his personal attention before we sell away Canadian technology which took the country years and years to develop? Would he do it personally? That is my question to him.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, if I may again reply to the Right Hon. Leader of the Opposition, I would say first on the question of technology that obviously the Leader has not read the testimony which has gone before the committee, because it has been made abundantly clear that de Havilland has a world mandate including all the technology which is now there. Second, much of that technology remains, titlewise, owned by the Government of Canada, not by Boeing.

The Leader of the Opposition is asking us to delay the closing, totally ignoring the fact that de Havilland needs $60 million this quarter. If the closing is delayed still further, the Government of Canada will be called upon to put up that $60 million of fresh capital. Boeing has agreed to do it. I think it is in the public interest that Boeing be allowed to get on with the deal.

[*Translation*]

REQUEST THAT PRIME MINISTER STOP SALE OF DE HAVILLAND

**Right Hon. John N. Turner (Leader of the Opposition):** For the last time, before the deal with Boeing is closed, I want to put a final question to the Prime Minister, before Friday.

Could he personally reconsider this dossier, to prevent the sale to Boeing of a first class Canadian company and irreplaceable Canadian technology?

• (1420)

[*English*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, during the leadership campaign the Leader of the Opposition raised serious doubts in regard to this company. The finance critic was even more specific on behalf of the Liberal Party, indicating that he would dispossess the Government of that asset. The Hon. Member for Saint-Maurice, who is trying to pretend that he is otherwise occupied, was very much in favour of taking action to change the relationship within the Government of Canada.

Another bidder who came here indicated that it was, in his judgment, a miracle that the Government of Canada had received such an outstanding offer. We are very, very concerned. What we are doing is we are saying yes to solid jobs in Canada and not to a Liberal boondoggle of billions and billions of dollars.

REQUEST THAT CLOSING OF SALE BE DELAYED

**Hon. Bob Kaplan (York Centre):** My question is also directed to the Prime Minister. We are not criticizing the decision of the Government to privatize the company. I want to ask the Prime Minister this. Since it has become clear that the method used to privatize the company made it almost impossible for any Canadian interest to acquire the company, I want to ask him again—they are not bound to close on Friday—will the Prime Minister agree to delay the closing and make an effort, as was shown in the committee not to have been made, to place the company into Canadian hands. Will he make that effort?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in answer to the Hon. Member for York Centre, who sat on the committee that we have been referring to, I appeared before that committee for six hours. In total there were 20 witnesses, and there were ten meetings. I do not believe we will ever get through to the Hon. Member the magnitude of what has happened with respect to de

Havilland. The public treasury has lost $1.186 billion to date on de Havilland. If it is allowed to continue under public ownership we must accept ongoing obligations of a further $1.575 billion. Those ongoing obligations get reduced to five hundred and some odd million if we do the Boeing deal. I say let's close it on schedule on Friday.

ORDER IN COUNCIL

**Hon. Bob Kaplan (York Centre):** My supplementary on the same subject is directed to the Attorney General of Canada. I have given him notice of irregularities in the Order in Council passed by the Government to guarantee the obligations undertaken in the Boeing deal. I want to ask him if he will step in on the grounds that I submitted to him, to prevent this deal from closing while the illegalities that are associated with that Order in Council can be examined and corrected.

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the honourable gentleman from York Centre put all his legal knowledge together and came up with a definite red herring in connection with the legal authority for an Order in Council. There are no irregularities, and I am sure that the legal authority was there and everything was perfectly in order from the legal point of view. The hon. gentleman can cease his efforts in sabotaging this deal, which is a positive step forward for Canada.

REQUEST FOR PARLIAMENTARY DEBATE

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a question for the Prime Minister on the same subject. The Prime Minister will be aware that the sale of virtually any Crown corporations belonging to the people of Canada requires an Act of Parliament, with the unusual exception of Canadair, de Havilland, and one or two other corporations belonging to the CDIC. If the Government is convinced that it is such a good deal, will the Prime Minister undertake that there will be a motion and a vote in the House of Commons relative to the sale of de Havilland before the sale takes place, rather than hiding behind the law in order to avoid having Parliament decide on the sale of this Crown corporation?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member for Ottawa Centre, what a strange partnership we have between the Liberals and the NDP. You will recall, Mr. Speaker, since you too were in the House when de Havilland was purchased, that the purchase went through under the Liberal Government that was then in power, with the consent of the NDP, as a $1 item in an appropriation Bill, with absolutely no debate in the House and without a committee review. Now when it comes time to sell the Crown asset, the socialists say: "How dare you sell it without months of debate and deliberation?" They have had their committee hearing. Now is the time for decisive action.

• (1425)

REQUEST THAT PRIME MINISTER INTERVENE

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my supplementary question is also directed to the Prime Minister whom I remind that we had to fight like hell to even get that committee consideration. Since the Government promised not to be like the Liberals and to turn over a new leaf and have a new day in Parliament, will the Prime Minister undertake that Parliament will in fact be able to vote on the de Havilland sale, rather than hide behind a technicality in the Financial Administration Act that has permitted the Government to proceed with the deal so far without coming before Parliament in any way?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, how they like to change their ground: When I was questioned in December concerning what would happen at the committee proceedings that are just concluding, the Hon. Member for Ottawa Centre asked for a committee review so that he could hear witnesses and review documents. He got exactly that and now he asks: "Why can I not have more, such as a parliamentary debate and a vote on this issue?" We are at the point of decision. That decision requires a closure on Friday. This Government proposes to go ahead with that closure.

**Some Hon. Members:** Hear, hear!

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF TRANSPORTATION FOR THE PROVINCE OF NEW BRUNSWICK

**The Acting Speaker (Mr. Paproski):** Order, please. While Hon. Members are standing, I think it would be an opportune time for me to recognize the Hon. Robert McCready, Minister of Transportation for the Province of New Brunswick.

**Some Hon. Members:** Hear, hear!

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## THE ADMINISTRATION

PROGRAM REVIEW TASK FORCE

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I would draw to your attention the fact that the Government has created a new national pastime: trying to reconcile the conflicting statements of the Prime Minister, the Minister of Justice, and the Minister of Finance on reducing the deficit. However, we need an additional piece of information in order to solve this mystery. I would ask the Minister of Finance if he would confirm the truth of the statement made by the Minister of Justice to the effect that there are disputes among cabinet Ministers to such a point where the Nielsen

Committee, the committee chaired by the Minister's seatmate, is paralysed. Could he give us that additional information?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the only problem we are having on this side is reconciling the conflict between the statements made by Members opposite before they were in opposition and the statements they are making now. That is the puzzle with which we are faced, and that is the puzzle with which all Canadians are faced. Get your act together, boys, before—

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The simple answer to the question that the Hon. Member has posed is that work on the committee headed by my seatmate, the Deputy Prime Minister, is moving along expeditiously and making good judgments and good decisions. The Hon. Member will see some of the results of those decisions in a very short period of time.

TIMING OF INTRODUCTION OF BUDGET

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister has said that we will see the results of those decisions in a very short period of time. Before interests rates shoot up, or before the now called "Brian-buck" makes the "Diefen-dollar" look like pure gold, would the Minister tell us when he intends to remove this uncertainty, confusion, and incoherence by bringing in a Budget? Will he confirm that it will be before the end of February?

• (1430)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have already said that it would be in the latter part of February.

**An Hon. Member:** What day?

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## ENERGY

PRICE OF GASOLINE—MINISTER'S TELEX TO OIL COMPANIES

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It is reported that yesterday the Minister of Energy telexed the major oil companies regarding oil prices. Recognizing that this month alone the price of Canada crude oil has dropped from $37 a barrel to $30 a barrel, which is the equivalent of six cents per litre at the pump, did the Minister in her telex tell those oil companies that she expected a minimum six cent per litre drop in the price at the pump?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I have already told the House that I communicated with the oil companies to say that this Government expects, of course, that any cost decreases will be passed on to consumers.

**An Hon. Member:** When?

**Miss Carney:** As the Hon. Member well knows, for me to order a company to make a specific price decrease would contravene combines legislation. I can no more order a company to lower the price of oil than I can order a company to lower the price of an automobile in Oshawa.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** We'll get to that.

OIL COMPANIES' PROFITS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, by way of a supplementary question, does the Minister recognize that the reduction from $37 a barrel to $30 a barrel, without an equivalent decrease at the pump, means a $5 million per day windfall profit for those oil companies every single day that that is left in effect? Does she think that it is appropriate that they should be allowed to rip off the Canadian consumer at the rate of $5 million a day while she sits and complains that she has no power?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member's arithmetic is totally amazing. How can the oil companies derive a benefit of that amount of money when, in fact, that oil has not even moved into the system?

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Trinity (Miss Nicholson).

**Mr. Deans:** Supplementary question, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** One short supplementary question.

**Mr. Deans:** Thank you very much, Mr. Speaker. My supplementaries are always short.

REQUEST THAT MINISTER INSTRUCT PETRO-CANADA TO REDUCE PRICES

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I would be glad to talk to the Minister about how it happens; but let me ask her this.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** How what happens?

**Mr. Deans:** Does she not remember that the same oil companies which she now says should be left to let oil work its way through the system were found guilty by the Restrictive

Trade Practices Commission of ripping off the Canadian public by over $1 billion a year for 15 consecutive years? Why does the Minister not demand of Petro-Canada that it show leadership and bring the price down, forcing the others to do likewise?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I do not see how it could be in the national interest to ask Petro-Canada to sell gasoline at prices lower—

**Mr. Deans:** Why?

**Miss Carney:** —than what it paid for the crude oil.

**Mr. Frith:** How about increased market share?

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## THE ECONOMY

STATEMENTS ATTRIBUTED TO MINISTER OF JUSTICE IN *LA PRESSE*

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is for the Right Hon. Prime Minister. In view of the fact that yesterday the Prime Minister denied that the Minister of Justice said what was attributed to him in *La Presse*, and that last night the tape of the interview was played on national television so that Canadians could hear the actual words, does the Prime Minister now wish to modify his answers of yesterday?

**Right Hon. Brian Mulroney (Prime Minister):** No, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Rossi:** That's you all right, a bluffer!

GOVERNMENT POLICY

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is directed to the Minister of Finance—there was no 18-minute gap in that tape.

**Some Hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Paproski):** Order, please. I am afraid I cannot hear the Hon. Member's question. She is one of your own. If Hon. Members would not mind, the Hon. Member for Trinity has the floor.

**Mr. Crosbie:** There is an 18-minute gap in the question!

**Miss Nicholson:** Mr. Speaker, my supplementary question is for the Minister of Finance. Will the Minister make a statement under Motions to clear up the confusion and inconsistency in Government economic policy, including the blunder which allowed the International Monetary Fund to suggest that Canada is printing money at a rate four times higher than that of any other industrial country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not sure what the Hon. Member is talking about. I know that we are creating jobs two and three times faster than other industrialized countries. I know that we are creating investment at one-and-a-half times the level of other industrialized countries. I know that the housing starts in Canada are increasing about three or four times faster than those in other industrialized countries. However, I am not sure from where the Hon. Member obtained that other statistic.

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## FISHERIES

ATLANTIC GROUNDFISH QUOTA ALLOCATIONS

**Mr. Gerald Comeau (South West Nova):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. In a letter dated December 17, 1985, I asked the Minister to review the Atlantic groundfish quota split between the inshore and offshore fishing industries. As thousands of jobs in my riding are dependent upon the fair allocation of this stock, and the successful resolution of this matter is of primary concern to my constitutency, will the Minister advise the House with respect to any progress on my request?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I very much appreciate the representations made by the Hon. Member, beginning with his letter of December 17. When I met with my Atlantic colleagues, the Atlantic Council of Provincial Fisheries Ministers, on December 11, we decided jointly on a proposal with respect to the split of allocations between the inshore and offshore sector of southwest Nova Scotia. That proposal was supported by the Minister of Fisheries for Nova Scotia. With my colleague from Nova Scotia I am now examining the possibilities of amending the distribution of these stocks. I would point out that, in fact, the landings last year were at unprecedented levels in Southwest Nova. I think, as in all other respects, there even appear to be more fish in the sea under a Tory Government.

**Some Hon. Members:** Hear, hear!

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## UNEMPLOYMENT INSURANCE

STATEMENTS ATTRIBUTED TO PRIME MINISTER

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Prime Minister. It relates to an interview which the Prime Minister granted to *Le Devoir* in which he was reported, on Monday, in *Le Devoir*, to have said that he would be slashing social programs in the upcoming Budget, especially the Unemployment Insurance Program, even if the Forget Commission has not reported by then. Why would the Prime Minister make such announcements in the press even before receiving the recommendations of the Forget

Commission? Is the Forget Commission just a front for the Government to put the boots to the Canadian people?

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** First of all, Mr. Speaker, I never made that statement. The Hon. Member says that I talked about "slashing Government programs and slashing this . . .". That is not the case. I never said that. The transcript shows that I said Miss MacDonald announced some major changes, the concepts of Unemployment Insurance Programs in Canada that came into effect on January 1. "There will be more; meanwhile, there will be a thorough reform."

"With due respect for Mr. Forget and his colleagues, I think we should wait for the report". "So there was an indication." "When you say there will be more, were you referring to new measures to be announced in the Budget, etc.?" I said: "I was."

[*English*]

FORGET COMMISSION REPORT

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, in light of fact that that is in complete contradiction to what was reported in *Le Devoir*, can—

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** That is the transcript, come on!

**The Acting Speaker (Mr. Paproski):** Order, please. If the Hon. Member has a supplementary question, would he please put it.

**Mr. Rodriguez:** Yes, I have a supplementary question. Again, the Prime Minister did not say it. Can he then categorically in the House say that there will be no slashing of the Unemployment Insurance Program before the Forget Commission has reported to the House?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the word "slash" was never used, either in English or in French, by me, at *Le Devoir* or anywhere else.

● (1440)

**Mr. Rodriguez:** Give the commitment.

**Mr. Mulroney:** It is a typical socialist stunt.

**Mr. Rodriguez:** Give the commitment.

**Mr. Mulroney:** You raise a false accusation and ask me to deny it. Well, I won't do it because I never said it.

## INDUSTRY

BOOK PUBLISHING—CANADIAN OWNERSHIP

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, Canadians now control only 20 per cent of the $1 billion annual book publishing industry. That is 20 per cent of an industry which forms our ideas, controls our attitudes, and which the Minister of Communications has stated is essential to our identity and cultural sovereignty.

**Mr. Crosbie:** Speech.

**Mrs. Finestone:** Are the cabinet policy guidelines for the publishing industry, which have as their objective Canadian control and ownership, still in force and in effect today as they were when the Minister announced them in Baie Comeau in July?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, I want to remind my hon. friend that questions referring to Investment Canada—and obviously, matters that concern investment concern Investment Canada—should be directed to my hon. colleague who is very competent in this area, the Hon. Member responsible for the Department of Regional Industrial Expansion.

[*English*]

MINISTER'S POSITION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I will then repeat my question to the Minister of Divestment Canada.

**Some Hon. Members:** Oh, oh!

**Mrs. Finestone:** Tell me, Mr. Minister, will you guarantee—

**Some Hon. Members:** Order.

**Mr. Boudria:** Will he. Will he guarantee.

**The Acting Speaker (Mr. Paproski):** Order, please. Would you just give us the supplementary question, please.

**Mrs. Finestone:** Will the Minister guarantee to Hon. Members of this House and to the cultural communities listening that when he announces his decision shortly with respect to the take-over of Prentice Hall by the New York Giant, Gulf and Western, he will not transgress his own Cabinet's guidelines and subvert the Canadian publishing industry?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, if I may have an opportunity to respond not only to the last question put by the Hon. Member but to the first one which was directed to my colleague, the Minister of Communications, the answer, of course, to the first question she put is "yes", and the answer to the second question she put is "yes" again.

## INSURANCE

LIABILITY COVERAGE FOR VOLUNTARY ORGANIZATIONS AND SMALL BUSINESSES

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, my question today is directed to the Minister of State (Finance). It involves the current difficulties in obtaining liability insurance by Canadian voluntary organizations, small businesses, and municipalities. This has been a problem for over a month. The Minister has met with business people and Government officials. Has she anything to report to the House on the resolution of these problems?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, as I have indicated both in the House and outside the House, while this is partly provincial jurisdiction we have taken a number of steps to deal with what we see as a matter of great concern to Canadians. We have urged the industry to develop the pooling arrangement which it announced yesterday for Ontario and which we have asked it to extend to all of Canada. I have asked the re-insurance people to give urgent consideration to an expansion within the Canadian sector of a private sector solution.

We have met with people with particular problems, such as municipalities, and we have an interdepartmental task force. Despite jurisdictional issues, we are co-operating with the provinces and we intend to move as broadly as possible to deal with this issue.

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[*Translation*]

## THE ECONOMY

SITUATION IN MONTREAL EAST—REQUEST FOR SPECIAL DESIGNATION OF AREA

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the President of the Treasury Board. Yesterday in Montreal, I attended a meeting of the Montreal East Survival Committee, where people were concerned about the federal Government's dragging its feet on this issue. My question is as follows: The Committee would like to know whether the Minister will do what he promised on December 17 last year, when he announced he would very shortly be giving Montreal special status, to promote the economic development of this important Canadian city.

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, the Montreal East Survival Committee asked me a number of things at that meeting. I followed up several of their requests. I was asked, first of all, to look into the possibility of having the CAMO expanded to more than nine members. Today, they are suggesting twenty-three members. This is one request I have already acted upon. The designated area question is being looked into as well as several other proposals made by the Committee at that time.





GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I have a supplementary.

When is the Minister going to meet his commitments, Mr. Speaker? And secondly, workers at Bombardier would also like to know whether the Minister is going to meet the commitments he made to this company, namely that Bombardier would be receiving major contracts for the construction of locomotives, and if so, when is he going to announce this in the House?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I think that the fact that 40,000 new jobs were created in Montreal in 1985 proves that we have achieved something.

We announced that Pétromont would be receiving $55 million in grants. Fifteen million dollars last September. We have just announced another grant of $50.9 million for Canadair. More than 400 new jobs have been created in this sector. We have a whole list.

**Mr. Nystrom:** Bombardier?

**Mr. de Cotret:** Mr. Speaker, I simply want to give my hon. colleague and the House the assurance that in the weeks and months to come, there will be many new announcements that will once again give Montreal the place it deserves in Quebec and in Canada.

REQUEST FOR ANSWERS TO DEMANDS OF MONTREAL EAST SURVIVAL COMMITTEE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I also have a question for the President of the Treasury Board, and I was surprised at the answer he gave my hon. colleague. In fact, the Survival Committee also asked me to put questions to the Minister.

Contrary to what the Minister was saying, he did not meet the Committee's requests, which included putting a stop on the sale of Gulf to Ultramar; giving Versatile Vickers its fair share of shipbuilding contracts; giving Bombardier contracts for repairs to rolling stock, and the designated area issue which is still being considered—

When is the Minister going to respond to these proposals?

The Minister has given no reply whatsoever to the Survival Committee's four main proposals.

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I think we have already shown what we can do. We are working on case. A number of questions are being considered, and as soon as we get the results, we will announce them.

I may add that I am regularly in touch with the President of the Montreal East Survival Committee, and that he understands what is being done. We are keeping him informed on all developments in this case.

REQUEST THAT MINISTER MEET CHAIRMAN OF MONTREAL EAST SURVIVAL COMMITTEE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I have a supplementary for the Minister.

If he is regularly in touch with the President of the Survival Committee, perhaps he would agree to meet with him as he intends to come to the Hill next week and would like to see the Minister to discuss the Government's response to the Survival Committee's proposals.

Could the Minister inform the House whether he would agree to meet with the President of the Survival Committee?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, every time I was asked to meet with the President of the Survival Committee and his colleagues, I always accepted. And I shall therefore be delighted to meet him if he comes here next week. In fact, I have many times offered to meet him on a Friday when I am in Montreal to look after the Montreal Government Members Committee and various projects which are proceeding very well, I can assure you, at this time.

**Mr. Nystrom:** It is time to act.

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[*English*]

## SPACE RESEARCH

CANADIAN CONTRIBUTION TO UNITED STATES PROGRAM

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, my question is directed to the Minister of State for Science and Technology. All Canadians were touched by yesterday's tragic event over the skies of Florida. Can the Minister assure the House that Canada will continue its valuable contribution to the American space program despite the recent tragic event?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, I thank the Hon. Member for his question. It gives me the opportunity to express my personal regret at the events of yesterday.

There will be no interruption in terms of Canada's ongoing space programs. Many new efforts which the Government may wish to initiate into new space adventures are in a very preliminary evaluation and planning stage and I see no interruption in that effort.

## ENVIRONMENTAL AFFAIRS

SOUTHWESTERN ONTARIO'S WATER SUPPLY

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, my question is directed to the Minister of the Environment. Yesterday's Ontario Government's report showed, through the use of independent monitoring, what previous Government tests had not. Not only do residents of southwestern Ontario face the threat of inundation by dioxin-containing flood waters but they are drinking dioxin-containing waters right now.

When will the Minister announce his promised program for the control of chemical contaminants of the environment? Will the plan include a national safe drinking water act, and an emergency initiative to produce a federal-provincial program to improve the purification of water systems in municipalities, including the use of activated carbon filters?

● (1450)

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the short answer is that we will be introducing a new Environmental Contaminants Act that will address all the concerns that the Hon. Member raised which are within federal jurisdiction. Some of them, of course, are within provincial and municipal jurisdictions.

I should caution the Member, however, that even though we are very concerned, as is the Ontario Government, he should put this matter into perspective. It is not a matter of finding something in the water that was not there before. It is a matter, instead, of science reaching the point where it can detect certain things that could not be detected before. In fact, if one were to express the quantity of the substance found in terms of time instead of weight, it would be equivalent to one second in 32 centuries. In short, it is minute, it is sporadic, and it is not harmful.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Cape Breton-The Sydneys.

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## ENERGY

PRICE OF GASOLINE—MINISTER'S TELEX TO OIL COMPANIES

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

**Mr. Langdon:** Mr. Speaker, I have a supplementary question.

**The Acting Speaker (Mr. Paproski):** I have recognized the Hon. Member for Cape Breton-The Sydneys. I thought that the Hon. Member for Windsor-Walkerville had asked all the questions that had to be asked about that particular question.

**Some Hon. Members:** Oh, oh!

**Mr. McCurdy:** He asked for a supplementary question.

**Mr. Young:** You don't know what he was going to ask.

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Cape Breton-The Sydneys has the floor.

**Mr. MacLellan:** My question is for the Minister of Energy, Mines and Resources. The Minister has finally admitted, through her telex yesterday to oil industry executives, that her market sensitive regime is not working and that Canadians are paying too much for gasoline. What guarantees can the Minister give that oil companies will pass along their savings to consumers, and when will this happen?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am sorry that the Hon. Member is so negative about my attempts to assist Canadian consumers to receive full benefit of the world oil price decreases. I had looked for support from him on this issue.

**Mr. MacLellan:** Mr. Speaker, she has my support, if that is what she intends to do.

**Some Hon. Members:** Hear, hear!

REQUEST FOR PRICE GUARANTEES

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, yesterday the Minister said:

> I have communicated with industry executives to ensure that consumers get the full and fair benefit of the price declines which are in the system now.

That includes, I assume, those which are coming into the system. It is not unfair to ask her what guarantees she has that this will happen. What are these assurances, and when are Canadians going to get them?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the assurances are built into our new energy policy which is fair to consumers as well as producers, and is the opposite of the rigid regulatory system imposed by the Liberals under which gasoline prices increased 80 per cent from 32 cents a litre to 50 cents.

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## ENVIRONMENTAL AFFAIRS

WATER FILTRATION SYSTEMS IN SOUTHWESTERN ONTARIO

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my question is for the Minister of the Environment and is on the same subject as previous questions. It is an extremely crucial subject for the communities of southwestern Ontario. Is the Minister aware that Washington environmental experts have concluded that no studies whatsoever exist that probe the long-term cumulative effects of octadioxin? Will the Minister, therefore, protect our frightened communities in southwestern Ontario by share-costing with the Ontario Government the upgrading of filtration systems that are crucial in those communities?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, I do not want to downplay the importance of the announcement that Jim Bradley made yesterday in Queen's Park. However, if the citizens in question are frightened, I think the Hon. Member has contributed as much as anyone else to that fright.

**Some Hon. Members:** Oh, oh!

**Mr. Murphy:** Shame!

**Mr. McMillan:** The Hon. Jim Bradley, the Minister of the Environment of Ontario, said yesterday: "Drinking water supplies for all of these communities meet health-related objectives. I have the assurance of medical and toxicological experts that the levels do not pose a threat to human health".

The Hon. Jim Bradley made the announcement yesterday so that the information could be shared with the public in perspective. I urge the Hon. Member to take his advice. The situation is of concern in the sense that for the first time trace levels of dioxin have been found in water. Again, it is not because those substances in question were not there before; it is because science has reached the point of expertise of being able to detect them. That is the difference.

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[*Translation*]

## SOCIAL AFFAIRS

FAMILY VIOLENCE INFORMATION CENTRE—GOVERNMENT POSITION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In 1981, the Liberal Government gave $500,000 per year, for a period of five years, to the Family Violence Information Centre. The Centre takes care of battered women and women who have been sexually assaulted.

Since the Conservative Government came to power, the Centre's budget has been cut by half, one-third of the staff has been let go, and the information bulletin is no longer published. Today, it seems that the Conservative Government is about to cut the Centre's budget altogether.

Mr. Speaker, I wish the Minister would inform the House whether the Government intends to continue subsidizing the Centre or whether family violence is something we can afford to ignore.

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the specific issue which the Member raises, that of family violence, including child abuse and the related conditions, remains a priority of the Government. With regard to the Family Violence Centre in the Department of National Health and Welfare, if she looks at the figures on a year-to-year basis for the next three years, she will find them to be quite different from what she said they were.

Additionally, it is my view that we should have better information and a better approach than we have had to date. That is why I think it is my mandate, and that of the Department of National Health and Welfare, to give the very best information and to have a better system than that which was in place.

[*Translation*]

WOMEN'S REFUGE CENTRES—GOVERNMENT AID

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, women's shelters are writing us and describing their dismay at the fact that the Conservative Government is constantly cutting these budgets.

I therefore wish the Minister would give the House the assurance that he intends to continue to allocate decent amounts for operating these shelters, and otherwise, let him say he is only going to give them enough money to barely survive.

It is very important to provide protection for battered wives. After all, that was one of the Conservative Government's promises.

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, on that particular point, the response of the former Government was through the centre to which she referred. There were certain conditions and problems which were not resolved through the Canadian Assistance Plan which we have now resolved with the provinces. If the Member looks at the over-all program, she will find it to be quite different and a better situation today than when the Liberals were in government.

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

ST-RAYMOND PAPER PLANT AT DESBIENS, P.Q.—GOVERNMENT POSITION

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

The Minister is aware that St-Raymond Paper in Desbiens, Quebec, has been closed for fifty months and is trying to attract investor interest in this pulp and paper plant.

Although Cascades will open in Port-Cartier, does the Government intend to maintain its commitment to offer interested investors the subsidy that was to remain available until March 31, 1986?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, with regard to this type of matter, I am sure that the Hon. Member is well aware that our Department is constantly trying to interest investors in what will, hopefully, be viable enterprises in Canada. The project that he is referring to is one that we have had under study and review for some time. There is nothing to be announced at the present time, but I am certainly aware of the facts.

[*Translation*]

INQUIRY CONCERNING GOVERNMENT'S INTENDED MEASURES

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, if the Minister is not prepared to make a commitment in the House today, can he indicate any other measures he is going to take to save this company town of 1,500 people?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, obviously the Hon. Member had his supplementary question ready before he heard my first answer. I think that, if he reads my answer, he will see that his supplementary question is already answered.

* * *

• (1500)

## CLERK OF PETITIONS' REPORTS

**The Acting Speaker (Mr. Paproski):** I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, January 28, 1986, meet the requirements of the Standing Orders as to form.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Paproski):** Order, please.

**Some Hon. Members:** Speech!

**The Acting Speaker (Mr. Paproski):** Order, please. I want to thank all Hon. Members, but let us have a little order.

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# ROUTINE PROCEEDINGS

[*English*]

## COMMITTEES OF THE HOUSE

PRESENTATION OF REPORTS OF LEGISLATIVE COMMITTEES

**Mr. Anthony Roman (York North):** Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-67 and Bill C-68.

[*Translation*]

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, the Speaker of the House has been pleased to appoint me as

Chairman of the Legislative Committee on Bill C-62, respecting employment equity.

I have the honour of tabling, in both official languages, the report on the Bill as amended. Furthermore I wish to thank Members of all parties for their exceptional co-operation, which made it possible for us to report the Bill back to the House much sooner than expected.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

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[*English*]

## PETITIONS

PROCESSING OF FOREST RESOURCE IN STEWART, B.C.

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I have a petition signed by almost all of the residents of Stewart, British Columbia, a wonderful little community. The petitioners humbly call upon this House to ensure that some part of the forest resource being logged in their area is processed in Stewart to create full-time jobs for the local economy.

PROTEST AGAINST JACK WEBSTER'S BCTV PROGRAM

**Mr. Jim Fulton (Skeena):** I also have a petition signed by residents of the Queen Charlotte Islands, Vancouver Island and other areas of British Columbia who are concerned that Jack Webster of BCTV has repeatedly aired shows which present only one side of a very complex issue, that being Lyell Island. The petitioners call upon this House to make sure that Mr. Webster's personal vendetta against native rights and environmental groups, his fomenting of trouble and creating an atmosphere of hostility, is brought to his attention.

**Mr. Hnatyshyn:** You are always blaming the press.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, today it is again my duty to table another petition from people in the Moncton-Memramcook area and from Westmorland-Kent. These people are still worried about the situation at the CN shops, and they are asking the Government to give them the assurance that the jobs will be safe.

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I have the honour and the privilege of tabling various petitions signed by a number of my constituents from the federal riding of Moncton, expressing their concern about the future of the CN shops in Moncton. They ask the Members of this House to put an end to all cuts in personnel at these shops.



[*English*]

## TRANSPORT

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

**Mr. Les Benjamin (Regina West)** moved:

That the sixth report of the Standing Committee on Transport be concurred in.

He said: Mr. Speaker, at the outset, to make sure there is no misunderstanding in this House or anywhere else, I want to say that my motion of concurrence in this report is not what I want to do.

**Mr. Hnatyshyn:** Explain!

**Mr. Benjamin:** However, a rule which I have always considered to be very dumb says that the only way a report of a standing committee can be debated is by moving concurrence. This is true even if you disagree with all of it, some of it or none of it. I want to make it clear that my motion in no way indicates concurrence by my Party or by myself in the sixth report of the standing committee.

**Some Hon. Members:** Shame!

**Mr. Hnatyshyn:** Abuse of the rules.

**Mr. Benjamin:** There are some items in the report we agree with. However, there are a number of items with which we profoundly disagree. As a result, we issued a minority report pointing out some of the areas where we disagree.

I want to say that I consider the time provided for the committee by this House, which really means by the Government, was not sufficient for the committee to hold hearings in other parts of Canada in order to hear all or even most of the witnesses who wanted to appear. Believe it or not, on an issue as large as this, affecting the entire economy and every region of this country, we did not have as witnesses the Canadian Air Line Pilots Association. The length of time provided for people to prepare submissions and give notice was inadequate, and that was not the fault of the committee. I want to say here and now, Sir, that all members of the committee worked diligently and long, hard hours trying to cover a subject of this size in the limited time provided.

The question which is really at stake here is that of deregulation or re-regulation or a new regulatory regime, whichever expression one chooses to use. I notice there has been much more use of the words "a new regulatory regime" over the last few weeks than there had been all last summer. Whatever you call it, we responded last August to the Government White Paper called *Freedom to Move*. We called it "Freedom to Manoeuvre", because it states it is:

"a trial balloon of Conservative ideology which solves fewer problems for the transportation industry than it will create. Clearly there are no pressing issues facing the transportation industry which call for actions by the Minister like those proposed in his policy paper". These proposals are for sweeping deregulation where there is no apparent need, and that clearly indicates that the paper is only a knee-jerk regurgitation of similar transportation initiatives undertaken in the U.S. by President Reagan and President Carter.

Our participation in this process—

● (1510)

**Mr. St. Germain:** I rise on a point of order, Mr. Speaker, I hate to interrupt the Hon. Member on his excellent delivery, but it appears the Liberals have abandoned the House. Is there a particular reason?

**Some Hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Paproski):** I would remind the Hon. Member that he should not reflect on who is or who is not in the House. I would like to say that there are Members from other Parties in the House.

**Mr. Benjamin:** And they are sitting with their natural allies, Mr. Speaker.

If I may continue, participation by members of the New Democratic Party in this whole process on the Government's White Paper has confirmed our long-held belief that there is some room for substantial improvement in Canada's transportation sector. The current regulatory environment is often cumbersome, inappropriate in some areas, and does not always produce the results intended. We recognize that in a changing world, in a changing transportation environment, regulations must keep pace. They must reflect the world of today and not of yesterday.

Let me give you an example, Mr. Speaker. Unless it has been changed and I do not know about it, under the House of Commons Act, the Constitution Act or whatever, there is still a regulation that while Members of Parliament are provided with free railway transportation, I am still entitled to check my horse in the baggage car. That is a regulation held over from before 1867 which I believe is still in place. However, if we continue down the slippery slope of deregulation, as this Government proposes, I may have to check my horse so I can get from Winnipeg to Regina in a couple or three days.

We agree that we have to propose transportation policies for the 1980s and 1990s in keeping with the nature and history of our country. Transportation policy is a policy that recognizes the important role of the private sector but that maintains the predominance of the public interest rather than private profit in directing the development of Canada's transportation sector. In essence, it has to be a policy based on re-regulation, not deregulation.

We believe the time has come for upgrading and updating our regulatory regime. We agree that the Canadian Transport Commission should be modernized and updated, its powers strengthened, its methods of operation streamlined, and that it should be more responsive to the consumer and the users of transportation in a shorter space of time than has been the experience in the past.

Much of the distrust or disbelief in the activities of the CTC over the last many years has occurred because there is a suspicion, not ill-founded, that whatever the railways or the airlines wanted they got one way or the other and sooner or later. There was not sufficient attention paid or response given to the needs of shippers and receivers or to consumers who pay the final price.

We feel that the sixth report of the Transport Committee, the minority report which my colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), and I submitted, and I believe a report from the Liberal Party, should be considered only as interim reports.

We feel that the House of Commons, with the approval of the Government, should extend the reference to the Transport Committee for further study, including permission to conduct public hearings in northern Canada and other outlying communities in southern Canada, and that the Committee be allowed to travel to the United States to gather information with respect to the Americans' experience with transportation deregulation, the number one recommendation in our minority report. The Government of Canada should undertake to have a complete independent market analysis and impact study done of the expected results of deregulation in Canada, the known results and effects of deregulation in the United States concerning all modes of transportation, including the effect on safety, security and employment prior to the drafting of any legislation.

The Government should increase funding immediately, in fact even retroactively if necessary, to provide for more inspection services, not only for the inspection and supervision of regulations regarding maintenance, safety procedures and so forth, but also of their enforcement.

If I may illustrate, Mr. Speaker, the present Government is doing no more than extending what the previous administration started with its restraint programs in 1975-1976.

Let us just look at air mode person years. Specifically, let us take general technical inspectors. The number of them for 1985-86 is 390, down 23 from 1984-85. On technical inspection—the people out on the ground—the number for 1985-86 is 201, down from 223 for 1984-85.

With or without deregulation, there is a growing volume of people travelling, a growing volume of aircraft, trucks, buses and cars in our transportation system. With or without deregulation, Sir, you have to enlarge the capability of your regulatory bodies and of the Department of Transport to inspect and enforce the regulations that are there for public safety and security.

You cannot have it both ways. I do not know of a single taxpayer of any political stripe anywhere in Canada who says that we are spending too much in the area of inspection and enforcement of regulations. In fact, taxpayers would support an increase in expenditures in that area. This nonsense about across-the-board reductions in order to satisfy the hypnotic influence of deficits is, I think, a disservice and is false economy. There are some areas in which you do not, I repeat, do not reduce expenditures. There are areas in which they must be increased. That is an area in which no Government with any conscience or feeling of responsibility could either allow or stand for reductions.

• (1520)

In a new regulatory regime, a re-regulated regime or a deregulated regime, a comparison of Canada with the United States is odious, as the old saying goes. The drafters of the White Paper overlooked the fact that that country has 10 times the population and more than 10 times the volume of traffic, both people and goods to move, in a smaller geography and in a milder climate. That in itself speaks volumes as to the applicability of their experience or ideological bent in Canada. The only parts of Canada which are readily comparable with the United States are the Quebec-Windsor corridor, if we are talking about rail and trucking, and Vancouver, Toronto, Montreal, and once in a while Edmonton, Calgary and Halifax. They are the only ones which are comparable. This means that three-quarters of the geography of Canada is left out, that cities such as Lethbridge, Regina, Saskatoon, Thunder Bay, North Bay, Timmins, London and Moncton are left out. If we found out anything in Washington last week, it was that deregulation in 20 cities meant a return to mediocrity and that smaller centres receive a lower quality of service. Although they sometimes received increased frequency, we are now being told that they are prepared to take 100 of those 200 cities, put them under the new regulatory regime and add 100 different cities because of what they have experienced. What applies in the United States does not apply here because most of Canada, in terms of transportation economics, is uneconomical.

In 1867 we decided that we would be a nation and that the nation as a whole would share in an equitable manner from coast to coast, from the forty-ninth parallel to the North Pole, in the cost of providing a reasonable degree of quality, safe and equitable service, and that the routes which were uneconomical would be covered both by taxpayers and by those routes which were economical. For all the criticism about cross-subsidization, if there is one thing that has worked reasonably well, it is the fact that we had, and in most cases still have an economical degree of service. If we looked at only the straight economics of it, we would pull out and leave it to jerkwater, fly by night operators who enter and exit whenever they please. Taxpayers have spent hundreds of millions of dollars on infrastructure, but under the freedom to move provision transporters can come in and pull out whenever they like. This is not only unfair to the transportation consumers who live in the communities, it is unfair to the airline or the trucking company which has built up the infrastructure and has serviced the communities for years. Such a company could have loyal customers and could have built up the business, but someone else can come in and out and skim the cream off the top. That is not free enterprise, that is not fair enterprise. It is nothing more than the worst kind of disservice to the people of the country and to our nationhood. If that is what the Government means by freedom to move—

**Mr. Nowlan:** It is not in our report.

**Mr. Benjamin:** Freedom to move is very plain. If there is one thing sure about freedom to move, it is the freedom to enter and exit. I admit that even the minority reports are lacking because we did not have enough time to go into that matter. However, we heard evidence from witnesses who told us what would happen.

What applies to a smaller or middle-sized city in the United States of 300,000 to 600,000 people applies to a community in Canada of some 5,000 to 20,000 people. That is the proportion. In the name of free enterprise, those who promote it and want freedom to move say that we can have champagne ideas in a beer market, in a market which will perhaps allow one or two airlines or trucking companies to break even or make a buck and provide a reasonable service. They believe that anyone can come in, divide it up in four or five ways and take turns going broke, take turns entering and exiting.

I do not want Air Canada or PWA to exit from the Cities of Regina, London, Moncton or Gander. They have provided a service in good and bad times. I resent the outfits or the johnny-come-latelies that want to start up airlines or trucking companies coming in for a few months of the year, skimming the cream off the top, and then existing. The company or business which was there in the first place is then left holding the bag and is forced to exit. In that event we end up with another area where we return to mediocrity in terms of quality, quantity and service, which we should work at to provide for every region of the country.

If it were left to free market forces, we might as well vacate three-quarters of the geography of our country, move to Vancouver, Montreal or perhaps a couple of other spots, and let the rest of it sit there. That is not what we are about, and we never have been. I do not suggest for a moment that that is how the Minister feels, but it is inevitable if it is left to free market forces or to so-called will of the market. When something like transportation, which is an essential public utility, essential to the public good and the national well-being, is left to the so-called free market forces, a major part of the country and at least half of our population will not be as well served as they were in the past, despite the warts and things which were not as good as we would have liked.

I am not denying that improvements and changes could be made, but I hope the Government considers the minority reports as interim reports and lets us continue our work. The topic is too large for us to report on it in a matter of three months or four months. I am not suggesting six years or seven years, as was suggested by the MacPherson Royal Commission, but we should have a year or a year and a half at most. We need another year before a new national transportation Act is brought before the House so that the seven provinces and two territories will have a chance to be heard and to present their views. Then we can say that we did a full and a more complete job.

• (1530)

**Mr. Angus:** Mr. Speaker, I am wondering if I could ask my colleague if he could indicate to this House what he sees the ramifications of confidential rate setting to be on the move-

ment of goods in this country as well as what the impact on the consumers will be.

**Mr. Benjamin:** Mr. Speaker, time did not permit me to get to every mode of transportation. I appreciate my colleague reminding me. Confidential rates are anti-competitive, anti-free enterprise and anti-free market. Confidential rates fly in the face of the principles espoused by my hon. friends opposite. Confidential rates provide advantages for large shippers and receivers. They mean exactly that, small shippers and receivers, manufacturers and processors will not be able to find out what those rates are. In actual practice confidential rates leads to corporate raiding. They can lead to fraud and bribery. I suppose that to get a piece of a $5 million market, a $5,000 or $50,000 little bribe would get you the information from a freight traffic manager from your competitor. But it flies in the fact of our principles.

We suggest that we broaden the whole principle of agreed charges in which you require railroads and trucking companies to compete, that one railroad or one trucking company cannot have the same agreed charges as another, and that the small shipper should have has exactly the same opportunity as a large shipper under a system of agreed charges. Under a system of confidential rates that a small shipper, receiver, processor and manufacturer would not get the same kind of deal. The *Freedom to Move* provisions even propose that you could have a confidential rate if you are a big boy and a big railroad or a big trucking company, and they would allow for rebates. That is the same as kickbacks. Under the former provisions of the Criminal Code that was illegal, but that is allowed it is foreseen, under confidential rates. You allow a rebate, a kickback. If that is free enterprise, I do not want any part of it. If that is taking part in the free market forces, that is nonsense, that is piracy if I ever saw it.

**Mr. Tobin:** I want to congratulate the Member who has just spoken for raising before the Canadian public his legitimate concerns about deregulation in particular on the air side. I want to say to the Member that he knows, as do all members of the committee, that one of the primary reasons there were minority reports on this government document called *Freedom to Move*, the Minister's white paper, was the fact that many members of the committee, and particular those in my Party and his Party, believed that the committee had not done its full homework. He knows that, for example, ignoring the U.S. deregulation experience south of the border, doing no research, making no visits, talking to no officials, doing no exploration was almost an act of extreme irresponsibility on the part of the committee, as was the presumption that and then presuming it could comment intelligently on deregulation for Canada.

Last week the Member who has just spoken, myself and a number of Members from the Conservative Party, who are also members of the Transport Committee, had an opportunity, through another vehicle, an exchange program, to be in Washington and to talk to many people who are experts in the field; Congressmen who are chairmen and vice-chairmen of various committees concerned, Republicans and Democrats, industry people, consultants and so on. I want to ask the Member whether he came away from that experience with the kind of feeling that I had. Whatever my reservations about freedom to move and unfeetered deregulation being introduced in Canada on the air side, I was not prepared for the kind of horror stories we heard in Washington. I came away with one compelling desire, and that is, to ask the Minister and the Government to make provision for the entire committee to go back down to Washington and repeat the program, hopefully in more detail, that Members of Parliament who were there last week went through. I believe that all Members, regardless of Party stripe, can benefit greatly from a visit to Washington, and perhaps will come back with some very strong and clear signals for the Minister of Transport (Mr. Mazankowski) before he proceeds with this deregulation package, in particular as it pertains to the air side. I would like to hear the Hon. Member's comments, Mr. Speaker.

**Mr. Benjamin:** I suppose the one feeling I had even before we left was it was that something of a sad commentary on our parliamentary system as it is functioning at present that we had to rely on an outside organization to see to it that some of us on all sides of the House got down to Washington for three days last week to the centre for parliamentary exchange, which was financed mostly by private contributions. I am sure my colleagues who were with me are as appreciative as I am of that opportunity. Three days was not enough time. We were only able to look at the air side. It did prove to me, Sir, that we need many days, not only to continue our study of the air side but also of the whole area of trucking, railroads, freight rates, marine. We have just scratched the surface, and that is why our main recommendation—I can remind my colleague in the Liberal Party—is that these be considered as interim reports, and that the House of Commons, at the behest of the Government, grant us an extended period of time to continue our hearings and bring in another report several months down the road in which we will have had an opportunity to look at the U.S. experience.

I recall what witnesses in Halifax, Stephenville and a few other places in Newfoundland had to say about the situation in Maine and Minnesota where the population is thin, there is a northern type of climate, and the communities are small, and what their experience there was. There are a couple of states, for example, the experiences of which are applicable to most of Canada. We need to have a lot more insight into and examination of those areas than we have had. I am not faulting the members of the standing committee, Sir, they all worked very hard, and so did the staff. We did not have enough time, and we all know it. We all need to go at this some more. I hope the Government will agree to that.

**Mr. Nowlan:** I would like to ask a question to the Hon. Member for Regina West (Mr. Benjamin). In view of the question from the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), two Members who were very involved in the Transport Committee, I have some comments to make about his interesting remarks that led off the motion to concur

in the sixth report of the Transport Committee, notwithstanding the fact that both opposition Parties walked out when the crunch came and we were supposed to vote. I will come to that later. My question is directed to the Hon. Member for Regina West: What hat was he wearing when he replied to the question from the Hon. Member for Humber-Port-au-Port-St. Barbe, the hat of Doctor Jekyll or the one of Mr. Hyde? In his remarks he talked about how the United States was so different. Then he got the set-up question from his friend about the American experience. So really, will he cut the wheat from the chaff? If the American experience is so different, and if in the American experience there is no CN and no Air Canada, nor are there recommendations from the sixth report, which are not even anywhere in the deregulation environment in the United States, why is he even wasting time in this House by talking about the American experience?

**Mr. Benjamin:** Mr. Speaker, it was not me or the New Democratic Party who used the United States as an example. We have been confronted continually from day one since the White Paper came down about the glories and the nirvana of deregulation in the United States. We have had it from Hon. Members in this House, people in the transportation sector of this country and the media. It was not we who started that. If the example that has been put to us time and time again since last July is such a good example, then surely it is incumbent upon the Government and the Parliament of Canada to see to it that if there is any validity to the American deregulation experience and if it is applicable to Canada, we should damned well look into it and report back to Parliament about it.

● (1540)

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, it is very difficult for a relatively junior Member such as I to speak after an Hon. Member with the experience and the great oratorical skills of the Hon. Member for Regina West (Mr. Benjamin) has spoken. He was so articulate in putting the case. Indeed, the Hon. Member is absolutely correct. It is the Government of Canada that has been telling members of the Standing Committee on Transport and indeed the population of Canada over these last number of months not to worry about the negative effects of deregulation and to look at the success story in the United States.

We were led to believe that people in the United States were so excited and in such a state of nirvana about the great positive effects of deregulation, particularly on the air side, that they were flying without the benefit of wings. Reality was a sobering experience for Members of Parliament of all three Parties when they arrived in Washington last week.

Since many of us come from outlying regions, perhaps we had a bit of a regional bias about deregulation. Perhaps we were concerned that it would be beneficial to highly populated areas and not so beneficial to less populated areas. We went to Washington expecting to hear from American politicians and chairmen of aviation committees, both Republican and Democrat, that there is some dichotomy in their point of view. We felt that Democrats might be a little critical of deregulation and Republicans might say that it was a wonderful thing. That is not what happened.

Going to Washington was a frightening experience for Hon. Members from both sides of the House of Commons. The reality of the deregulation experience in the United States versus the scenario that has been painted for Canadians by the Minister and his officials are as different as day and night.

We have been told that fares have generally decreased throughout the United States air industry system and that consumers have been the big beneficiaries of deregulation. That is all we have been told. When we talk about safety, the Government says: "Don't talk about safety, we are engaging in economic deregulation, not deregulation of safety, so let us not talk about it". When we talk about the nature of Canada and the fact that it is a nation of 25 million people spread over the second largest land mass in the world, the Government says: "Don't worry about that. The free market will determine that Canadians are served somehow, some way no matter where they live".

What was the reality of the American experience? The United States is a country with a population 10 times the population of Canada. We heard some very frightening and alarming testimony from the people to whom we spoke in Washington. The American Government's own report produced by the Office of General Accounting on November 6, 1985, indicates that between 1979 and 1984, the airlines in the United States lost $4 billion. Listening to the horror stories of airlines popping up one day and disappearing the next, airlines going bankrupt and fly-by-nighters appearing and disappearing was akin to imagining a crap shoot. That is the way airline services were being provided to the people of the United States.

The same report indicated that more small communities will likely lose air services when federal subsidies end in 1988. Those small communities still getting air services are getting them because of federal subsidies. That is the American Government's own report.

American Congressmen did a wise thing. They went out into the country to hear from people who had been affected by the airline deregulation, the nirvana that has been described by Hon. Members opposite on occasion. What did the people have to say about it? I have a statement here from the mayor of a typical small American community. In the United States, a small community is one with a population of 50,000 to 200,000. Where I come from, when we talk about a population of 200,000 we are talking about the capital. When we are talking about a population of 50,000, we are talking about a city. When we are talking about a population of 10,000, we are talking about a good sized town. However, in the United States small centres have populations of 50,000 to 200,000.

Peggy Mensinger, the Mayor of the City of Modesto, California, when talking about airline deregulation, had this to say:

> In a little over three years and six airlines later, we now have a pure jet airline service back and have hopes of restoring the market that the four bankrupt commuters destroyed. Our enplanements dropped from a peak of 57,000 in 1977 to just over 21,000 in 1982 as a result of deregulation.

She talked about these great commuter airlines which are supposed to replace the jets, something about which the Minister speaks so fondly. It was supposed to be a new type of industry. This is what she had to say about those commuter airlines:

> Public rejection of the small commuter aircraft plus fourteen schedule changes in the eighteen months, frequent cancellations, and little or no concern for the passengers caused our annual enplanements to drop from 38,236 in 1979 to 29,750 in 1980.

A U.S. Congressman appearing before the committee which was looking at the effects of airline deregulation spoke of the plight of small rural communities. He said:

> We have had one airline after another, attempting to replace the service United abandoned, go bankrupt or get into severe financial difficulties so that service has been disrupted or reduced.
>
> All of the newly-designated EAS carriers have started off well, but something happens to them after that—they begin expanding too fast, their management may have miscalculated their expenses, a recession hits. All of these factors have hurt, not only the airlines attempting to provide service but also the harried Valley air passenger.

Again, statistics provided by the General Accounting Office in the United States show us that in the smaller centres with populations of 50,000 to 200,000, 82 community airports have lost all service. Nothing is flying, propellor or jet. In several hundred more small communities, there has been a dramatic reduction in the level of service. One might say that that is a small price to pay for deregulation because there has been a reduction in fares for people who live in the larger centres.

Let me tell the House what else happened as a result of deregulation. While there was a reduction in air fares in the larger centres and heavily travelled runs of the United States, the runs that would be the equivalent of the Toronto to Montreal run, in the smaller centres and the less travelled routes, there was a corresponding increase in fares. There now exists the anomaly in the United States of one being able to fly on certain days of the week with certain package deals from New York to Los Angeles for $99, no frills, in a plane on which I would not sit, while one can fly from New York City to a town in New York State, only a couple of hundred miles away, for $300. There is now an anomaly which exists in the United States where there is a three-point system. On a carrier which flies from point A to point B to point C the cost of a ticket to fly from point A to point B is $250. The cost is only $150 to fly to points A, B and C. Thus people flying to the point B destination buy a ticket to point C, the farthest destination on the route, get off at point B and throw away the coupon. Where is the fairness in that type of system?

● (1550)

There is another big, bad word which the Minister and Hon. Members do not want us to talk about. It is safety. They say: "Don't worry about safety. Let's not talk about it".

**Mr. Forrestall:** What are you talking about? It's the most important element of it.

**Mr. Tobin:** Every single individual we talked to in the United States, such as representatives of the major airline carriers, in particular, the President of the Airline Association of the country, Paul Ignatius, the Republican Vice-Chairman of the Aviation Committee from New York, Representative Molinari, the Democratic Deputy Chairman, James Oberstar, the Chairman of the Subcommittee on Aviation in Congress, Congressman Mineta, people we heard in confidence at closed-door meetings, such as the Vice-President of one of the major American airlines—every single person we talked to told us that safety in the American airline industry has suffered. Nobody wants to advertise that fact. No one wants to tell people that it is less safe than it was before. An industry which used to operate far and away, above and beyond the standards set by the Federal Aviation Administration, operates, we now see, at the fringe of the minimum requirements on safety required by the FAA. Congressman Molinari from New York said that in his judgment the airlines are now operating below the minimum standards.

Just how strongly does he feel about this subject? On November 14, 1985 he wrote a letter to the President of the United States, a letter signed by 77 members of the House of Representatives of the United States. The matter about which he writes is one which is presently under review in the United States. In fact, there is now a Bill before Congress with respect to it. What does he say in the letter? He states:

> As Members of Congress, we are very concerned that the safety of the air traffic control system is dangerously stressed because of the inexperience of a large percentage of our current controller force.
>
> The problems in our air traffic control system are very real and they are to the point where passenger safety is being directly affected. We have a system stretched beyond its human capacity and an FAA unwilling to even acknowledge that serious problems exist.

That is what he says about the air traffic control situation in the United States. Whay I have just read from is a letter sent to the President of the United States petitioning him to provide immediately an additional 1,000 air traffic controllers in that country. The problem with respect to air traffic controllers was exacerbated by a strike of controllers who were later fired by the President of the United States.

**Mr. Nowlan:** A totally different environment, and you know it.

**Mr. Tobin:** The Hon. Member said that it is a totally different environment.

**Mr. Nowlan:** Yes, it is.

**Mr. Tobin:** The Government of Canada promised to bring in airline deregulation in this country this year and a month-and-a-half ago it laid off air traffic controllers at Pearson International Airport, the airport which is projected to have the biggest increase in traffic in a deregulated environment. I ask the Hon. Member: Is that a different situation?

**Mr. Nowlan:** Yes.

**Mr. Tobin:** I can tell the Hon. Member what everyone in the United States told us. They told us we cannot begin to contemplate going to a deregulated environment with anyone

who is fit, willing, able, daring enough and has a licence to fly an airplane until we have first made sure that we have adequate inspectors and the policing ability in our regulatory agency to look after that type of fluid environment. That is what we were told. They told us to hang on to our air traffic controllers and to hire more. They told us to begin to train more because we will need them. We were told that that was the experience in the United States and we should learn by it. It is not a totally different situation. We would be negligent as a Parliament even to consider entertaining particulars on the air side in terms of new legislation and new regulations in an unfettered free enterprise zone in the air industry in this country until we have gone to the U.S. and learned from the experience there, be it positive or negative. We have not done that. The Minister would serve Parliament and, indeed, Canadians well, were he to give all members of the committee an opportunity to examine that type of experience.

The Auditor General in a report to Parliament last June told us—and all Members of Parliament have access to his report—that there is not available in Canada today adequate inspection staff even to inspect every aviation company in Canada.

**Mr. Mazankowski:** That is because of you guys. You hypocrite!

**Mr. Tobin:** That is what the Auditor General said.

**Mr. Mazankowski:** That is because of you guys. He is not reporting on us; he is reporting on you.

**Mr. Tobin:** I would like to say something to the Minister. Whatever the cause—

**Mr. Mazankowski:** Take the blame and don't be such a hypocrite.

**Mr. Tobin:** I would like to say something to the Minister. Whatever the cause is, and if that is the fact, then is it not in same to move into a deregulated environment where more carriers will spring up overnight—and applications are already flooding in—until we first provide ourselves with the ability to inspect the existing number of carriers? By his angry outburst the Minister confirms that that is a fact. Yet he persists in proceeding with deregulation at a time when he is cutting back staff in his own Department.

**Mr. Mazankowski:** It's because you are misleading. That is why. Why don't you be truthful and honest?

**Mr. Tobin:** The Minister ought to acknowledge that, since I don't particularly give a damn—

**Mr. Mazankowski:** Why don't you be honest?

**Mr. Tobin:** I don't particularly give a damn why, how, when or where—

**The Acting Speaker (Mr. Paproski):** Order, please. There will be an opportunity for questions and comments. I hope that Hon. Members will allow the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) to finish his speech. He does have two or three minutes remaining.

**Mr. Tobin:** If the previous administration is at fault for not hiring enough inspectors, including this humble back-bencher from that administration, I apologize, while recognizing that that is the situation today. Nevertheless, the Minister wants to proceed with a deregulated environment. That, Sir, cannot be justified in any way, shape or form.

I have spent most of my time talking about airline deregulation, bursting the bubble of the U.S. example and providing Hon. Members with sober and serious fodder for contemplation in this House.

**Mr. Mazankowski:** Why don't you be serious?

**Mr. Tobin:** I wish to make a short comment—

**Mr. Mazankowski:** Why don't you be serious?

**Mr. Tobin:** I wish to make a short comment about railroad deregulation. I want to tell the Hon. Minister that if he believes and suspects that he may give in to the pressure which is currently being exerted on him, his Government and his colleagues in Cabinet by Canadian Pacific to do away with joint line rights, which is proposed in the Minister's package, then he will find a huge body of opinion in the industry in the country which currently supports his initiatives which will now rise up and denounce this package.

**Mr. Mazankowski:** I do not need your advice on that.

**Mr. Tobin:** I hope the Minister, who has done the right thing in proposing joint line rates in his White Paper, will stand fast and refuse to bend to the pressure being brought to bear on him by the huge CP conglomerate which is exercising every means at its disposal to have the Minister change his mind. I hope the Minister will follow his original instincts with respect to joint line rates. I say that to the Minister by way of cautionary note.

Finally, I would like to say to Members of the House that slowly but surely the people of Canada are becoming aware of the reality of airline deregulation in the United States and in this country. Canada is not just a miniature model of the U.S. Our industry in this country is distinct. Canadians realize that transportation policies since the first days of Confederation were used to shape this nation. John A. Macdonald did not build a railway because it made economic sense. He built it because he knew he had to have a link from sea to shining sea. He did it because it was a measure by which to develop Canadian unity and continuity. If there is anyone in this place who believes that Canada has changed so much since 1867 that we can leave to the market-place a decision with respect to who will be served by what type of transportation service at what cost and expect to have citizens feel a part of what it means to be a Canadian no matter where they live, then those people are crazy. We cannot say to Canadians in the North that their service is uneconomical so they will have to be

isolated and cut off. We cannot say to Canadians in Atlantic Canada that their numbers are so small and their industry so weak that they can take the next wheelbarrow to Toronto when they go on business. We cannot say to the people in western Canada, who depend upon branchlines in order to continue to be successful farmers, that their branchlines are closed because the railroads have decided they are not important compared to the bottom line of their statement at the end of the year. If that is the mesure this Minister is proposing—and indeed that has been the U.S. experience—then I warn him it is a measure fraught with great political danger for the Government.

● (1600)

**Mr. Angus:** I ask through you, Mr. Speaker, is it not true that the move towards deregulation was started well before the Conservative administration took over? All we have really been doing is watching Conservatives, who are really Liberals in a hurry, accelerate the process.

**Mr. Tobin:** Mr. Speaker, until a few moments ago I believed that, like his colleague, the Hon. Member for Regina West, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) was a serious member of the committee and one who wanted to make a contribution. I see now that this is not to be. I say that with great regret because I find him to be a very humorous fellow to spend time with.

The Liberal administration in May, 1984 issued new directives with respect to airline regulation which began a process of deregulation. It provided for a regulatory framework which gave airlines more flexibility. There is no question but that the Government of the day—and I would propose following that course—moved into a less regulated regime. The spokesmen for transport in the New Democratic Party indicated that the time to do that had come. Perhaps the Hon. Member ought to check with his colleague.

There is a large difference between cutting some of the red tape and loosening Government regulations, much of which were no longer relevant, and making a provision on the airline side—and I think the Hon. Member would agree with this—that exit and entry of airlines in whatever communities can be done with only 60 days' notice. In other words, if an airline wants to pull out of a northern Ontario town, a town in Atlantic Canada or a town in the Prairies, it does so by simply saying it is leaving on 60 days' notice, and there is absolutely no method of appeal. No one has a chance to say: "Wait a minute. What about the economy of our community? We as Canadians think we deserve some kind of basic service". That no longer applies. The Hon. Member knows very well that under the old requirements of Transport Canada, public necessity and convenience determined whether or not the licence was granted. Under the formula of the Minister, the Government takes the approach that transportation is a derived demand. If the market-place says there is a need for a service, there will be one, if they pay enough for it. If it does not, there is no aircraft. It is a fundamentally different approach and I think my hon. friend would acknowledge that.

**The Acting Speaker (Mr. Paproski):** Are there further questions or comments? Debate.

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Mr. Speaker, I must say I rise today with mixed emotions. I am glad, in a sense, that we are debating a very important report of the Committee on Transport, of which I have the honour to be chairman, although the genesis of the motion does leave me perplexed. The Hon. Member for Regina West (Mr. Benjamin) moved the motion and, as I understood some of the remarks by the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), I gathered he sort of went along with the motion. The motion is to move concurrence in the sixth report of the Standing Committee on Transport. The motion is not to dissect and define air deregulation in the United States. But until the very last few moments of the speech of the Hon. Member for Humber-Port au Port-St. Barbe, I did not hear a word on the sixth report of the Standing Committee on Transport. I will give full credit to the Hon. Member for Regina West. While I may disagree with him with all the passion I sometimes can muster, at least he is consistent in his direction. It may be a direction which goes down backside on a dead-end street, but at least he is consistent and he did talk about the sixth report of the committee.

That is why I am perplexed. Both of those gentlemen, spokesmen for their respective Parties, walked out when the crunch came in committee *in camera*, and did not vote one way or the other on the recommendations in the sixth report of the standing committee. Those Hon. Members know that the committee moved quite a way between the first draft report on October 15 and the report which was finally tabled in this House by myself on December 18. Notwithstanding, there was no opposition vote on any of the recommendations when the time for votes came. So I was frankly amazed to hear, out of the blue, a motion today to concur in a report which both opposition Parties did not find reason to vote on one way or the other.

We speak about parliamentary reform from time to time. We are on television now. I can understand the confusion of the public out there about this type of procedural hypocrisy in not participating in the votes and recommendations when the report is being written, yet, for whatever reasons—and I cannot impute motives to Hon. Members in the House of Commons, be they good or bad—out of the blue comes a motion to concur in a report which those Hon. Members did not have the guts to vote on behind committee doors. If I could say the words, that would be parliamentary hypocrisy—I guess I can say those words but I certainly could not say that those Hon. Members were hypocrites. Therefore, I will not trespass on the good graces of the Chair. That is why I cannot understand—

**The Acting Speaker (Mr. Paproski):** Order.

**Mr. Nowlan:** —their ironic, paradoxical position in talking about the sixth report.

**The Acting Speaker (Mr. Paproski):** There is a point of order from the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

**Mr. Nowlan:** Here we go again, a lot of flurry with no substance.

**Mr. Tobin:** Mr. Speaker, my colleague, for whom I normally have great respect when he is in a more passive frame of mind, is, first of all, imputing motives to Hon. Members.

**Mr. Nowlan:** I did not.

**Mr. Tobin:** Second, when an Hon. Member refuses to discuss the substance of airline deregulation and gets into technicalities as a response to some very good points made by two previous speakers, we know he is really a stick bouncing around in an empty barrel and makes a lot of noise.

**Mr. Blaikie:** That's not a bad comment.

**The Acting Speaker (Mr. Paproski):** The Hon. Member has been in the Chamber for a long time. I admire him and know how far he can go and how far he cannot. And I know he knows how far he can go, therefore, he was treading very lightly. But I would like to listen to the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan).

**Mr. Nowlan:** Mr. Speaker, I am glad I can get on the trail, the railway line or the airline, and get back to the sixth report of the Standing Committee on Transport. I must say that I do find it difficult as chairman of the committee to be critical of the remarks I heard from the two previous speakers because both of those individuals did contribute very constructively to the work of the committee in the examination of witnesses and in helping to write the report, and so on.

As I started to say before I was rudely interrupted by the Hon. Member, I remember an admonition from my sixth grade teacher, who did not have a university education and taught everything by rote. Every time I listen to the Hon. Member for Humber-Port au Port-St. Barbe I think of her homily "empty vessels make the most sound". I must say I compliment the Hon. Member on the vastness of his vessel and, sometimes, the timber of his sound. But regardless of those rhetorical flourishes and parliamentary points on the floor of this august Chamber, I do want to compliment both the Hon. Member for Humber-Port au Port-St. Barbe and the Hon. Member for Regina West, who did contribute in a constructive way to the production and recommendations of this report. Together with Members of my Party, they produced a report which differed from the *Freedom to Move* White Paper, and they were not all the bogeymen and men of straw which the Hon. Member for Regina West raised in his raving oratory in the earlier minutes of this debate. We produced a report that modified and restricted some of the demands of the market-place.

• (1610)

Members of the committee, who are not complete imbeciles, regardless of which Party they are from, know that there are not true market-place areas all across the country. That is why the Member for Bow River (Mr. Taylor), in one of the key recommendations, wanted to make sure that low density areas which do not have market-places of Toronto, Vancouver, and Montreal, would be protected with regard to the services they presently have. The Opposition did not want to vote on one recommendation of the report. Members walked out of the committee room when it got too warm. However, this is not the time of truth for Members of the Government. We will wait and see what the Minister produces in his legislation. There may very well be differences.

That, quite frankly, is why I, and other Members of the committee, intend to speak on this motion, which has come out of the blue, almost by surprise, from an Opposition that did not even vote for a recommendation. Now they are trying to agree with all the recommendations or to embarrass the Government and the Minister, for whom individually they have respect, and tie his hands with regard to the legislation that he and his officials are now drafting as a result of this report. This White Paper *Freedom to Move* was released on July 15, and the Transport Committee was seized with it on October 15, I believe, and produced a report before Christmas. I was the chairman of that committee, Mr. Speaker, and it was a good committee. Frankly, we produced a very good report.

Once again with regard to parliamentary reform, one of the reasons I like to stay around here is to ensure that we have true parliamentary reform to allow Members to voice their individual thoughts, whether they are in Government or not, as long as they do not defeat the Government on tax Bills, votes on the Budget, or votes on speeches from the Throne. I hope to see the day when I will be able to stand in the House and rail against a Government, if I am a Government Member, as long as it does not defeat the Government. That is the type of reform that will make this place live.

However, I started to have some doubts about the full extent of parliamentary reform when I listened to the speeches of the two previous speakers today. They both took an emotional and ideological bent that they never fully expressed in committee, the proceedings of which are not broadcast on television. I do not want to impute motives, but the Member for Humber-Port au Port-St. Barbe (Mr. Tobin) talked entirely about the American system and reflected on his experience of the Washington trip last week. He referred to the sixth report of the Transport Committee only in the last few minutes of his contribution. Members of the parliamentary reform committee, as well as Members of the House, must wonder if the televising of committees will be the be-all and end-all that some Members think it will.

Between October 15 and the time that we tabled the report in December, we had constructive criticism and penetrating examination of witnesses. There was not too much rhetorical dialogue in attempts to make points for the cameras rather than contributing to the substance of the debate at hand. The

Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and others should ensure that parliamentary reform does not distort the system completely. I was a member of the committee on parliamentary reform which helped to bring television into this Chamber. I think we had to do that because it was part of the reality of the day.

However, I wonder whether television in committees will permit the serious and constructive contribution from all Members which we had in the deliberations on this issue, or whether it will distort the whole procedure. If the contribution of the Hon. Member for Regina West and that of the Hon. Member for Humber-Port and Port-St. Barbe are any indication, I certainly hope that television will be excluded from committees in order to maintain constructive criticism and contribution from all Members and to avoid trying to make points for the camera, to enable us to produce a proper report which will help the Minister produce a proper Bill.

I have the greatest of confidence in the Minister of Transport (Mr. Mazankowski). I think that members of the Opposition did themselves a disservice by not repeating things they have said privately and in committee. During their contributions they could have taken a moment to compliment the Minister, regardless of whether or not they agreed with the *Freedom to Move* White Paper. They should have at least given him credit for not producing this paper behind closed doors. There were contributions and much individual involvement by responsible members of the transportation industry across the country. The Minister released this document on July 15 for public scrutiny and response, and there were responses.

I am not going to waste time giving credit to his officials. Mr. Keith Thompson had a dialogue with many people in the country on the *Freedom to Move* paper. I do not know everything that happened, but perhaps it was the dialogue with those affected in the industry which caused this to go before committee. There has never been any hesitation from the Minister in ensuring that the committee was seized of it at a certain time. To put it conservatively, our time reference was short, and I will come back to that.

I am glad there are a couple of Ministers in the House right now. The Government must stop saying that we inherited a mess. Of course we inherited a mess. That is why we got the crazy mandate that we did. The people knew that there was such a mess. I sometimes wish I could answer a question. After 17 months I would not always retort that our problems are due to the mess that we inherited. It is because of that mess that we got the massive mandate that we did get.

The way in which the Minister publicized the *Freedom to Move* paper and had the committee travel across the country, albeit in a restricted way due to the time reference, is much more positive, democratic, and parliamentary than unilateral 20 per cent chops of VIA rail, ignoring even the body that was supposed to look after it, the CTC. I had great respect for the Hon. Jean Luc Pepin, but he got carried away with his chopping without referring it for public discourse.

Despite the perils that he knew he might experience, the Minister threw this to the committee with no restrictions. In fact, as Members know, he wrote a letter to the committee amplifying the *Freedom to Move* paper and asking us to take on six other items which we touched upon in our report. He wanted to ensure that there was full discussion and full clarification of what he wanted to do, that is, to come up with a new national transportation Act. The majority of the witnesses whom we heard were in favour of the fundamental principles that we tried to reflect in our sixth report. The message was to get on with the job notwithstanding the words which the Hon. Member for Regina West coined, "yes, but". You are for the principle, but what about the implementation?

This, of course, is what amazes me about the motion today. The opposition Members did not even have the guts to stay in the room to vote on this. They moved the motion on the recommendations which, frankly, are very reasonable. Yet they walked out of the room and did not vote. They did not wait to see what legislation the Minister was going to produce.

• (1620)

There is no doubt that the committee operated under time restraints between October 15 an December 18. However, I give credit to the members of the committee, especially the Opposition Members, having been in opposition myself, along with the Hon. Member for Halifax—no, Dartmouth-Halifax East (Mr. Forrestall).

**Mr. Angus:** How long have you guys been in the House together?

**Mr. Nowlan:** We change our ridings every so often. We have been in the House for 20 years, and I do not usually have to talk to him officially. I can usually say "Mike" or "Mr. Forrestall", but that is not parliamentary. I know your riding. It is Thunder Bay-Atikokan, I think. I do not usually refer to my colleagues formally when I have been in the House with them for 20 years. That is why I got hung up on his riding. However, the Hon. Member for Dartmouth-Halifax East knows, as do I, the procedural hurdles opposition Members could have thrown in the committee's path between October 15 and the tabling of this report. That is why I accept a lot of the rhetoric today. I know we are in an adversarial debate today. I really want to compliment the Members.

The report talks about joint uses of track; goodness gracious, we would not even have been on the track had the Members thrown in all the procedural hurdles and short circuits they could have thrown in. We would not have produced a report at all. So I really want to compliment them for not throwing sand in the gears. They knew, certainly the NDP Members knew, that they were not going to be able to buy this report in total, but I was really amazed at Her Majesty's Loyal Opposition.

I want to say this to the Hon. Member for Humber-Port au Port-St. Barbe and the Hon. Member for Regina West. Let us not blame deregulation on the President of the U.S. We all know that this started long before he came along. It started under a fellow named Jimmy Carter, if I remember.

**Mr. Benjamin:** I said that.

**Mr. Nowlan:** If you read our report you will find that the first Act concerning deregulation was in 1978. There was another one in 1980. It is so easy to muddy the issue, to set up straw men and then knock them down. It is not Ronald Reagan who brought deregulation to Canada; it is the reality of the times.

I would like to point out that the committee heard from 95 organizations and 177 individual witnesses in that relatively short period of two months. We sat long hours. The chairman exercised his privilege and we eliminated lunch and dinner hours. We also found that Members' questions were inversely proportional to the length of time the committee sat. The longer we sat, the shorter the quesions. After six or seven o'clock the questions became rather short.

Are you indicating, Mr. Speaker, that my time is getting rather short? I am very amazed at that because I have not really got started. However, out of respect for the Chair I would not want to trespass too far. I will conclude by saying that I would have liked to have had a more relaxed time frame. It would have been nice to go to the seven provinces we could not get to. A deliberate choice was made to hear national briefs from Ontario and Quebec here in Ottawa. It was not a happy or easy choice. There were complaints from the Government side, especially from colleagues of mine from Quebec, who wanted to know why we were not going to Montreal. Colleagues from Ontario wanted to know why we were not going to Toronto. However, if Hon. Members look at the report, I venture to say after hearing from 95 organizations and 177 witnesses, that there is not one new thought or proposition left out there to be heard even if we sat for another six months. We heard from A to Z.

Are you getting impatient, Mr. Speaker? I am amazed at how fast the time went by.

**The Acting Speaker (Mr. Paproski):** No, I am not getting impatient. The Hon. Member's time has expired. However, there is a period for questions and comments.

**Mr. Tobin:** Mr. Speaker, I will try to be succinct in my question and perhaps the Hon. Member will be succinct in his answer so that we can hear from the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

I agree with the chairman of the committee that there was a good working environment in that committee. All Members from the three Parties were doing their part to achieve consensus in drafting the report. I think we were making tremendously good progress. I take some pride, as I am sure do members of the NDP, in having a role to play in the drafting of the report of that committee. However, the Hon. Member asked why I stood up and talked not about the report but only about my experience in the U.S. That makes the point precisely. The chairman of the committee admitted that time was restricted. He has admitted, in fact apologized on several occasions, graciously I might add, to provincial Governments because we could not go to their province. That is precisely the point. We did not have a chance to discuss the American experience despite all the claims that their experience was a great one. We were not given permission, much less the time and resources, to go to the U.S. That was denied not only to Liberal or NDP Members, but to Progressive Conservative Members of that committee. So if he wonders why I stood today and used the opportunity to talk about what I heard or saw in the U.S., that is precisely the reason. Until today no member of that committee has been available in this House or in committee to talk in any direct way about what we heard or saw of the U.S. experience.

I will tell the chairman that I am not holus-bolus opposed to changes in the current regulations. Changes have to be made. However, I want to make sure that we make changes which serve the country. We have to recognize the distribution of population and the geograhic differences in this country. We want to make changes which will not negatively affect safety. I do not doubt the Minister's best intentions in this regard. I do not doubt he means it when he says he will not allow a reduction in the level of safety in the airline industry or any other industry. I also believe that the American planners who brought in deregulation were equally sincere when they said there would not be a reduction in safety. However, there has been a reduction in safety, not because people are devious or insincere, but because they were not prepared for deregulation. There are some lessons we can learn from the Americans in that regard.

Given the spirit of the committee that we worked on together, given that the Minister has told us that legislation will not be introduced until April, does the Hon. Member not think that it would be appropriate for the committee to convene and spend perhaps two, three or four days in Washington in order to gain the benefit of their experience as we go through clause-by-clause study of the Bill when it comes forward? I ask that not in a confrontational way but with a genuine desire to improve the Minister's Bill.

**Mr. Nowlan:** Mr. Speaker, I will be even briefer. In the spirit of the committee, not in the spirit of the rhetoric we have all used here this afternoon, my answer would be this. The report of the committe, on page 41, repeats the clear admonition of the Minister that he would like to indicate unequivocally that the Government will neither propose nor present any regulatory reform which might be detrimental to safety standards. The Member well knows that it was as a result of the suggestion of the Hon. Member for Regina West and the contribution by the Hon. Member for Humber-Port au Port-St. Barbe that we beefed up Recommendations 42 and 43 in terms of safety.

• (1630)

However, I will want to see the legislation. There may be the proper opportunity once we see the legislation, especially if it deviates fundamentally from some of the recommendations on safety in the report, to go the United States. The Member knows, as I know, that the United States is very different. We have not had a president execute a presidential decree to fire

all the air traffic controllers. As I understand it—not having been in Washington last week but having been there before and having studied domestic air traffic policy with the Hon. Member for Regina West a year before and having read a little—the domestic air traffic control problem in the U.S. is part of the problem of safety in the U.S. more than deregulation.

**Mr. Blaikie:** Mr. Speaker, I have a two-part question for the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) who has treated us to his usual variety of creative syntax, innovative arrangement of concepts and words and his usual convoluted logic.

He said that opposition Members on the committee—and this is a very curious phrase—did not have the guts to vote behind closed doors.

**Some Hon. Members:** Oh, oh!

**Mr. Blaikie:** That is a very strange concept indeed, Mr. Speaker. It seems to me that what would take guts would be to vote out in the open on the recommendations of the committee. That is exactly what opposition Members of the committee wanted Government Members to do. They wanted them to be on the record as to what they voted for and what they voted against. Government Members on the committee prevented that.

Could the Hon. Member explain how he could have the nerve to say that somebody did not have the guts to vote behind closed doors? Where does he get that kind of logic from?

**Some Hon. Members:** Oh, oh!

**Mr. Blaikie:** And I am not finished yet, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Blaikie:** Then he said that the Member for Regina West (Mr. Benjamin) was waxing eloquent and was ideological about the debate. It is an ideological debate, whether the Member likes it or not.

**Mr. Nowlan:** I said consistent.

**Mr. Blaikie:** I think it is quite unfair. He knows the Member for Regina West as well as I do. He has worked with him over the years. He knows that the Member for Regina West did not say anything here today that he has not said in committee, on the hustings or in this House. It is quite unfair for the Member for Annapolis Valley-Hants to imply that somehow the Member for Regina West is surprising the House with his views. These are views that he has consistently held. I do not know anybody who knows more or cares more about the transportation system in this country. I would like the Member to clarify that remark.

**Mr. Nowlan:** Mr. Speaker, that will be very easy. The Hon. Member wants to hear from the Minister and other Members of the committee who can give another perspective to this ideological debate. In terms of the second question first, the Hon. Member for Winnipeg-Birds Hill or birdie hills will—

**Some Hon. Members:** Oh, oh!

**Mr. Nowlan:** Birdie Hills, Winnipeg—Winnipeg-Birds Hill, that is the riding.

**Mr. Blaikie:** You are making my point.

**Mr. Nowlan:** That is the convoluted syntax on which the Hon. Member complimented me. Therefore, I decided to use it in response, in reciprocity.

In terms of the second question first, Mr. Speaker, that was my very point. I was not complaining about the Hon. Member for Regina West. I said he was consistent. It was a back-handed compliment. Of course, he was ideological. It did not surprise me. I know him better than the Member in a parliamentary way. That was not a complaint so I will not waste any more time on that. It was a back-handed compliment.

The members of the NDP contributed very constructively to the committee report when there was no television, but when television was close by the closed door, I knew they would have to take their walk. I knew that would happen because of ideology. That was my only point. That is what surprised me about the Hon. Member for Humber-Port au Port-St. Barbe. He went completely against the Axworthy doctrine but why should that have surprised me? Anyway, that is the first question.

The second question is the guts behind closed doors. The Member for Winnipeg-Birds Hill of all people, a reputed and a very constructive Member of the Parliamentary Reform Committee knows quite a bit about parliamentary procedures, knows that when a committee under our present rules goes *in camera* that the committee produces a committee report. Members are not there to produce individual reports. You are to produce a report of the committee that heard all the evidence not a report of the Member from Annapolis Valley-Hants or the Member from Fraser Valley or the Member from Bow River or even the Member for Winnipeg-Birds Hill. It is a committee report. It is a definite procedure. Instead of partisan politics, let us have constructive philosophy.

**The Acting Speaker (Mr. Paproski):** Order. Questions and comments are now terminated.

**Mr. Blaikie:** Mr. Speaker, I rise on a point of order. The Member for Annapolis Valley-Hants knows full well that committees can decide to reflect minority opinions. This committee decided not to.

**The Acting Speaker (Mr. Paproski):** This is debate and not a point of order. Order, please. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus). There will be enough time for more questions and comments before the day is over.

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I am pleased to participate in the debate today. As a new Member of the House and someone interested in transporta-

tion for a number of years before coming here, I found it a privilege to sit on the Transport Committee as a full Member and to work with Members from all Parties on this subject and others.

I want to be clear at the outset of two things. Both are in terms of procedure. At the end of my comments in the debate today I will be moving a motion that this report not be concured in but referred to the standing committee for further consideration.

**Some Hon. Members:** Oh, oh!

**Mr. Angus:** Because of the existing rules of the House, Members such as the Hon. Member for Regina West (Mr. Benjamin) and myself who, for very fundamental reasons, disagreed with the committee report had no other mechanism but to bring the matter before Parliament other than waiting for a Government Member to move concurrence.

With regard to the motion of concurrence, it should not come as a surprise to Government Members because the motion was placed on the Order Paper a day after the sixth report of the Standing Committee was tabled in the House. It is my understanding that our House Leader gave notification to the Government House Leader and the House Leader for the Official Opposition some time last week that we were planning to use the procedure of the House to bring about a debate today.

**Mr. Benjamin:** It was not out of the blue.

**Mr. Angus:** We decided as a caucus in December to no longer paticipate in the process of completing that report because Government Members would not allow us the opportunity to record our dissent to a number of the recommendations. We felt in all good conscience as New Democrats that we could not have our names aligned with the White Paper *Freedom to Move. Change, Choice, Challenge* without having some kind of clear indication as to where we stood on the recommendations made within it. We asked, as did the Liberals in committee, first to have the votes recorded, when that failed we asked for an opportunity to have a dissenting report as part of the majority report by Party and finally, to allow individuals to include dissenting opinions. Those three options were turned down, even though, in terms of the latter two, there were precedents in Parliament of standing committees making those kinds of provisions. I say sincerely that it was with great regret—and we said it at committee—that the Hon. Member for Regina West and I withdrew from the Standing Committee on Transport. Immediately after we made that decision, the Liberal Party decided to follow suit.

● (1640)

The report is a report of Conservative Members. Granted there was a lot of movement, a lot of discussion and a lot of good debate about the principles contained within the report along with the recommendations. I give credit to the Conservative Members of the committee who in many cases were prepared to listen with open ears and open minds and to be convinced that something was not appropriate. However, when it came down to the recommendations, we just felt that we could not play any more.

In the time available to me, I want to deal with some of the specific items in the report and to respond accordingly. So far today we have heard many times about the question of safety. The Government was very consistent in saying that safety was not negotiable. As far as the Government of Canada was concerned, safety was not an item on the table. We heard witnesses who suggested otherwise because when it comes to economic reregulation or deregulation there has to be an impact upon safety. I will give two examples. Currently in Canada there is some ongoing testing for an end of train unit to replace the caboose. This device would monitor certain functions of the railway to determine the safety of the train. The railroads argue that that is an economic decision, that they should have the right to make those kinds of changes in their operations because it is cheaper for them to operate. On the other hand the unions and those who provide the human service of monitoring the movement of trains, as well as others in Canada including the New Democratic Party, believe that it is a safety consideration. Under deregulation there would be no mechnanism. If a railroad decided that it would make an economic change, it could do it without having to consult or without having to apply to a regulatory body to ensure that proper hearings were held.

During our hearings in Vancouver we heard that safety was a matter of negotiation between unions and employers. We heard from Ms. Douglas, general chairperson of the Canadian Air Line Flight Attendants Association. She said:

> It pains me even to say it, but we have a proposal on the bargaining table; we are trying to negotiate smoke detectors in the washrooms. We have to try to negotiate it, because they cost money.

Also we heard in the testimony that in the negotiations flight attendants were asked by collective agreement to work longer shifts, perhaps to work as long as 18 hours continuously. Ms. Douglas responded as follows:

> Contrary to popular belief, flight attendants are not there just to be friendly and serve meals. That is certainly part of our job, but the basic premise for having flight attendants on the aircraft at all is safety . . . Other than in-flight problems which might arise, the times when flight attendants should be at their peak—when there are most likely to be problems—are on take-offs and landings.
>
> After a 14-hour duty day, your efficiency certainly drags. Pacific Western also has a proposal on the table to take away or substantially reduce the meals provided for flight attendants on the aircraft, so we work 14 hours and do not have meal breaks and have less in the way of meals and then be called upon at the end of a 14-hour duty day to perhaps have to evacuate an aircraft. That depends—in our training, we have 90 seconds in which to evacuate an aircraft safely before the possibility of smoke and fire makes an accident unsurvivable. So seconds count. Exhaustion at that point in time will cost lives.

Even when we talk about economic deregulation, it will have an impact on safety. All the inspectors and safety regulations which we can provide will not change that aspect. We heard from a number of charter groups which were concerned about the impact of economic deregulation on their operations. Questions were raised about a marginal airline or small feeder line which has not had a real good go at it. I am talking about lines which are close to the wire in terms of bank managers

knocking at their doors and of running marginally for the last month or two. What can the last passenger on the last flight expect? What kind of shape will that aircraft be in? What corners will the company have had to cut in order to continue to operate? The reality is that we will probably not know until the first accident what part was not replaced earlier, what part was kept until the so-called standard date but was really stretched to the limit and failed when it was needed the most. We have to look at those questions.

I should like to turn briefly to the impact of deregulation on the trucking industry. I will particularly focus on northern communities which depend almost totally upon trucking for receipt of their consumer goods or perhaps the movement of products out of there in small volumes. We heard from the trucking industry—the Canadian Trucking Association, the British Columbia association and the Ontario association. One after another they indicated clearly that what would happen under a deregulated environment to smaller, isolated communities would be that service would go down and prices would go up. In British Columbia we were told that some of those communities would not get service because it would be uneconomical for them to continue to provide once or twice a week service to some B.C. communities. Right now it is uneconomical, but because of the regulatory regime there is a trade-off, what we call cross-subsidization where a company obtains a licence to travel from point A or point B, which is the bulk of the market, to larger centres. As a condition of the licence it has to provide a decent level of service to the smaller communities in between. The community of Atikokan in my riding relies totally on trucking for consumer goods. That community is already hard pressed because of the closure of mines and a downturn in their economy. Communities such as that will find themselves paying even more for the goods they need for their daily lives.

Let us take a look at employment. What is the impact on the industry as a result of deregulation? Currently close to three-quarters of a million Canadians are working in this sector. Any change will affect a large portion of the population. Eleven labour organizations appeared before the committee. Each expressed fears that the deregulation proposals would result in substantial job loss and reduced wages for their members. From the Canadian Labour Congress we heard that it was not confident that it would be able to escape being the chief victim of transport deregulation in Canada.

● (1650)

We have, as of yet, very little evidence for the Canadian scene. However, there is a fair bit of knowledge about what happened in the United States. Since 1980, 40,000 Americans in the airline industry lost their jobs. One hundred and fifty thousand jobs disappeared in the railway industry. The best guess for the trucking industry in the United States is that between 250,000 and 300,000 union members were put out of work in this sector and not replaced.

Earlier we had a discussion about confidential contracts and their impact on the transportation industry. One of the realities of American confidential contracts is that potash from the Canadian Prairies can be railed right through to Chicago via the United States lines at a cost cheaper than railing it on CN or CP to Thunder Bay, using Canadian workers, having money stay in Canada, and then shipped by boat to Chicago, again using Canadian workers, returning profits to Canada. If we allow ourselves to move in the direction of confidential contracts we are going to see more and more of that. We are going to see more north-south traffic and less east-west. We are going to see products moving from British Columbia by rail through the United States and back up through Detroit and Windsor, bypassing Canada almost entirely. We do not accept that. We do not think we can allow that kind of change, because we are such a big country. We must have our own environment. We have to ensure that Canadians can work and transport our goods and services across Canada. We should not be setting up a regime that will allow us to bypass most of this country and create the jobs south of the border.

I want to deal more with the air transportation side. I believe ordinary Canadians who feel that deregulation is a great thing are seeing it from the perspective of cheap seats, of the ability to fly from community A to community B at a reasonable price. I cannot blame them for wanting reduced prices. What the Canadian public does not realize is that those cheap seats are only available for consumers in the major transportation corridors. They are not available for those small theatre routes. They are not available across the North. They also are not aware that the bottom has been reached in terms of cheap seats. We heard testimony from officials of Air Canada and Canadian Pacific that prices are as low as they are going to go. There may be some adjustment for some first class or full-fare passengers, but not to any great extent. We want to see those advantages given to all Canadians.

In our Halifax hearings the Harmon Corporation of Stephenville, Newfoundland, presented us with some evidence from the United States. I just want to very quickly quote from it. This was a statement by a Richard B. Keinz, Assistant Commissioner, Minnesota Department of Transportation, Aeronautics Division before the Subcommittee on Aviation, Committee on Public Works and Transportation, House of Representatives, on June 9, 1983. They spoke about the experience in the State of Minnesota of deregulation. With regard to air fares he stated:

> Deregulation has introduced an opportunity for airlines to offer a variety of air fares. In the monopoly or single carrier markets, the variety appears to be mostly of the high variety.

In other words, after you clean out the competition and you get it down so that you are the only carrier, you decide what the market will bear and you boost the costs. We recognize that economics is a factor in setting fares. However, we have a difficult time rationalizing why it costs 4 cents to 20 cents per mile to transport a passenger from New York to Los Angeles as compared to 14 cents to 20 cents per mile to carry a passenger between Boston and Los Angeles, or 17 cents to 21 cents per mile to carry a passenger between Minneapolis and St. Paul and Los Angeles. In some cases it goes up as much as

$1 a mile. Clearly, there is a lot to learn from the United States experience. History has always pointed out that we should learn from our mistakes. We should also learn from other's mistakes. When, at the end of my comments, I move a motion, I will do so because I think the Standing Committee on Transport needs more time. We need time to travel to northern Canada. We need time to travel to those other provinces we did not have an opportunity to visit. We need time to visit the United States to speak to people who are key players in the aviation industry, the trucking industry and, the rail industry to learn from them how we can do better in a deregulated environment.

In conclusion, I would like to move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That the sixth report be not now concurred in but that it be recommitted to the Standing Committee of Transport for further consideration.

**Mr. Deputy Speaker:** The motion is in order. Questions and comments?

**Mr. Nowlan:** Did I hear the last words of the Chair that the motion is in order even though it appears on the face of it that it is completely contradictory to the motion that we started with at 3.10 p.m.? We have been debating several hours since then. I know other Members want to speak on the substance of whether the NDP are moving a motion to concur or whether they now want to go to and fro and get out of the ballpark without a motion to concur. I know some of the parliamentary procedures, with respect, and I must say I expected the wording of the motion to be in a little different style, that the motion to concur totally in the report not be concurred in but certain elements be referred back for further reconsideration. That I would not object to too much, but to have the motion from the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) to go completely opposite to the motion that was moved just after three o'clock is totally out of order. I know I cannot challenge the Chair and I do not want to really prolong the debate on the procedural matter, because I know there are many other Members who want to speak on the issue now that it is finally on the floor, even though it is on the floor through the schizophrenic procedural procedures of the NDP—

**Mr. Blaikie:** I rise on a point of order.

**Mr. Nowlan:** I have the floor birdie hill Winnipeg on a point of order. I really cannot appreciate the ruling of the Chair that there can be a motion at three o'clock to concur and one at five o'clock to not concur. It is like interring a body at three o'clock and disinterring it at five o'clock. It is like burying a body at three o'clock but exhuming it at five o'clock.

• (1700)

**Mr. Deputy Speaker:** Order, please.

**Mr. Nowlan:** How can we have the vampires on procedure from the NDP completely destroy any parliamentary procedure?

**Mr. Deputy Speaker:** Order, please. The Chair has found the motion to be in order. Are there questions or comments on the speech made by the Hon. Member? If not, we will resume debate.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I too would like to say how pleased I am to enter this debate, notwithstanding the fact that the issue has been brought to the floor of the House in a rather convoluted and unorthodox fashion. First members of the NDP moved to concur and then moved not to concur. Notwithstanding that, I think it is a timely debate and a good one and I will try to stick to the thrust of the motion and cover some of the elements of the sixth report, the subject before us.

I have heard from various speakers that we have not had enough time to deal with this important issue and that it is such an important issue that it should be considered in detail. I would have thought that the House would have been packed today but most of the time there have been three or four Liberal Members and three or four NDP Members present. One wonders sometimes and has to question the sincerity of their bringing this motion forward when it seems to be filled with more rhetoric than genuine concern.

Notwithstanding that, I wish to begin by paying tribute to all Hon. Members who served on the standing committee. I know that this report does not necessarily reflect only the opinions of Progressive Conservative Members. I know other Members had a part to play in drafting the recommendations and I know they worked very hard under a very tight time frame. The report that has been brought forth is realistic and thoughtful and I must say that it is very valuable to those of us who are charged with the next phase of this process, the drafting of the legislation. I believe this is another clear step in the evolution of a new transportation framework. By all accounts, we recognize that the transportation framework needs to be overhauled.

I would like to compliment the chairman of the standing committee on the very eloquent and well reasoned speech he made today putting into context the proceedings at the standing committee and describing the events that took place. I also want to compliment him on the fact that never before have there been such a number of witnesses heard in such a short period of time and their evidence digested in such a comprehensive fashion. Something in the order of 95 witnesses were heard and 172 briefs were submitted. As the Hon. Member pointed out, after looking at that many briefs and hearing that many submissions, things become somewhat repetitious. I believe the views that were presented were presented quite clearly right across the country.

As has been pointed out in the committee report, the committee's deliberation was only one phase of this process. I find this debate to be rather strange, particularly since Liberal Members are criticizing this process. I have been around here for a long time and this is the first time I have seen a policy document come before a standing committee of the House for a full-fleged debate and a comprehensive analysis before the drafting process began.

This process started last February when I invited everyone in Canada who is interested in transportation to engage in the debate and the process of regulatory reform. I invited them to engage in the process of rewriting the National Transportation Act and putting in place a new legislative and regulatory framework. I said: "Let us have your views and thoughts. Either see us personally, send in a formalized brief, give us a telephone call or write it on the back of an envelope, but we want to hear from you". We heard from people from coast to coast. We sent people across the country to listen to special interest groups, to provinces and to labour groups. When we put the *Freedom to Move* paper together and released it in July for further public debate. We released it to the Standing Committee on Transport and now we are engaged in the process of writing the legislation.

This is a new process and I think it is working. I find it rather strange that Hon. Members would be complaining about time. They will still have all kinds of time when it comes to dealing with the actual legislation. However, surely there comes a time when we have to stop consulting and start drafting the legislation. We will certainly be entertaining the thoughts, suggestions and proposed amendments of Hon. Members when we deal with the legislation.

Surely now is the time to act. If Hon. Members want another mandate to study the legislation, I am sure that can be arranged. I believe that we all want to have the best piece of legislation that can possibly be delivered, legislation that is in the best interests of the Parliament of Canada and Canadians as a whole and indeed in the best interests of transportation.

A great many recommendations were made and I will not be able to touch on all of them. Some of the more important issues such as service to northern and remote areas are matters we are considering very seriously. A modified non-compensatory rail rate scheme, the role of transportation as a tool for economic development and the issue of foreign ownership in the transportation system are all items that are under active consideration.

On balance, I can say that the recommendations that are contained in the sixth report of the standing committee can be accommodated in a general way. There may be some details on which we may not agree but generally speaking we agree with the thrust of the recommendations and I think that Hon. Members will find many of the recommendations woven into the legislation when it is introduced to the House.

Hon. Members want more time. Perhaps we need more time to deal with some aspects of the issue but the fact is that it is time now to bring on the legislation. Canada's transportation network has reached a critical junction. We believe very firmly that we must overhaul our legislative and regulatory framework in order to achieve the kind of economic development we need. At the present time, we sense that the regulatory transportation regime that is in place represents an obstacle and indeed it is a burden on the economy. Quite frankly, we believe that it stifles growth and innovation and has prevented the system from providing the best service to the Canadian people. In fact, the other day I heard an airline executive say that under the current regulatory system, they have been more preoccupied with satisfying the regulator rather than the customer. Surely that must change and that is what we are trying to do. This will not be a revolution. Much of this has already taken place and what we are doing now is putting in place the regulatory and legislative mechanisms to authorize what has already been taken place for wuite some time.

In a recent report entitled *The Canadian Common Market*, the Canada West Foundation stated this regarding trucking:

—"the chaotic welter of provincial trucking regulations make it an administrative nightmare to move goods by truck across provincial boundaries and therefore impede the movement of goods".

That is not a political statement. It did not come from us. It came from a study team from western Canada. There are a myriad of regulations regarding trucking. There are 10 different regulations in each province and then there is another set of regulations thrust upon the trucking industry by the federal Government. There must be a move toward greater uniformity in the regulatory mechanisms covering the moving of goods from province to province.

● (1710)

I am sorry that the Hon. Member for Regina West (Mr. Benjamin) has just left the Chamber. He knows the effectiveness of the current appeal mechanisms under the National Transportation Act and, in particular, the captive shipper clause. For example, one appeal under Section 23 of the NTA took seven years to hear. Another case launched under Section 278 of the Railway Act took nearly eight years to be acted upon. I would like to say that there was only one such case in 20 years. That is clearly not satisfactory. Clearly, the desire and demand for reform is there and we are acting upon it.

I would like to point out other regulations to Hon. Members. Section 230 allows the Governor in Council to make by-laws governing spitting on trains. Nothing is wrong with spitting; but if one misses the spittoon one could be fined $40.

**Ms. McDonald:** At least.

**Mr. Mazankowski:** That is right, at least $40. I would like to thank the Hon. Member for that addition.

Section 366 states that railway companies which fail to provide notice written on a blackboard with white chalk that a train is running late are liable for a fine not exceeding $5.

**Mr. Angus:** That's better than the PA system!

**Mr. Mazankowski:** Those items are still part and parcel of the Act. I say it is time to move into a new era, and that is precisely what we are doing.

I know that my hon. friend from Regina West will concur in many of the ideas that have been talked about. He will not disagree with everything we have done because there are a great many factors in the *Freedom to Move* document with which I am sure he agrees but which philosophically he cannot embrace. I accept that. There are a great many ideas in the document which have been talked about for quite some time.

Sure, we will learn from the experience of others. There is no question about that. We are not talking about massive deregulation; we are talking about regulatory reform. We are talking about changing the legislative framework and the regulatory framework in such a way that it will take into consideration the uniqueness of Canada, our economy, our social infrastructure and our demography. These are factors which we will try to harmonize with the real facts of Canadian life. We are not copying the United States holus-bolus. We will learn from the American experience, and from the experience of others. However, that will result in a uniquely made-in-Canada transportation Bill with a corresponding regulatory framework which will meet and suit the needs of Canadians from coast to coast.

**Some Hon. Members:** Hear, hear!

**Mr. Mazankowski:** We have heard from a great many people and we have talked with a great many others. Personally, I have gone out across the country. I must say that I have not found any antagonism toward the basic thrust of *Freedom to Move*. I have spoken to the Calgary Chamber of Commerce, the Atlantic Provinces Economic Summit Conference and the Traffic Club of Montreal Inc. I spoke about this topic during National Transportation Week in Toronto. I have spoken on the topic to the Edmonton Chamber of Commerce, the Canadian Chamber of Commerce, the Roads and Transportation Association of Canada, the Alberta Aviation Council, the Toronto Board of Trade, the Ontario Trucking Association and the Air Transport Association of Canada. I participated in a seminar at Concordia University on the subject. Monday last I spoke to the Saskatchewan Urban Municipalities Association. I have engaged in many panel discussions and many federal-provincial meetings on the topic. Our officials have also engaged in many federal-provincial meetings in which the basic points of contention were dealt with. We have tried to find a way to resolve them together in a consultative fashion.

The Hon. Member for Regina West talked about this being an ideological knee-jerk reaction. I must say that I find nothing more knee-jerk, in terms of an ideological reaction, than the comment which I suspect he is the author of found at page 26 which states: "We are philosophically opposed to confidential contracts". And he talks about us being philosophically hooked and reacting in a knee-jerk fashion! How can he say this when the CTC has gone out across the land in a very comprehensive fashion and has examined the issue of confidential contracting? As a matter of fact, the Commission examined the issue of confidential contracting, both on transborder traffic and, indeed, on domestic traffic. The Canadian Transport Commission's extensive deliberations and reports into these matters took some 18 days of public hearings. A second hearing held on the same subject yielded 77 submissions and 3,000 pages of transcript. It turned out to be a 19-day hearing.

I failed to mention that in addition to the debate which has been taking place here, and in other places in the country, not to mention within the industry, there has been a rather interesting debate ongoing with the CTC. It was the instigator of this process. The CTC has engaged in a number of hearings at which this matter was studied. Many of the recommendations of the CTC have been incorporated into this document.

We have all heard about the near unanimous support for the main thurst of economic reform. Even the Hon. Member for Regina West in a radio interview had to admit, and I quote: "I'd say a majority of the briefs so far have been in favour." Right on. There is no question about that.

Members of the Liberal Party brought down their own report. I had a chance to reread it last night. I have never seen anything so hollow, so inconsistent and so blended with contradictions. It is really quite consistent with what we are hearing from Members opposite. I would just like to touch briefly upon a couple of items because they make one chuckle. First, at page 9, they state that the Liberal Party does not support deregulation of the trucking industry at this time. That is strange since I have in front of me a number of quotations from the former Minister of Transport. One of them states:

> The next deregulatory salvos will be fired at the end of the month when Axworthy meets with the provinces to look at trucking. These talks follow meetings in January when Axworthy and provincial officials discussed ways to establish uniformity in trucking regulations—

That is a quote from *The Financial Time* of May 21, 1984.

In front of me I have another article entitled "One trump" which states:

> But Axworthy does have one trump card he can play if necessary. In theory, the National Transportation Act gives Ottawa control over trucks that cross provincial boundaries. In practice, Ottawa has allowed provinces to regulate trucks. "The provinces are acting on borrowed authority," says Axworthy. "This is not saying that we are going to take it back. But the message is there. If it is not taken up—well—we will just have to be at our persuasive best."

In a speech to the provincial Ministers, as reported in *The Citizen* of Ottawa on June 1, the former Minister of Transport said that the federal Government was prepared to regain control over interprovincial trucking, if the provinces did not agree to speed up his regulatory reform.

What has changed? Hon. Members opposite want to talk about unilateralism. There was no debate like this one. The former Minister of Transport was going to move in one fell swoop. He was going to take over control of interprovincial trucking. And Hon. Members opposite call that consultation! Complaints, primarily from members of the Liberal Party, have been to the effect that we need more time, more debate and more consultation.

I would now like to move to another item having to do with Air Canada. In it the Liberals talk about not privatizing Air Canada—I know I will find the reference somewhere.

**Mr. Benjamin:** Do not adjust your set.

**Mr. Angus:** And he is supposed to be organized.

**Mr. Mazankowski:** One becomes disorganized listening to Hon. Members opposite.

If I recall correctly, the recommendations in the so-called Liberal minority report stated that members of the Liberal Party would not propose to privatize Air Canada but, indeed, that they would entertain some partial ownership by the

employees. What the former Minister of Transport said was that the Tories must sell Air Canada. I do not know for whom he speaks, but he is a leading front-bencher. He must have some clout.

They also state in the report that they want to maintain the CTC. When this was written in April of 1985 the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) had this to say about control of policy.

● (1720)

In truth, civil servants, crown corporations and regulatory agencies are involved intimately and powerfully in the business of policy making. Their near monopoly on information gives them disproportionate influence in the policy process; elected officials are often poorly equipped to control the system. The civil service moreover is often closely aligned with an influential elite—in this example, the major airlines—creating a very powerful network of protection.

What he is really saying is that it should be the legislators, the elected people, who make policy rather than the regulator, and that is what we are proposing to do.

I have to say one more thing in conclusion, Mr. Speaker. The Hon. Member from Newfoundland who just spoke has again added to the discredit of the Liberal Party when he talks about Terra Transport. He has condemned Terra Transport in his own province of Newfoundland as being dangerous and in poor shape. There are two things I want to say about that. The Hon. Member does absolutely no service to the railway by these kinds of alarmist statements. The fact is that in Newfoundland, Terra Transport's derailments are down by 75 per cent since 1983. Personal injuries are down by 19 per cent, axle bearing failures are down by 43 per cent and couple failures are down by 42 per cent. Therefore the railway is not as bad as the Hon. Member suggests. That is another clear example of the way in which the Hon. Member tends to discredit himself and the Liberal Party not only on these kinds of issues but on major issues, and today was no exception.

**Mr. Benjamin:** Mr. Speaker, I appreciate the remarks of the Minister, even if I do not agree with them all. It is too bad he and I and others did not have more time to get into more areas of transportation, but I want to ask him two questions. First, can the Minister assure us, and many organizations and individual shippers—and I am not asking him to disclose what will be in the legislation—that as a matter of Government policy the protection for captive shippers will remain in any regulatory reform? Second, again without trying to nail him down to any specific date, can the Minister give us a reasonable time frame as to when he intends to bring in his legislation on an amended National Transportation Act? When he does, can he assure us that once the legislation is brought in for first reading, the Standing Committee on Transport will have no problem in getting an order of reference to hold hearings and to report appropriate amendments back to the House? I understand that under the new rules, legislative committees are not to travel. Therefore, it means that in order for the Standing Committee on Transport to do the job, we would have to get the legislation after first reading. That would mean that the subject matter of the legislation would have to be referred to the committee. Can the Minister give me an approximate date when he intends to bring in the legislation and can he assure us that the kind of opportunity he himself spoke of a few minutes ago will in fact be there for the committee on transport? We should have adequate notice of several weeks so that interested organizations and groups will have time to prepare some submissions and so that the committee will have sufficient time to hear the submissions and make recommendations on each item of the legislation.

**Mr. Mazankowski:** Mr. Speaker, I could speak on the subject for 40 or 50 minutes rather than 20 minutes. First, may I say in terms of the process that we have heard from close to 200 groups, organizations and/or individuals. They have all had some input into either the document or the drafting process. With respect to captive shippers, I think the Hon. Member knows that one of the very important features of the *Freedom to Move* paper is to get a greater degree of protection for captive shippers. I think we have moved a considerable distance with respect to a number of items such as the mandated joint line rail rates, the inter-switching, the joint running rights and, particularly, the dispute resolving mechanism which involves mediation, arbitration, final offer arbitration, and the revised Section 23.

What I have been impressed with is that most of the customers, shippers and people who are going to be the major beneficiaries, support this piece of legislation because of its balance. I think we all recognize there is a balance which has to be maintained. We want to have a framework which will be fair to the shipping community as well as to the transportation industry because I think we all recognize that we need a healthy transportation industry. I am pleased by the fact that those who have come forth in support have recognized that we have tried to establish a clear balance which will be fairer to the transportation industry and to the shippers. With respect to a time frame, the date of April has been bandied about. That would certainly be my goal but I have no way of knowing whether we can achieve it.

With regard to hearings, I am not totally familiar with the new rules, or what sort of rules we will function under, but I can say without trying to weasel out of the direct question that I would naturally be interested in the kind of parliamentary committee hearing process which is customary in these kinds of massive legislative undertakings, unless the piece of legislation is so perfect that everyone will agree we can move it forward very quickly. It is a bit of a hypothetical situation but the fact is that if there is any way we can find an appropriate mechanism to engage in the kind of hearing process to which the Hon. Member refers, it will certainly have my support.

**Ms. McDonald:** Mr. Speaker, the Minister made a rather frivolous remark in his speech about regulations regarding spitting. I want to raise a much more serious matter. There has been plenty of talk about freedom to move but there has not been any talk about freedom to move without danger to one's health. I wonder if the Minister would comment on the regulations as they currently stand, which are terribly inadequate. He will know that in railway transportation there may

be non-smoking areas for passengers, and if they are violated there can be a fine imposed. However, the company has no obligation to provide a non-smoking area. In fact, companies do not at the present time. There is one experiment on one line where no smoking will be permitted. Otherwise, we have this phony situation where there is a sign saying "No Smoking" but, of course, polluted air circulates nonetheless. The air does not obey these signs.

In the case of airline carriers, there are no no smoking rules in Canada as of yet and there is no regulation in the case of buses. I have received representations from people across the country who are extremely concerned about their health. There are no non-smoking waiting areas in the terminals. I wonder if we could have some action on this matter. Will the Minister agree that it is a serious matter that 35,000 Canadians die per year as a result of smoking? When are we going to see some action for the protection of the travelling public?

**Mr. Mazankowski:** Mr. Speaker, I certainly take the Hon. Member's question seriously. I hope that she will not take my example of "spitting" as being frivolous. I was simply trying to point out the fact that we have some rules and regulations which are rather archaic and it is perhaps time they be modified or removed completely. It was in that spirit that I used that example, albeit it was somewhat extreme.

I am not an expert with regard to the Charter of Rights. I suspect people have a right to smoke or not to smoke. That might be something that—

**Ms. McDonald:** They have no right to make other people sick.

**Mr. Mazankowski:** That perhaps is a good point for debate. I think that one of the real advantages of the thrust of this legislation is that there will be more freedom for airlines to do the kinds of things the Hon. Member wants them to do. I understand that in the United States there are some airlines that prohibit smoking altogether. That is part of the competitive spirit. If customers demand no smoking on their airlines in a free, open, and competitive market such as we are discussing here, they are quite likely to get it. That is exactly what has happened in the United States, and I suspect that it could happen in Canada as well.

• (1730)

**Mr. Taylor:** Mr. Speaker, I think the truckers of Canada are going to have a period of prosperity with deregulation which they have never had before. I want to make a comment first and then ask the Hon. Minister a question. At the present time, and for many years, the trucking business has been retarded because of regulations. If a trucker from Alberta wants to haul materials from Alberta to Quebec, he must have a hearing in Alberta at a cost of $3,000 to $4,000, a hearing in Saskatchewan which costs $4,000 or $5,000, just to pass through that province, one in Manitoba, one in Ontario, and one in Quebec. That makes it almost impossible for truckers to operate. As a matter of fact, a few years ago we had to route our trucks through the United States in order to build up a market for Alberta beef in Quebec. It is a shame when we must go through another country.

How are matters proceeding and what are the prospects for the possibility of having one hearing to ensure that truckers have the necessary insurance and finances to be permitted to operate? What are the prospects of that with the provinces?

**Mr. Mazankowski:** Mr. Speaker, the point which the Hon. Member has just made is proof positive that the utopian ideal of attempting to regulate everything to perfection is a pretty distant ideal. That which the Member has pointed out has not been in the best interests of the trucking industry either. I have before me a table which shows the tremendous growth in the private trucking industry in the Province of Ontario. In 1971 the private in-house trucking industry handled 42 per cent of the intra and extra-provincial movements. That has risen to 55.2 per cent in 1983. At the same time, the for-hire trucking industry declined from 58 per cent of the business to 44.8 per cent of the business. This really indicates that the shippers are finding it more attractive, profitable and reliable to own their own trucks and put their own trucks in-house to provide that service. This is to the detriment of the for-hire trucking industry.

There has been a memorandum of understanding signed between the federal Government and the provinces to move toward a uniform set of regulations and to apply the reverse onus test, that is, shifting the burden of proof from the applicant to the respondent and, within a couple of years, phasing in the fitness test—fit, willing, and able—rather than that of public convenience and necessity. I hope we can continue in that time frame with the provinces.

I did not get an opportunity to touch on the safety issue, but at the same time we are working in concert with the provinces to establish a national safety code for the trucking industry to provide one set of regulations regarding safety right across the country.

**Mr. Dingwall:** Mr. Speaker, as the Minister well knows, the National Transportation Act, particularly in Section 3, has a major omission, that is its refusal, if you will, to make reference to regional economic development. The committee has rightly made a recommendation that that be made a thrust of the new transportation act.

I am not asking the Minister to give secrets of the state, but could he elaborate for the House on what he believes the parameters of that phrase, "regional economic development", means from his perspective? Does it refer, for instance, to employment opportunities in the various regions as well? Does it refer, in his mind, to the role of Crown corporations, both from a fiscal point of view and a long-term economic perspective?

We have heard a lot of comment from the Premiers and other individuals that Crown corporations in transportation are certainly not living up to the spirit of their mandate, if not the law, as it reflects on the issue of regional economic development. I cite CN Marine and other Crown corporations which are playing a role in the economy, particularly of

Atlantic Canada, but I also think of British Columbia and the prairie provinces. Could the Minister elaborate on that?

**Mr. Mazankowski:** I understand that we are short of time, Mr. Speaker, so I will try to be as brief as I can. Naturally, I am sympathetic to the point that the Hon. Member has raised with regard to regional economic development and transportation being a tool. I am guided to some extent by the agreed positions of the Government of Canada and all the provinces of Canada with regard to the ninth principle of the regional economic development paper. That principle states that transportation is recognized as a key to regional economic development. As it points out, all regions of Canada are highly sensitive to the use of transportation as an instrument of economic development. Therefore, regional development policy must take into account the types and adequacy of transportation systems, the levels of service, and the role which transportation facilities and infrastructure play in each particular region.

To deviate from that, when there has been agreement among all the key players, would perhaps be asking for trouble. I hope that we will be able to reflect the thrust of that adequately in the legislation. We are working at it and hopefully we will be able to do that.

With regard to Crown corporations, one of the things that really surprised me in this debate is the attack on Crown corporations with respect to both Air Canada and CN.

**Mr. Benjamin:** Not from us.

**Mr. Mazankowski:** I think we all recognize that while Crown corporations may be seen to have an advantage in terms of being backed by the federal Government, at the same time they are asked, from time to time, to engage in duties which are not necessarily duties which would be performed on the basis of a straight market discipline. Somehow or other that debate did not develop fully enough. Our position is that because we have a mixed economy, Crown corporations should be regulated and legislated in a similar manner so as to prevent any major distortions within that particular sector. I also firmly believe that if Crown corporations are asked to engage in an activity as an imposed public duty, they should be so compensated for it and that should be identified.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to rise to participate in the debate which has been waging for the last several hours on the deregulation of our transportation industry. Toward that end I would like to focus the bulk of my remarks on the airline industry. We all know that the policy of deregulation is based on the report produced by the Government entitled *Freedom to Move*. I think it is very crucial, significant, and relevant to point out that this document took 15 months to prepare. It took 15 months to put the themes, proposals, and philosophies guiding this document on to paper. By comparison, this document has only been in the hands of the Transport Committee, which was asked to examine it and call public hearings on it, for two months.

I suggest that from a logical point of view, and from the point of view of Canadian tradition, that that somehow does not wash. I admit, as does my Party, that the airline industry and the transportation industry in general is in need of reform. It needs reform to cope with the new and evolving aspirations that we see around us. However, I suggest with all due respect that one cannot embark on a new and bold initiative which took some 15 months to put together, and then have only two months to examine it from a public opinion point of view. The Minister of Transport (Mr. Mazankowski) alluded to that when he said that the committee had a very short time to deal with this issue. There were some 92 interventions and 150 submissions to the committee and if there is that much interest, and there is, then two months is not sufficient to deal with it.

• (1740)

Another point I want to make concerns the statement that deregulation is going to benefit the consumer. The consumer will be paying less to move from point A to point B. That is an attractive feature. Obviously all Members have to be concerned over what it means for the consumer. If it means reduced airline fares, then we have to be very cognizant of that fact. However, we also have to be fair, honest and truthful and really look into this report. The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) indicated the problems consumers have been having in the U.S. under deregulation. That country moved in 1978 to deregulation and up until 1984 U.S. airlines lost some $4 billion. Service in some remote areas has become irregular or non-existent. As well, the cost of air fares in those more remote parts of the country have increased.

We have seen companies in the U.S. go belly-up because they tried to expand too quickly or because they misread their own capabilities. Other companies, with an eye on their bottom lines, stopped serving a given community with only 60 days notice. How does that help the consumer? Those factors have to be taken into account before we can honestly say that the consumer will win or lose under deregulation. As well, a lot of the larger airlines in the U.S. have bought up smaller airlines which got into trouble under deregulation. How has that profited the consumer?

Deregulation was supposed to mean a greater opportunity for more airlines to create more competition. What is happening? In some markets these airlines are creating monopolies. We have seen that in our country even without deregulation. Canadian Pacific has purchased Nordair and Eastern Provincial. Air Canada owns a portion of Air Ontario. Under deregulation we can expect more such takeovers. What started as an attempt to loosen up the system, to provide more flexibility, more opportunity and lessen the monopoly some carriers have, has evolved into something worse, and it can happen here.

As well, Mr. Speaker, when we talk about the problems of service to remote areas in the U.S., we can expect even more of a problem in Canada. Canada is a very large country with its population centres spotted irregularly across the land. We have to look beyond the sixtieth parallel at the people in Yellow-

knife, Cambridge Bay and Coppermine. Those people do not look to air carriers only for transportation, they look to them to bring in their food and carry out the goods they produce.

If we look at the Toronto-Ottawa or Toronto-Montreal routes, that is one question. But if we look at Toronto-Yellowknife, then it is a totally different matter. We are talking about what this country is about. We are talking about the contact that each and every Canadian has with his country. Our carriers have a responsibility to serve the smaller communities and sparsely-populated areas of our country. However, if we go head first into deregulation what is going to happen to those communities? Is it the bottom line that will dictate whether an airline serves a particular community? If so, we will not have the same kind of country we have now and let's make no bones about that.

We have to learn from the U.S. experience, which brings us to another issue, that of safety. How often do we get up in this House to mourn a tragic accident after it happens? How many times do we say we should take precautions and try to avoid the accident in the first place? Well, here we have a golden opportunity to avoid asking ourselves that question repeatedly. The Hon. Member from Newfoundland pointed out the erosion of safety measures as a result of deregulation in the U.S. Many smaller companies, looking at the bottom line, do not have either the capital or human ressources to do the things they should be doing. In the U.S., as was done recently in Toronto, air traffic control operators were fired or laid off.

**Mr. Mazankowski:** That is wrong.

**Mr. Marchi:** There is also the issue—

**Mr. Mazankowski:** Point of order, Mr. Speaker. I do not normally rise to interject but a Member speaking in debate should state the facts, not falsehoods. Either inadvertently or deliberately the Hon. Member just made a grave error.

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

**Mr. Marchi:** Mr. Speaker, I do not stand in my place to mislead anyone in this House.

**Mr. Mazankowski:** You sure as hell are.

**Mr. Marchi:** I know the Minister follows the same policy.

Before he stood up I was going to look at the number of inspectors we have. The Minister rightly pointed out that perhaps the previous Government did not have enough inspectors. He said it was the Liberals' fault. That could be true. However, that is no reason to sit back and be smug and smile and at the same time move to deregulation without addressing the issue. This is not simply an opportunity to talk about what happened in 1982 or 1983.

● (1750)

If they wish to move on deregulation, the issue of inspectors has to be taken into account. If the number is not sufficient, it is not good enough to say it was the previous administration, the Clark administration or the Diefenbaker administration. Canadians want safety now. If safety is to be enhanced by an increase in the number of inspectors, Mr. Speaker, that is an issue we have to talk about courageously and out in the open.

There was also mention by my colleague that when the group went to Washington, a number of elected representatives and a number of airline officials indicated that the Americans are on the fringes of safety. Some went so far as to say they are below the standards of safety that Americans would like.

A recent poll suggested there was a 50 per cent reduction in confidence concerning travel on the part of Canadians. When we hear that the consumer is going to profit from a system of deregulation, it has to be balanced and tempered by the question of safety. It is fine to say that consumer A wishes to spend less money going from Toronto to Montreal—and that is valid—but consumer "A" is also worried about getting there safely.

If we cannot convince consumer A that deregulation is going to be safe, if we cannot convince him there are enough inspectors to inspect planes and if we cannot convince him that there are enough control tower operators to operate the traffic at the airports properly, then I suggest consumer A would rather pay more to have safety while he is going from point A to point B. It is not only a question of the dollar for the consumer, but a question of safety.

That brings us to the other issue. When we are talking about consumers and safety for consumers, we are talking about listening to consumers. The Government was elected on the grand declarations of the Prime Minister (Mr. Mulroney) that the Government would be one of openness, one to consult broadly and one to govern for Canadians by Canadians. That is great rhetoric, but when it comes to consulting, that does not happen. Look, for instance, at the de Havilland situation. It was such a great deal, the Government did not want anyone to see it. It was a struggle to get the committee we did to study the situation for a couple of weeks.

I went to a meeting last night in Toronto hosted by the Council for Canadians. There were 300 people all wanting more consultation. They were not happy about a committee studying a situation cocoon style in Ottawa. They said they, together with 25 million other Canadians who are shareholders in this company, have not had a meeting, have not had an opportunity to participate to give input or to ask questions about their vision and future for their company. This Bill has the same problem.

**Mr. Mazankowski:** It is not a bill.

**Mr. Marchi:** This report or the suggestion we are discussing today. The Minister hopes to bring in legislation.

**Mr. Mazankowski:** That is the point.

**Mr. Marchi:** Therefore, it provides the groundwork for the legislation the Minister wants to bring in.

How can the Minister be honest about saying the Government has consulted broadly when the committee has gone to

only three of the ten provinces? How can the Minister say that in my Province of Ontario Canadians have been consulted, when the only city that had a public hearing was Ottawa? There is more to Ontario than just Ottawa. One of the busiest airports in the country is located in Toronto. Was there a public hearing in Toronto? Was there a public meeting in Toronto? Were there discussions with consumers in Toronto? No, Mr. Speaker. Are Tories prepared to say that they wish to consult, to listen and to move prudently? They cannot have it both ways.

This particular committee has not exhausted the avenues of bringing Canadians into a discussion. That begs the question why the rush, why the hurry? What is it that the Minister and the Government are facing with respect to deregulation? Before the Government moves on legislation it can, with the Government's parliamentary and absolute majority, pass anything it wants. What is so wrong with going the extra distance, with going to Toronto, to the other seven provinces and the smaller remote communities to discuss the matter openly, not behind closed doors in some committee room in the West Block in Ottawa? What is wrong with going out there on the street? Why has that not been done?

We have suggested in the House today and we have suggested all along that while we are prepared to have reform of our transportation industry, reforms must be cautiously done, they must be prudent and in concert with the wishes and aspirations of Canadians. Those wishes and aspirations have not been received in the way that they should.

We call upon the Government, particularly the Minister of Transport, who is a fairly competent Minister in his portfolio, to allow the committee the extra time. If the Minister can take 15 months to produce a document, surely to God we can have equal time to analyse the document with Parliament and with Canadians. That is our message, Mr. Speaker.

We are not against reforms. We are pro reform as long as Canadians have a say in the process and as long as Canadians can be assured that the airline industry will be delivering a system of which they can be proud, but more important with which they can feel safe.

**Mr. Belsher:** Mr. Speaker, I have a comment about the safety aspect. I must remind the Hon. Member for York West (Mr. Marchi) that the Minister of Transport (Mr. Mazankowski) instituted the Dubin inquiry in 1979. The findings of that report are now being carried out. The Aeronautics Act of last year is a part of that report. Safety issues are uppermost in the Minister's deliberations.

Talking about what happened in the U.S. over the air traffic controllers is another issue. It is not part of the deregulation problem. Last week only one organization condemned deregulation, namely, the machinists union. Even the President of the Airline Pilots Association said deregulation had benefited the majority of people. It had been detrimental to his union but to the majority of people it was of benefit.

With deregulation in the United States, employment has increased while ours in a regulated society has gone down. Even the aviation consumers action group headed by Ralph Nader told us there were 200 communities which had lost service prior to 1978. That was in a regulated environment. When we start talking about what is going to happen, the Hon. Member for York West should tell us in a balanced perspective way what it is he is talking about. The Minister has brought in regulations and has brought in a method of input even before the legislation is introduced. What more can the Hon. Member ask for?

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

It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

# HOUSE OF COMMONS

**Thursday, January 30, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

**Mr. Speaker:** Before indicating the grouping, I gather the Hon. Member for Hamilton Mountain (Mr. Deans) wishes to rise on a point of order.

**Mr. Deans:** Mr. Speaker, there are two matters that I wish to raise. With regard to the amendments that appear in the Notice Paper in the name of the Hon. Member for Regina East (Mr. de Jong), with the consent of the House I would like to withdraw on behalf of the Hon. Member Motion Nos. 13, 17, 18 and 21. The reason is that the subject matter is dealt with in other amendments and it would be redundant in our opinion to debate them and take the time of the House.

I also wish to seek consent of the House to have the other amendments that are acceptable to the Chair for the purpose of debate moved by the Hon. Member for Winnipeg North (Mr. Orlikow) in the absence of the Member for Regina East.

**Mr. Speaker:** I take it that the Hon. Member is indicating he has the consent of the Hon. Member for Regina East (Mr. de Jong) and that the Hon. Member for Regina East consents to other matters in his name being moved by someone else. Is that correct?

**Mr. Deans:** That is correct.

**Mr. Speaker:** For the information of the House, the same effect is obtained by not moving the motions when they appear. Since these are notices of motions on the Order Paper, we are now withdrawing the notice and, therefore, no unanimous consent is required.

I apologize to the House. I prefer to give my ruling in both official languages but I was only handed the English text. There are 19 report stage motions on the Notice Paper in amendment to Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof.

Motion No. 1 standing in the name of the Hon. Member for Regina East (Mr. de Jong) should be debated and voted on separately.

Motion Nos. 2 and 3 will be combined for debate and voted on separately.

Motion Nos. 4, 5 and 6 standing in the name of the Hon. Member for Davenport (Mr. Caccia), present me with some procedural difficulty. Motion No. 5 appears to change the formula by which the tax rate for regular leaded gasoline is adjusted. This would increase the charge on the public by increasing the rate of taxation for regular leaded gasoline. I would draw the Hon. Member's attention to Citation 524 of Beauchesne's Fifth Edition. Thus, I would be forced to rule the motion out of order. Since Motion Nos. 4 and 6 are consequential on Motion No. 5, they likewise could not be put to the House.

[*Translation*]

Motions Nos. 7, 8, 9 and 10 will be grouped for debate and voted on as follows: a vote on Motion No. 7 will also apply to Motion No. 9. Motion No. 8 will be voted on separately. Motion No. 10 will be voted on separately.

Motions Nos. 11 and 12 will be debated and voted on separately.

Motion No. 14 will be debated and voted on separately.

Motion No. 15 standing in the name of the Hon. Member for Davenport (Mr. Caccia) proposes to increase the tax rates on petroleum products and would infringe on Schedule II of the Bill. It appears to exceed the provisions of the Motion of Ways and Means, which makes the motion procedurally inadmissible. I would refer the Hon. Member to Citation 523 of Beauchesne's Fifth Edition.

[*English*]

Motion No. 16 will be debated and voted on separately.

Motion Nos. 19 and 20 will be debated and voted on separately.

Motion Nos. 22 and 23 should be combined for debate. An affirmative vote on Motion No. 22 will obviate the need to put the question on Motion No. 23. A negative vote on Motion No. 22 will necessitate the question being put on Motion No. 23.

There may be some desire to make procedural argument with regard to Motion Nos. 4, 5, 6 and 15. Members are free to take some time to consider my comments and make some arguments if they wish, but I intend to begin with Motion No. 1.

• (1110)

Before I do, may I ask the Hon. Member for Hamilton Mountain (Mr. Deans), just for clarity, whether he is seeking the consent of the House that the motion be in the name of the Hon. Member for Winnipeg North.

**Mr. Deans:** Yes, Mr. Speaker.

**Mr. Speaker:** Or does the Member simply want the motion moved on his behalf?

**Mr. Deans:** If I may, Mr. Speaker, it would be better if we just moved the motion on behalf of the Member for Regina East (Mr. de Jong).

**Mr. Speaker:** The motion is as follows: Mr. Orlikow, for Mr. de Jong moves:

Motion No. 1

That Bill C-80, be amended in Clause 15 by striking out lines 44 to 46 at page 14 and substituting the following therefor:

"(5) Subsection (3) shall be deemed to have come into force on July 1, 1985."

**Mr. Deans:** Mr. Speaker, I rise on a point of order. I am sorry, but I thought I heard you say July 1, 1985. I believe it was July 1, 1986. I may be in error, but that was my understanding.

**Mr. Speaker:** The Order Paper says July 1, 1985. Has the motion been submitted not in the way in which it was intended? If so, the House can, by unanimous consent, treat it as a typographical error, or another Member may move an amendment thereto.

**Mr. Deans:** If you would, Mr. Speaker, perhaps the debate could start as you put it, and I will check.

**Mr. Speaker:** Commencing debate. The Hon. Member for Winnipeg North.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, we moved this amendment because we believe the whole thrust of the changes and increases in the excise tax are very regressive. Sales taxes are a regressive form of taxation because everyone pays the same amount of tax no matter what his or her income. Consequently, these taxes take up a large proportion of the income of low-income consumers.

The Canadian Council on Social Development has estimated that for a family of four these sales and excise tax increases will result in an increased tax burden for a family with an income of $15,000 a year of $140.00; the increase and tax burden for a family with an income of $20,000 will be $282; and for a family with an income of $40,000 annually the increase will be $361.

Let us contrast the regressive increase in the sales and excise taxes with the $500,000 lifetime capital gains exemption announced in the Budget. In the 1982 taxation year, persons with incomes over $50,000 accounted for 63 per cent of the value of net taxable capital gains, according to the National Council on Welfare in its publication issued in July, 1985. This capital gains exemption applies on all capital gains, no matter where they come from. An investor can write off capital gains that accrue to his or her from an investment outside of Canada, for example, Florida real estate.

If one can make an argument to support this kind of proposal by the Government surely it can only be made if the money saved is invested in projects that will provide more jobs and a more efficient industry than we now have. Certainly there is nothing to be gained, except for the person not paying the tax by investing in a boat or a condominium in Florida.

On the other hand, if we look at corporation taxes, recent figures indicate that the effect of tax incentives will reduce the average federal corporation income tax from 36 per cent to 15 per cent, especially if qualifying under certain grant programs. When the benefits from special tax incentives are added, we are looking, in some cases, at extraordinarily generous levels of assistance. That is what the Minister of Finance (Mr. Wilson) said in a speech to the Canadian Tax Foundation on November 28, 1984.

Let us look at what Bill C-80 does. It is the legislation which implements the key elements of last May's Budget, namely increases in federal sales taxes and excise taxes. The difference between the two taxes in that the sales tax is an *ad valorem* tax, being assessed as a percentage of the price of the good, for example, 7 per cent, while the excise tax is assessed at a fixed rate per unit of good, and, for example, 2 cents a litre on gasoline. This is being done at a time when oil prices around the world are coming down.

The main thrust of Bill C-80 is to increase revenue through changes in both the scope and rates of federal sales and excise tax. Another less important aspect of this Bill includes changes to the administration of the Excise Tax Act as far as retailers are concerned. The changes are similar to the current system under the Income Tax Act, and incorporate the recent changes to that statute in the areas of search and seizure and the deferral of collection action by the Government until the taxpayer has had an opportunity to resolve any disputes arising with respect to his or her tax liability.

Let me list the major tax increases in the Bill. We have taken all these figures from the budget papers. The rates of federal sales tax will be increased by 1 per cent effective January 1, 1986, and the new rates are 7 per cent on construction materials; 7 per cent on cable and pay television services; 14 per cent on alcoholic beverages; 14 per cent on tobacco products and 11 per cent on other taxable goods. The total cost to the Canadian consumer in 1986-1987 is $990 million. In other words, just when the consumer needs more disposable income to keep the economy going, these proposals take almost a billion dollars out of his pocket.

The federal sales tax is broadened. Sales tax exemptions for candy and confectionary, soft drinks, pet foods, a host of health products, non-prescription drugs and energy conservation equipment are repealed. The total cost to the Canadian consumer is $785 million to the end of fiscal year 1986-1987.

Let me pause for a moment and ask if there is one Member of Parliament who has not heard from our seniors about the adverse effect of the provision in sales tax which will now be applied to drug items, such as aspirin, liniments, cough syrups and a host of items which seniors use so frequently.

Excise taxes have been increased. Effective September 3, 1985, there is an increase of 2 cents a litre on gasoline and aviation gasoline; 2 cents a litre on diesel fuel and aviation fuel. Effective January 1, 1987, there is an increase of 1 cent a litre on gasoline and aviation gasoline and I cent a litre on diesel fuel and aviation fuel. The cost of this motive fuels tax increase to the end of fiscal year 1986-1987 is $1.325 billion.

The various per unit taxes on different categories of alcohol are increased by 2 per cent. The price of a package of cigarettes has increased by 25 cents a package of 25. The cost to the consumer by the end of the fiscal year 1986-1987 is $440 million. The cost to the Canadian consumer of these excise tax increases is $1.765 billion. When combined together, the cost of these tax increases to the end of fiscal year 1986-87 comes to $3.54 billion.

• (1120)

Let me summarize all the figures. The 1 per cent sales tax increase for 1986-87 will cost consumers $990 million. The broadening of the federal sales tax will cost consumers $785 million by the end of fiscal year 1986-87. Fuel tax increases will cost consumers $1.325 million, and the alcohol and tobacco excise tax increases, $440 million. The total, to the end of fiscal year 1986-87, will be $3.54 billion.

In the annual review published by the Economic Council of Canada in 1984, it was pointed out that corporate tax expenditures, forgone tax revenue, was between $30 billion and $50 billion per year. That is precisely what we object to so strenuously. At the same time as the Conservative Government of Canada is sticking it to ordinary Canadians, it is permitting and encouraging further giveaways to corporations, in particular to large corporations.

Let us look at some of the dubious corporate tax expenditures. Accelerated capital cost allowance allows a business to write off, against income, depreciation of assets at a faster rate then is actually the case. The cost in 1981 was $2 billion. This gives incentive to corporations to use capital instead of labour. It is an invitation to corporations to use more modern machinery and to lay off workers. Then we have the infamous one which was brought forward by the Minister of Finance in the Liberal Government, Mr. Lalonde, and continued by the Conservative Government, even though we have all seen how misused it was.

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. We are at report stage, and I think speeches are limited to 10 minutes. I would like them to be pertinent to the amendment before us, if possible.

**The Acting Speaker (Mr. Paproski):** I was just about to rise to say to the Hon. Member for Winnipeg North (Mr. Orlikow) that his time had expired. I am sure he was getting to the point of relevancy, but I regret that his time has expired.

**Mr. Orlikow:** I wonder whether I could just complete the example I was trying to give. The infamous proposal made by the former Minister of Finance, Mr. Lalonde, was supposed to cost taxpayers $100 million or $200 million and was supposed to encourage scientific research. That proposal has been misused by corporations and by very bright tax lawyers and tax accountants. Through the quick flip which corporations have used, they have been able to sell research tax credits even though no research was ever done. It was estimated in 1984 that it would cost taxpayers $2 billion and, by the time it is closed off, $3.5 billion.

I have indicated some of the reasons we are opposed to this provision of the Bill and why we are proposing that the amendment be postponed.

**Mr. Speaker:** Before proceeding to debate Motion No. 1 further, I gather the Hon. Member for Davenport (Mr. Caccia) is ready to make arguments on his motions.

**Mr. Caccia:** Mr. Speaker, a few minutes ago you drew my attention to Motion Nos. 4, 5, 6 and 15 standing in my name and to Citations 523 and 524 in Beauchesne's Fifth Edition. As directed by Your Honour, I have read those citations and have to conclude that the scope of the amendments which I am proposing at report stage does not fall within the framework of those citations. I must admit that I was hoping to find an appropriate vehicle for those amendments, because I feel very strongly about them for environmental reasons. From a policy point of view, I think they are worthy of consideration.

At this stage, and to make my intervention as short as possible, I thank Your Honour for directing my attention to the two citations. Of course I accept your directions. I will participate at third reading debate by putting forward the thoughts which are contained in those amendments.

**Mr. Speaker:** I thank the Hon. Member for his comments. Therefore, Motion Nos. 4, 5, 6 and 15 will not be presented to the House.

Is the House ready for the question on Motion No. 1?

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 1 which has been moved by Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

**Mr. David Orlikow (for Mr. de Jong)** moved:

Motion No. 2

That Bill C-80, be amended in Clause 16 by striking out line 40 at page 16 and substituting the following therefor:

"1986".

Motion No. 3

That Bill C-80, be amended in Clause 16 by striking out line 43 at page 16 and substituting the following therefor:

"force on January 1, 1987."

He said: Mr. Speaker, in debating the earlier motion I indicated the reasons for opposing virtually all of these. I do not need to make any long speeches about why we oppose the taxation on video cassettes.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am pleased to support Motions Nos. 2 and 3 which are combined for debate. Both motions have the effect of postponing for one year the effective date of tax increases on goods taxed under the Excise Tax Act. I do not feel strongly on spirits and so on, but I wish to address myself to Schedule V goods, construction materials.

We find many fixed-price contracts in the construction industry. It is extremely difficult, especially for small construction firms, to be asked to absorb the costs of this large increase in sales tax on construction materials without notice. Therefore, the proposal of the Hon. Member that the tax be postponed for one year is a compromise. It would be preferable not to have the tax at all, but at least a postponement for one year would avoid a situation where small construction businesses and contractors may be forced out of business because they are locked into fixed-price contracts.

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I also have a few comments to make in support of this amendment because it is a very important one for the construction industry.

As Hon. Members are aware, long-term planning is characteristic of this industry. Contracts are signed that sometimes, and I would even say often, extend over several years in order to finish the work under these contracts, and a tax increase on such short notice, as little as a month, will put the construction industry especially in a risky situation.

We all know that the profit margins, which are in fact quite small in this industry, depend on the amount of the contract. The tax would therefore have a disastrous impact on the growth and survival of this industry.

• (1130)

Mr. Speaker, I think it would make sense for the Government to give fairly generous notice, and that is why we are supporting this motion.

As a member of the Legislative Committee on this Bill, I would like to point out that the construction industry made some very substantial and serious representations, and I would ask my fellow members to support this amendment.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, the motion before the House today proposes to postpone the implementation of a budgetary measure for one year.

I am a little surprised at the stand taken by the Opposition in this respect, especially when we realize that in previous Budgets, all fiscal measures usually became effective on Budget night. In this case, we have allowed a period of five weeks, that is, five weeks between notice and application of this change.

Mr. Speaker, I feel this Government has allowed for the specific cases referred to by the Opposition, and considering the five weeks the industry will have had to plan accordingly, I think this is entirely fair and square. Postponing the implementation of this legislation for one year would in the final instance make no difference at all to the problems experienced by the industry in general.

On the other hand, the federal Treasury would lose the sum of $90 million which it needs, considering the mandate we received from the Canadian people on September 4, 1984, which was mainly to reduce the deficit, a deficit that as you know, Mr. Speaker, we inherited from our predecessors. It is easy for them to say today: Don't do this, don't do that. The fact remains that the $34 billion deficit we have to work with and we must fight daily is a legacy of the former Liberal Government.

The changes we are proposing are aimed at getting a healthier economy and better productivity in this country, an economy that will at last be what it should be, the kind of economy the construction industry, like any other industry, would like to have.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I will try to speak to the motion under consideration rather than comment on the deficit, which is not even mentioned in the motion.

The Parliamentary Secretary has just told us that this measure will cost Canadians an additional $90 million in taxes. Mr. Speaker, I would simply remind the House that this excise or sales tax, or this additional Government levy will hit construction materials particularly hard, as shown in the amendment under study, and that it will also impact on prefabricated Canadian houses and structures such as summer cottages,

which create a lot of jobs. As I recall, Mr. Speaker, shortly after this Bill was introduced a number of asphalt and building materials firms that had already been awarded municipal contracts urged the Government to heed their representations concerning contracts already granted to companies which had filed bids in good faith but now found themselves faced with new taxes on their products. On second reading, Mr. Speaker, I remember the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) pointing out to the House that it was unfair to levy such a tax at this time because contracts had already been awarded and that the additional tax would be levied at the manufacturer's level, which would inflate costs and severely reduce the operating and profit margin.

As well, Mr. Speaker, I should like to remind the House that this tax will affect energy conservation. For instance, slow combustion stoves used to be tax-exempt, and they can contribute to energy conservation in Canadian homes. Now the Conservative Government slaps a sales tax on low combustion stoves, hardly the way to encourage Canadians to switch heating systems and do their bit in conserving energy.

Therefore, Mr. Speaker, I intend to support this motion to put off the adoption of the Bill for one year, just so Canadians will have that much more time to plan their energy conservation efforts and review contracts that have already been awarded. The Government would have a whole year to reconsider and perhaps change this tax.

[*English*]

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 2 moved by Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it.

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11) the recorded division on the proposed motion stands deferred.

[*Translation*]

The next question is on Motion No. 3 in the name of the Hon. Member for Regina East (Mr. de Jong). Is it the pleasure of the House to adopt this motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

[*English*]

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 7, 8, 9 and 10 are grouped for debate.

**Mr. Orlikow (for Mr. de Jong)** moved:

Motion No. 7

That Bill C-80, be amended in Clause 19

(a) by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only sixty per cent of the sale price thereof."

(b) by adding immediately after line 37 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only sixty percent of the sale price thereof."

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou)** moved:

Motion No. 8

That Bill C-80, be amended in Clause 19 by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by Section 27 of the sale price of Structural Precast Units shall be imposed at only sixty percent of the sale price thereof."

[*English*]

**Mr. Gauthier (for Mr. Garneau)** moved:

Motion No. 9

That Bill C-80, be amended in Clause 19

(a) by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only sixty percent of the sale price thereof."

(b) by adding immediately after line 37 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only sixty percent of the sale price thereof."

• (1140)

[*Translation*]

Motion No. 10

That Bill C-80, be amended in Clause 19

(a) by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by section 27 shall come into force on January 1, 1986."

(b) by adding immediately after line 37 at page 19 the following:

"(4) The tax imposed by section 27 shall come into force on January 1, 1986."

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, during consideration of Bill C-80 in Committee, representatives of various associations in the construction industry gave us very detailed explanations. This morning, however, for the information of the Members of this House, I would like to quote or perhaps even put forward some of the proposals made by these representatives of the construction sector before the Committee. The Canadian Construction Association said it failed to understand why the Minister tried to justify the amendment to Subsection 26.4 by saying, and I quote:

Construction practices have since changed substantially, and there is now virtually no on-site manufacturing of these products.

To the best of our knowledge, there has been no change in construction practices since this subsection was introduced in 1963, at which time the previous exemption from sales tax for construction goods was withdrawn. We do not know the origin of this statement and believe the changes were made without proper research being done as to the impact.

Mr. Speaker, we wondered about this during the Budget debate, and during question period we asked the Minister of Finance (Mr. Wilson) whether there had been any consultation on the subject, and now representatives from the construction industry have admitted that there was no consultation.

Subsection 26.(4) was put into the Excise Tax in recognition that without the subsection, prefabricated construction goods would attract more sales tax liability than alternative construction methods which can be performed on site. Subsection 26.(4) had four paragraphs. With respect to Bill C-80, in subsection 19.(1) and subsection 19.(2), the Government recognizes the validity of continuing the tax equity provided by paragraph 26.(4)(*a*), by providing for the sales tax on mobile homes and modular building units to be determined on the basis of 70 per cent of the manufacturer's selling price.

And that is the purpose of my amendment. It has been acknowledged indeed that mobile homes do have some parts which ought to be tax-exempt, and we fail to see why the same rationale would not apply in the case of the various precast concrete units. Here is what the Canadian Construction Association had to say to the committee:

We are recommending similar recognition be granted to precast concrete building sections and fabricated structural steel. There is no rationale which we can see that recognizes relief for one category of subsection 26.(4) without also applying to other categories within subsection 26.(4).

Mr. Speaker, the Canadian Construction Association tax consultants went on to say:

We do not understand that statement, because the disparity is now much greater than it was before—and the Canadian Prestressed Concrete Institute will be giving details on this in their presentation—but essentially what you have is a situation where the goods were taxed on the same value; that is, the materials, taxable materials, going into it before the budget. After the budget, prestress concrete was taxed on the factory gate selling price, including material, labour, overhead and profit. Of course, this includes all the non-taxable ingredients, such as sand, gravel and water, which were non-taxable before they all came in the tax base. The poured-in-place concrete becomes taxable on the cement delivered at the ready-mix plant, but the difference is that the on-site labour, overhead and profit are not in the tax base. Labour, overhead and profit should be added. In plant they are taxable, whereas they are not on site. The disparity is much greater. We do not understand the Minister's statement at all.

Mr. Speaker, this statement made by a member of the Canadian Construction Association was to the effect that the Minister had said that the major reason for this budget measure was to avoid any disparity between precast concrete and poured-in-place concret. The industry has shown that such is not the case. I say, therefore, that this provision in Bill C-80 is not right because it will create discrimination within the same industry between one type of construction and another.

Mr. Speaker, the Committee heard various testimonies concerning precast construction, including the following:

Let us now look at how Bill C-80 would be applied to our industry and to our principal competitor, cast-in-place construction.

When we compare two identical buildings which are built using the two different methods of construction we see that Bill C-80 will tax materials supplied by either method to the full extent: 6 per cent now, 7 per cent in 1986—no difference. However, when we compare the labour components we see that plant labour is fully taxed; yet the field labour, which has performed essentially the same function and achieves the same result, is not taxed at all. Plant overhead and profit are fully taxable. On the other hand, cast-in-place construction has no tax applied to this portion.

As we have shown in the slides, similar costs of labour and overhead and profit are fully taxed for precast construction and not taxed at all for cast-in-place construction. In our opinion, this is not equitable. The two methods are identical and the end result, the completed building structure, is the same.

In closing, Mr. Speaker, I would like to say that, to prove their point, these organizations even brought slides to the committee responsible for examining Bill C-80, and that all the members of the committee, representing the three parties, were unanimous in saying that this provision should be withdrawn from the Bill.

[*English*]

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, if I understand correctly, among the amendments we are considering now is Motion No. 7 which I moved on behalf of my colleague, the Hon. Member for Regina East (Mr. de Jong). The reason we moved Motion No. 7 is quite simple. I would like to support the argument made by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) who just completed his remarks.

I am sure all Members of Parliament are aware of the fact that for a couple of years now, the construction industry in Canada has been in tremendous difficulty. A large number of companies have gone bankrupt. Many of them, and not only the small companies, have hung on by the skin of their teeth.

The situation in the City of Winnipeg is not an exceptional case. In fact, Winnipeg has done better than many other cities, particularly cities in Alberta and British Columbia. However, there have been periods when the unemployment rate among construction workers in Winnipeg has been at a low of 40 per cent and a high of up to 60 per cent or more. Hundreds of workers who had worked almost continuously during the 1960s and 1970s subsequently were without work for long periods of time, used up their unemployment insurance benefits or went on welfare. Some of them had to travel great distances to other provinces to get work and experienced lengthy separations from their families in order to get any kind of work at all.

• (1150)

We find it incomprehensible that the Government of Canada would propose to increase the tax on any activity associated with the construction industry. It is an industry which needs all the help it can get in order to become viable and for companies to be able to operate, make a profit and provide jobs for workers.

What we have proposed in this motion is that Clause 19 be amended in such a way as to permit the tax imposed on fabricated structural steel and precast concrete to be set at 60 per cent of the sales price. When we moved the motion we were simply acting upon concerns expressed by representatives of the industry that we put forward a measure which would ensure that the construction industry would remain competitive and that no advantage would shift to any particular sector of the industry.

In moving the motion, and in speaking to it, I hope the Government will pay attention to the concerns of the industry and support the amendment.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, like my colleagues who have already spoken to these amendments, I too regret that sales tax is being increased on building materials. In my own constituency a very large proportion of the workforce is employed in the construction industry and anything which dampens construction activity is certainly felt immediately in terms of jobs.

Clause 19, which we are suggesting be amended, proposes to impose sales tax on a percentage of the sales price of modular building units and mobile homes. As my colleague, the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano), has pointed out, there is an inequity here on which many representations were made by representatives of the industry to members of the committee. Therefore, the amendment has the effect of equalizing the tax burden on makers of prefabricated construction units *vis-à-vis* their competitors, builders of similar types of construction on site.

I support these amendments in the name of equity. However, I deplore the fact that the sales tax is being imposed in the first place.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, in reply to the comments made by Members such as the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) and the Hon. Member for Winnipeg North (Mr. Orlikow), I would like to say that the provisions related to the difference between goods manufactured at the construction site and those manufactured elsewhere, in subsection 26(4), were designed to distribute evenly the sales tax on completed buildings by ensuring that building materials would be subject to a tax whose absolute value would be the same, whether the materials were manufactured on the building site or in a plant.

Mr. Speaker, attempts to distribute fairly the tax on various buildings and construction projects by applying the concept of manufacture at the site of construction and outside the site have been ineffective for many years since the manpower required on a building site to put up a structure varies substantially according to the design, the type of material, the time available, the temperature and a number of other factors.

Mr. Speaker, I believe that both the Opposition parties and the Government want a fair taxation system, but this cannot be achieved by trying to distribute equally the tax on buildings or similar projects since the erected buildings themselves are not taxed.

The best compromise, Mr. Speaker, is to amend the present tax system, to tax all manufactured components on a common basis, whatever manpower, general costs or benefits are added afterwards during the construction.

Mr. Speaker, repealing subsection 26(4) will achieve this objective by ensuring that the federal sales tax on all building materials will be collected on the price charged by the manufacturer.

Mr. Speaker, as we have already pointed out, the only exception concerns mobile homes and modular building units. These products are complete or nearly complete houses or buildings when they are sold, which is not the case of other pre-fabricated building materials and structural components which are simply part of the final structure of the buildings.

Application of this provision to structural steel and pre-fabricated concrete products cannot be justified by saying that special provisions have been provided for modular buildings and mobile homes, as these are quite different concepts. It is like mixing apples and oranges.

This would be totally unfair to the manufacturers of ready-mix concrete and asphalt paving mixtures or of wooden trusses, which also come under the provisions of subsection 26(4).

To conclude, Mr. Speaker, I think that to do so would be an insult to the many manufacturers of building materials who have always been fully subject to the sales tax on the price of their uninstalled materials.

Mr. Speaker, let me point out that I was also a member of the committee referred to by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). It is true that representations were made, but it is not true that all the committee members were unanimous on the proposals made by the Hon. Member for Saint-Léonard-Anjou. The change introduces more fairness into our tax system, and therefore I do not support the motion.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I would also like to add a few comments, since Motion Nos. 7, 8, 9 and 10 are combined for debate. I would like to suggest to the Hon. Parliamentary Secretary that oranges and grape-

fruits . . . since we deal with four motions, quite possibly this looks like a banana. But we should above all be careful not to add to the confusion. Therefore, to clarify, these are amendments dealing with off-site prefabrication, for on-site building. This is clear in my view.

Mr. Speaker, Motion No. 10 is aimed at deferring for one year the impact of that sales tax, that is regressive in our view; in other words, the tax imposed by Section 27 would come into force on January 1, 1986. Mr. Speaker, this was proposed to respond to the industry itself, which told the Committee: "You are foisting on us a burden that was not expected. You are foisting on us a tax that was not in our computations, in our estimates and which of course we have had to add to the selling price, with the end result that our profits will decrease". The industry itself has asked for a delay. To meet that request which is quite justified, the Government has been very reluctant as usual, but that representation was made by the industry. It is beyond me that the Government will not understand that contracts signed before those budget measures are leading to financial difficulties. This affects or jeopardizes good relations between the Government and builders, manufacturers. Some day the Government will have to listen to what Canadians are saying, and will have to give a just, fair and decent response to their representations.

Therefore, Mr. Speaker, I believe the amendment itself is quite simple. We want to defer for a year the impact of that tax, so that those people who were not expecting it can adjust their costs to this taxation.

• (1200)

[*English*]

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

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 7 standing in the name of Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

Since that vote will apply to Motion No. 9, the vote on Motion No. 9 also stands deferred.

The next question is on Motion No. 8 standing in the name of Mr. Gagliano. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 10 standing in the name of Mr. Gauthier for Mr. Garneau. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Pursuant to Standing Order 81(11) Motion No. 10 stands deferred.

The next question is on Motion No. 11.

**Mr. Orlikow (for Mr. de Jong)** moved:

Motion No. 11

That Bill C-80, be amended in Clause 34 by striking out line 46 at page 28 and substituting the following therefor:

"applies therefor within three years after he".

He said: Hon. Members who will look at the Bill will see that Clause 34 is a very lengthy and quite technical clause. It changes tax rates for a whole range of products. It also permits a person or company, where an error or overpayment has been made on payment of tax, to make a claim for compensation within a period of two years. The purpose of this amendment is to allow the individual or company the right to make a claim within the same time period as the Government.

It does seem to us that the people of Canada, as individuals or as companies, should have the same rights of fair treatment as the Government in terms of time during which they can

apply to have errors or overpayments corrected. That is why we put forward this motion.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I do not wish to repeat the argument which has been made by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow). However, I want to say that we in this Party also very much believe in the principle of equity. As the Bill before us stands, Clause 34 would allow a citizen who considers that he has overpaid in error only two years to get that error corrected whereas in a subsequent clause, Clause 37, the Government is allowed four years to come back with a reassessment.

This motion before us, and another one, will make the terms three years for both citizen and Government which, I think, is fair and something which I hope all Hon. Members in the House would support. I, therefore, support Motion No. 11 which changes from two years to three years the length of time in which taxpayers may apply for the refund of moneys paid in error pursuant to assessment.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, this motion by the Opposition Member to extend the time period from two or three years seems to be asking a bit too much from our tax system. I dealt with taxation matters for a number of years before having the privilege of being elected here, and it is my view that for the taxpayer to have two years during which to apply for a refund or a reassessment from the federal Government is quite a reasonable period. Two years, Mr. Speaker, means that one has twice 365 days to look at one's books, to realize there is something to be changed, to write to the Government and apply for that change. Therefore, here again I must oppose that motion.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I should like to go back to the comments made by the Parliamentary Secretary because, naturally, if he believes that two years, or 365 days multiplied by 2, are enough to enable Canadians to ask the Government to reconsider that tax, the same should be true for the Government. We see that in another motion, which we will discuss in a few minutes, a 4-year period is asked for the Government. I think that the point made by my colleague, the Hon. Member for Trinity (Miss Nicholson), is that in this instance the principle of fairness is involved. This principle says that the taxpayers and the Government should have their right to payments, to requests, to tax issues. However, if the amendment as proposed is not accepted, Canadians would have two years to make their case; if they think, for instance, that they paid too much tax, they will have just two years to ask the Government to reconsider its decision. However, at the same time in another motion, the Government is given four years to reconsider the tax paid by Canadians. The Parliamentary Secretary says no, but it is true.

If we read, for instance, the motion as proposed, we now know that two years are allowed, but the amendment would extend this period to three years during which the taxpayer could ask the Government to reconsider its assessment. I would like to talk about that, because it is linked to Motion No. 14 that we are now considering. The Government allows itself four years in which to prosecute a taxpayer. All we are asking for is equity, we want the taxpayer and the Government to have the same length of time in which to reconsider the tax, whether it be two, three or four years. We submit that if the Government can tell the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that he did not pay enough taxes in 1981, fairness requires that the said Mr. Gauthier be given the right to tell the Government that he paid too much that year. All we are asking for with these amendments is equity, a notion clearly spelled out by the former critic on revenue matters.

We recall very well that when the present Sollicitor general was the National Revenue critic, he asked for equity for all, he wanted the taxpayers to have a reasonable length of time to appeal decisions of the Department of National Revenue.

Now that they are in power, the Conservatives decide to give the Government four years in which to prosecute taxpayers, but only two years for a taxpayer to appeal. This is not fair. It should be three years for both parties, as suggested by the Hon. Member for Winnipeg and supported by our expert on such matters, our president of the Public Accounts Committee, the Hon. Member for Trinity. It would be fair and equitable to give the taxpayer and the Government the same length of time in which to appeal decisions pertaining to tax matters.

• (1210)

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 11 standing in the name of the Hon. Member for Regina East (Mr. de Jong). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

*Excise Tax Act*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

**Mr. David Orlikow (for Mr. de Jong)** moved:

Motion No. 12

That Bill C-80, be amended in Clause 34 by striking out line 8 at page 46 and substituting the following therefor:

"January 1, 1988."

He said: Mr. Speaker, I represent an urban riding and I do not suppose I have more than about six or eight farmers in my constituency. However, one cannot live in a city like Winnipeg without realizing the importance of farmers to the economy of this country, particularly the economy of western Canada. There cannot be a Member of Parliament who is unaware of the great difficulties farmers have had in recent years. Partly because of drought, partly because of cold weather, partly because of the price they receive for their goods, and partly because their costs have gone up, more and more farmers have gone into bankruptcy. Many more than that have simply quietly closed up and sold out. Clause 34(4) says the following:

> Where gasoline or diesel fuel has been sold in bulk by a registered vendor to
>
> (*a*) a qualified farmer for farming purposes,
>
> (*b*) a qualified fisherman for commercial fishing,
>
> (*c*) a qualified hunter for commercial hunting,
>
> (*d*) a qualified trapper for commercial trapping,
>
> (*e*) a qualified person for use in logging, or
>
> (*f*) a qualified person for use in mining, for the sole use of the purchaser and not for resale and the tax imposed . . . has been paid or is payable in respect of the gasoline or fuel, a fuel tax rebate in an amount calculated . . . shall . . . be paid to that registered vendor if he applies therefore within two years after he sold the gasoline or fuel.

Very often it is difficult to keep track of these things. So many of them are unable to make their claim for a refund within two years. Therefore, we are proposing that this clause be amended and the period for making a claim extended by one year. The date specified in the Bill would be changed from January 1, 1987, to January 1, 1988. It seems to me that this proposal should have the support of all Members of this House, including Members on the Government side.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am speaking in support of this amendment. Under the Excise Tax Act a repayment of the excise tax paid for gasoline and aviation fuel was available to certain purchasers who used the gasoline for specified purposes. Included among the categories of specialized users were the federal and provincial Governments, municipalities, farmers, hunters, trappers, certain commercial businesses, and public air transportation carriers. This measure is retained in part by virtue of Clause 26 and Clause 34 of the Bill. However, as of September 3, 1985, the amount of repayment is limited and the repayment measure is not extended to the newly taxed diesel and aviation fuels.

The amendment in Motion No. 12 extends for one year the expiration of the three cent a litre fuel tax rebate for fuel used for commercial purposes off public highways by farmers, fishermen, hunters, trappers, loggers and miners.

What we are dealing with to a certain extent is retroactive legislation, or at least legislation which gives commercial users very little time to adapt to what could be a substantial cost to their business. Whereas the Bill makes the change effective January 1, 1987, the amendment before us will make the change effective January 1, 1988. This seems more reasonable when one considers the impact on so many farmers, fishermen, hunters, trappers, loggers and miners who are not usually or necessarily the kind of people who have tremendous assets or are in a position to make provisions for sudden increased costs. Therefore, I hope the House will see fit to support this amendment which does not oppose the tax itself but does ask for a reasonable length of time to allow people to adjust to it.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I just want to comment briefly on Motion No. 12, which reads as follows:

That Bill C-80, be amended in Clause 34 by striking out line 8 at page 46 and substituting the following therefor:

"January 1, 1988."

So the purpose of the amendment is to extend the right of individuals who engage in fishing, trapping, logging and mining to deduct three cents per litre of fuel they use in these operations.

Mr. Speaker, I think it is only fair to allow these people, who up to now were entitled to a three-cent rebate per litre, to continue to enjoy this rebate for another year, that is, until 1988 at least, and as a result make their operations more profitable. And I am now thinking of a group I know well, I am referring to Ottawa Vally trappers in Calabogie, Arnprior and Renfrew—

[*English*]

—who earn their living mainly on trapping and tourists and a fuel rebate of three cents a litre is an important factor in their economic planning. I know that many of them have complained to me. I could give you names, but that is not necessary at this time. However, many of them have come to me and asked why the Government does not listen to them when they tell the Government that the rebate is important to them. They say it is important that they reduce their costs because they are under so much pressure. I am thinking of those in the trapping industry in the Ottawa valley who have seen their revenues decrease as a result of environmental concerns and the lobby which has been put up against their trade. In many cases this profession has been handed down for generations in the Ottawa valley. Third and fourth generations in the Ottawa valley have made a living on tourism, trapping and forestry operations. I know that mining is a very important component of the economy in the Calabogie area.

• (1220)

I plead with the Government to be responsive and understanding of the request that is made and to approve this extension of the rebate for another year.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, in light of the comments made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), my great grandfather, who was a mineralogist in the Ottawa valley, would roll over in his grave if I did not stand up to support this amendment. He made his living in this way when nobody believed it was possible. The story in my family is that he once had a stake to Hemlow. I do not know what happened to it, so here I am.

I support the amendment and urge its support from those Members on the Government side of the House who have remained stangely silent during the recent debate in the House on the issue of gas prices. A number of those Members were very vocal on this issue during the election. I am thinking particularly of the Member for Duvernay (Mr. Della Noce) who promised that he would reduce the price of gasoline.

This amendment may not directly influence the Minister of Energy, Mines and Resources (Miss Carney) because she is perhaps immovable. However, this is a measure on which ordinary Members can stand in the House and support an extension of a 3 cent a litre rebate directed toward specific occupations.

One such occupation is farming. We are aware of how farmers have been devastated by the continuing high price of gasoline and the fuel tax. Others who would benefit from this amendment include fishermen, hunters, trappers, loggers and miners.

There are Members on the government side who are concerned about the inequities in the current government policy on the price of gasoline. We know that the world price of oil is dropping while the cost in Canada continues to rise, with Petro-Canada as our game leader in the increase of the price per litre. Therefore, I urge those concerned Government Members to speak out and support this small amendment which only provides for a 3 cent per litre rebate. Those who are familiar with the agricultural sector know that 3 cents a litre means much to farmers who are teetering on the brink of bankruptcy.

We ask the Government to support such an extension so that farmers, fishermen, loggers, trappers and hunters can get a small break when it is obvious that other consumers will not.

I notice that one distinguished Hon. Member from Newfoundland is in the House today. I know he would like to support this amendment because of his concern about the fishermen. Perhaps he can convince other members of his caucus that the fishermen should get a break of 3 cents a litre by extending the rebate beyond the period set by the Government.

The Hon. Member is a former sea-going man and knows the importance of the cost of fuel to fishermen. He should express his views to show his colleagues in the House as well as his constituents the importance of this issue. I urge him and other Members who have remained silent on the issue to speak out in defence of those constituencies that will be assisted by this specific amendment.

If they remain silent, their campaign speeches in the next election will fall on deaf ears. For instance, the people who voted for the Hon. Member for Duvernay believed that he may occasionally speak against government policy in support of those issues in which he believed, such as lower gas prices. We have not seen that happen, and I urge those government Members who have constituency interests in the areas of farming, fishing, forestry and trapping to support this amendment which would give a break to those who really need a break in these tough times.

**Mr. Alan Redway (York East):** Mr. Speaker, I want to point out to the House that the Hon. Member for Duvernay (Mr. Della Noce) did speak out on this issue in the House yesterday and, in fact, pointed out that in September, 1984, the price of gasoline in his City of Montreal was 59.9 cents a litre, but that even after increases in the present Budget and the legislation before the House, the price of gasoline in Montreal on January 28, 1986, had fallen to 58.3 cents a litre. The Hon. Member has been speaking out, as have other Members, and the Government's action has brought results in this matter.

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, this is a limited amendment which would extend the present rebates on gasoline and diesel fuel tax for another year. One of the tacit assumptions made by provincial and federal Governments about these gasoline and diesel taxes is that they are used for two purposes. One is to raise revenues for the Government, and the other is to provide some disincentive to consumers using the non-renewable resource of gasoline or diesel fuel as a source of energy.

The point has been made that this disincentive may influence consumers who live in cities and those who run factories to switch to alternative sources of power, such as electricity generated by coal or the use of coal directly. However, there are some sectors which are very important to the Canadian economy that do not have access to this technology for an alternative source of energy. Therefore, farmers and fishermen must rely on gasoline and diesel powered machinery for their production, as do those who are engaged in trapping, logging and mining. They need machinery which enables them to move freely in isolated areas in order to explore for minerals, drill test holes or construct mine shafts. In order for the economy of the country to benefit from these types of commercial activities, which are the backdone of Canadian economic activity, we believe it is only fair that this particular rebate should continue for another year. Therefore, we propose that it continue at least until 1987.

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I would also like to say a few words in support of this motion, because to me it is appalling that a one-year extension is being denied our farmers, fishermen, hunters and miners who represent a segment of our population that truly needs it. They should be allowed one more year to claim those three cents per

litre on all the gas they use, for boats for instance, in the case of fishing and hunting guides.

There are other possibilities, Mr. Speaker. I fail to understand why Government Members would vote against this motion when we consider the tax give-away the multinationals received. Today, these Members want to vote against a motion that would not repeal the tax but give a one-year extension to these people who truly represent a segment of our society that needs it most. Here again, it is a matter of taking from the poor to give to the rich.

● (1230)

[*English*]

**Mr. Morrissey Johnson (Bonavista-Trinity-Conception):** Mr. Speaker, I merely want to say that perhaps being a member of the Party that has formed the Government I have a better opportunity to voice my opinion pertaining to the welfare of my constituents in our caucus than Members in the Opposition, who do not have that opportunity.

I want to assure the Member from Hamilton that I am concerned about this Bill. I want to say, though, that perhaps when the Hon. Minister of Finance (Mr. Wilson) brings down his Budget some time near the end of the month there might then be benefits for fishermen and farmers of which we are not aware at this time.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am quite flabbergasted. Frankly I am astonished to hear the speeches of the Liberal Members. They were in office for over 20 years, and the only thing they managed to do during their last two years on the job was to raise oil taxes. Then we came up with an *ad hoc* measure to solve a temporary problem, and taxes went down three cents a litre. Well, Mr. Speaker, I can still remember that when this measure was announced in November 1984 the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) stood in his place and said that it was a regressive step, that it would not improve the situation, and so on. Here we are one year later, Mr. Speaker, but this time it is a good measure which must be accepted and extended.

Mr. Speaker, no wonder I am surprised they did not implement this measure. How come they did not do anything? It was no good when they were in office, but now that they sit on the Opposition benches they have made a complete about turn. Well, we took action in a specific and temporary situation, Mr. Speaker, because we wanted to help Canadians through difficult times, but the problem is no longer critical and the Opposition motion ought to be defeated.

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on motion No. 12, which has been moved by Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

**Mr. David Orlikow (for Mr. de Jong)** moved:

Motion No. 14

That Bill C-80, be amended in Clause 37 by striking out line 33 at page 58 and substituting the following therefor:

"three years after the tax, penalty, interest".

He said: Mr. Speaker, I do not intend to make any lengthy speech at this stage. This amendment proposes that the penalty period and the assessment period, for people who are penalized for not doing what they should according to a section of the Act—which I find very difficult to understand and which I am certain people affected find just as difficult as I do—be reduced from four years to three years.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I think a number of Members have already made mention of this motion in relation to the previous one, which would give taxpayers an additional year in which to apply for reversal of possible errors or overpayment. It was pointed out then that in the Bill, as it is printed, the taxpayer has only two years in which to get an error corrected while the Government has four years.

In Motion No. 14, the amendment reduces from four years to three years the length of time during which the Government may assess or reassess taxes owed. Since the Government Members have declined to accept any extension of the two year period for a taxpayer, I hope that they may consider reducing the Government's discretionary period from four years to three years so as to reduce the inequity a little.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, allow me a brief comment. Reducing the verification period of assessments from four to

three years is an unacceptable proposal. Taxpayers know about their own situation and they should attend to their files. But on the other hand, you will understand that in the case of the Department of Revenue, there are millions of applications submitted each year, and it must be realized that the federal Department of Revenue cannot be expected to examine and scrutinize, within two or three months, or two years for that matter, everything in terms of applications and returns from taxpayers. Therefore, Mr. Speaker, the four-year period is needed for sound management, so that representatives of the federal Department of Revenue can make the required inquiries and verifications with taxpayers.

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 14, which has been moved by Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

● (1240)

**Mr. David Orlikow (for Mr. de Jong)** moved:

Motion No. 16

That Bill C-80, be amended in Clause 51 by striking out lines 15 to 28 at page 111.

He said: Mr. Speaker, until now fruit beverages that contain less than 25 per cent fruit juices have been exempted from this taxation. We are told by manufacturers that many of the powered fruit beverages such as Tang are used primarily by those people living in remote areas of Canada who do not have access to a wide range of products or to fresh and frozen fruit juices, as well as by families with low incomes. To apply the excise tax to these products would simply add to the cost of living of such people. They are the ones who need the protection. They find it necessary to use this type of product and cannot afford the increased cost that will be imposed upon them by this tax. It is for that reason that I have moved this motion.

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I rise to speak in favour of the amendment. I am glad to see that the Minister of Indian Affairs and Northern Development (Mr. Crombie) is present in the House at this time. The proposed exemption would significantly affect a large number of the people he is mandated to serve and whose interests he is charged with protecting.

For example, in my riding there are some 30 communities which cannot be reached by road and are totally dependent on air travel for all the goods coming to their communities. These people have to pay very high prices for anything which comes into their communities in liquid form.

If I might disregard for 30 seconds the rule of relevance, I would like to use the example of gasoline. In some communities in my constituency it does not sell for 55 cents, 60 cents or 65 cents per litre, which so rightly caused complaint in southern areas of Canada. Rather, it sells for prices ranging from $1 per litre to $1.80 per litre. That is approximately three times the price of gasoline in southern Canada. We see similar examples of price differential caused by air freight when we look at consumable liquids such as juices, fluid milk, pop and other fruit beverages. It is for that reason that I should very much like to see the House pass this amendment.

There are many communities in my riding where Tang is a staple. It is a staple to a greater degree than orange juice is a staple to those who are fortunate enough to be able to purchase a can of orange juice or a can of frozen orange juice at a price of $1.39 to $1.49. If these people had to purchase the same can, they would be paying something in the order of $3 to $4. This is no exaggeration. Those cans are not sold in northern communities because they are frankly unaffordable to the people who would buy them.

This is something that has implications. Of course we know the implications of a tax on this sort of food. It is a food, no matter how much some of us may ignore its presence in the market-place. I do not drink Tang except when it is the only alternative, but Tang and its commercial clones are fulfilling a very valuable role in northern Canada for people who do not have any access, particularly during the winter, to fresh fruit, vegetables or fresh juice in its fluid form. If the excise duty of 9 per cent is put on these beverages, we will see an increase, not in the order of one cent, two cents or three cents per package. When it gets to northern communities and because of freight costs, even on dry goods, we will see an increase in the package price of something in the order of 10 cents to 15 cents. That will not represent gouging; it will just represent those people in the transportation and distributing cycles taking their mark-up on the price which will have been inflated by the imposition of this tax.

I should also like to point out the position of low-income families in southern Canada. It is my belief that Tang is a popular product with those people. Very often it is used as a

substitute, and it is a reasonably good one. Tang and the similar products of its commercial competitors are reasonably good substitutes for fluid juices. Many people rely on them as beverages and as a good source of vitamin C.

I do not accuse the Government of doing this intentionally, but I appeal to it to take into account that it would be an unintentional form of discrmination against the poor, particularly Indian and Inuit people in northern communities, if this amendment were not accepted. Therefore I entreat the Government to give it the most urgent consideration.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I rise to support this amendment. The Bill applies sales tax to certain beverages which might be considered to be perhaps leisure beverages or without any food value. As the Hon. Member for Kenora-Rainy River (Mr. Parry) just said, possibly it was unintentional, but the drafting is such that it nets in beverages made from fruit flavoured crystal mix, even when they include vitamin C and might be considered as a healthy fruit juice substitute or food rather than a leisure thirst quencher.

The aim of the amendment is to create an exemption from the sales tax for beverages made from fruit flavoured crystal mix, sold for the purpose of a breakfast drink or a substitute for fruit juice, when it is not represented to be a product which is used for making a soft drink or thirst quenching drink and when it contains vitamin C in an amount not less than 48 milligrams per hundred millilitres when the drink is ready to serve.

As has been pointed out already, certainly this kind of product is used in isolated communities in the North where frozen orange juice and fluid orange juice are not available as a source of vitamin C or, if available, only at prohibitive prices because of the unusual transportation costs. Also, there are families with limited storage facilities who use this kind of product.

It would seem as though this kind of product were netted in with soft drinks in error and that it was an oversight. The amount of money involved in making this exception and giving some relief to low-income families, particularly to Indian and Inuit families in the far North, is not great to the Government, but the benefits to the people concerned would be great. It is a simple amendment, and I hope the Government will see fit to accept it.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 16 which has been moved by Mr. Orlikow for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

● (1250)

**Mr. Orlikow (for Mr. de Jong)** moved:

Motion No. 19

That Bill C-80, be amended in Clause 51 by adding immediately after line 42 at page 111 the following:

2.1 Feeds and supplements for addition to such feeds for guide dogs used by people requiring their assistance.

2.2 Feeds and supplements for addition to such feeds for horses used in productive purposes.

He said: Mr. Speaker, the clause to which I am proposing an amendment says:

Feeds and supplements for addition to such feeds, for animals, fish, fowl or bees that are ordinarily raised to produce or to be used as food for human consumption.

These shall be exempted from this increase in taxes. We support that idea. There are certain other very important groups which need the same kind of protection. There are blind people who require the use of a guide dog. Those guide dogs are fed dog food. Without the support of a guide dog which permits them a great deal of freedom of movement, which they would not have without the use of a guide dog, they will now have to pay extra tax imposed on dog food. We are suggesting that that should be exempt.

There are still a substantial number of farmers and people involved in logging, particularly in eastern Canada, who are engaged in agriculture or logging on land on which it is not possible to conduct operations using tractors, so they are still using horses. These are people who are operating very small operations. They are not big earners, we believe they are merely scratching out a living at quite a low standard. To impose a tax on the feed which they have to use for their horses would be to impose a burden on them.

This amendment includes the purchases of dog food and feed for horses as those products which would be exempt from the new tax.

**Miss Aideen Nicholson (Trinity):** This Bill applies sales tax to pet food, but makes no exceptions, even in the case of food for a guide dog, which is needed by a blind person. The

amendment would exempt pet food for a guide dog. The wording is:

Feeds and supplements for addition to such feeds for guide dogs used by people requiring their assistance.

I hope the House will consider this amendment seriously because blind people usually live on small incomes, very often on disability pensions. The small increase in sales tax on pet food is a large item if the total income is small. The issue here really is the mobility of blind people and their ability to enhance their lives and take advantage of opportunities for education and training. Many Members of this House worked in a very commendable and constructive fashion on two parliamentary committees which were concerned with enhancing opportunities for the handicapped. Members from all sides will know how important guide dogs are for blind people in enabling them to be mobile, to travel, to take advantage of new experiences and to take part-time work or to follow courses of instruction.

I would ask the House to consider very seriously supporting this exemption from sales tax on pet food in the case of guide dogs needed by blind people. The amount of money is small, but the amount of the contribution to human freedom is large.

**Mr. Vic Althouse (Humboldt-Lake Centre):** It appears that the original intent of the Government, when it proposed to exempt feeds and supplements for addition to such feeds for animals, fish, fowl or bees that are ordinarily raised to produce or to be used as food for human consumption, was to get away from attempts to collect taxes on the feed that would be going into productive usage of the use of Canadians. There are a number of procedures that would be almost mind boggling if we were going to try to figure out how these taxes would be collected if feed were to be taxed. You trade feed between farms, you raise it on your farm, you tax yourself for feed that you raise for your own uses and that of your own animals. The Government decided not to try to impose a tax on these kinds of feeds.

If the Government's intention was not to impose tax on the productive sectors of society and thus reduce its productivity, should have included, as this amendment does, people who must use guide dogs in order to contribute to society. People who are blind have to use guide dogs, most of them. There is no sense of consistency here if we are going to start taxing the feed for guide dogs. As well, it makes no sense to be taxing people who have to use horses to make their living, whether they are logging or working cattle in a live stockyard, as some people do. The tax on production there makes no sense either.

So we think the amendment is consistent with what the Government originally had intended, and I am sure that is why Your Honour recommended that it was a proper amendment. I simply hope that the government Members will support this amendment as well, because it is consistent with what I think is a very good approach in the Bill.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I simply want to make a few comments on the proposed change. The purpose of Motion No. 19 is to exempt feeds and feed supplements for the guide dogs trained to help many Canadians to live a normal life and be able to get out of their houses.

I believe that it would be completely fair and justifiable to show some understanding and sympathy for those people and to exempt from the tax not only the feeds, but also the additions to the feeds for the dogs which contribute to the safety and welfare of Canadians suffering from a visual incapacity, blindness or some other problem requiring the assistance of a guide dog.

Mr. Speaker, I believe that this proposal is completely fair and reasonable and deserves our support.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker—

[*English*]

**Mr. Speaker:** It now being one o'clock, I do now leave the Chair until two o'clock p.m.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## ENVIRONMENTAL AFFAIRS

### DISCOVERY OF DIOXIN IN WINDSOR WATER SUPPLY

**Hon. Herb Gray (Windsor West):** Mr. Speaker, yesterday we heard the very disturbing news of dioxin being found in the drinking water of the city of Windsor and three other Ontario communities. Today we have heard reports of a Health and Welfare study showing dioxin in the blood of Canadians in all parts of the country. Today as well, we have the report of the Joint Task Force on the toxic chemicals in the St. Clair River, a report which does not give clear and reassuring answers to the concerns of Canadians about toxic chemicals in the St. Clair River or the finding of dioxin in the drinking water of the people of the Windsor area. There is evidence that, over the long term, even small amounts of dioxin in water can have an adverse cumulative effect on health.

Yesterday in the House, the Minister of the Environment (Mr. McMillan), commenting on the presence of dioxin in southwestern Ontario's water supply, said that the quantity of substance found is minute, sporadic, and not harmful.

*S.O. 22*

As a representative of the Windsor area, I must tell the Minister that his words are not enough to restore the confidence of the people. What we need is an urgent program of controls on industry and the necessary funds to ensure access to pure water for the municipalities downstream. The Government has an obligation to the United States and to its own people regarding the dioxins in the St. Clair River and the Government must act now. Words are not enough.

* * *

## MEDICAL CARE

GREEN PAPER ISSUED BY NEWFOUNDLAND GOVERNMENT

**Mr. Rod Murphy (Churchill):** Mr. Speaker, a couple of weeks ago the Government of Newfoundland and Labrador issued a Green Paper on our health care system expenditures and funding. In the Green Paper the Conservative provincial Government indicated that it was looking at privatizing the medicare system, making dramatic cuts to health services, increasing the provincial deficit, and raising the already high taxes of the residents of that province.

In this document produced by a Conservative provincial Government, the blame for this is laid strictly on the federal Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare (Mr. Epp). The cut-backs that have now been announced a number of times by the Minister of Finance, supported, we presume, by the Cabinet, are going to have the result of destroying another sacred trust.

In the words of the Conservative Government of Nova Scotia, the Conservative Government of Newfoundland and of the New Demoratic Party of Manitoba, the Government is out to destroy medicare and post-secondary education through the back door by taking away the funding that is necessary. The Government will ensure that the universal program we have at the present time for health services is destroyed because of lack of funding. The Government should be ashamed of itself. Now that Conservative Premiers are attacking it, perhaps the federal Government will wake up and indicate in the Budget we expect next month that it will finally reverse the decision it announced on May 23.

* * *

## HUMAN RIGHTS

CALL FOR REPRESENTATIONS TO SOVIET UNION ON BEHALF OF RAOUL WALLENBERG

**Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, the 41st anniversary of Raoul Wallenberg's arrest by Soviet authorities and the adoption last December 10 by the Canadian Parliament of an all-Party resolution naming Wallenberg as Canada's first ever honorary citizen are being marked by a nation-wide tour by Mr. Per Anger, former Ambassador of Sweden to Canada and Wallenberg's close friend and colleague in Hungary during World War II.

The Raoul Wallenberg story is a chronicle of courage, dedication, and resourcefulness in the face of incredible odds and great personal danger. During World War II, Raoul Wallenberg, together with Per Anger, an attaché of the Swedish Legation in Budapest, worked tirelessly to save the Jewish community of Hungary. They issued provisional Swedish passports placing thousands under the protection of the Swedish Government. It is estimated that Wallenberg and Anger, through their heroic actions, saved 100,000 Hungarians destined for Nazi death camps.

Despite their heroism and humanitarianism, both Raoul Wallenberg and Per Anger were arrested by Soviet authorities as they entered Budapest. Per Anger, head of the Stockholm-based Raoul Wallenberg Committee, firmly believes that the Soviets can be pressed into releasing Wallenberg, or at least be called to account for his treatment to date. As a nation renowned for its solid and noble record as a relentless advocate of human rights and human dignity, Canada is now well poised to make legitimate government-to-government representations to the Soviet Union on Wallenberg's behalf.

Through his brief visit with us, Per Anger has helped raise our sensitivity and awareness of a truly heroic chapter in an otherwise tragic story. The Wallenberg story is one of hope—hope for a man and hope for mankind. Per Anger's past and present actions fill us with hope. In this respect—

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

**Some Hon. Members:** Hear, hear!

* * *

• (1405)

[*Translation*]

## SPORTS

SENIOR CROSS-COUNTRY SKIING CHAMPIONSHIP HELD AT ALMA, P.Q.—CONTRIBUTION OF VOLUNTEERS

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, although remote regions such as the one I represent rarely benefit from major investments, sometimes they do have the opportunity to hold major events.

In my riding yesterday, Mr. Speaker, the Canadian senior cross-country skiing championship ended in Alma. This event, which was widely reported in the media over the past seven days, was an unqualified success. This unqualified success was made possible thanks to the hard work and incredible dedication of the athletes, coaches, organizers and volunteers who have demonstrated that volunteering is still alive and well in our modern society.

The marvelous display which was offered to us is most encouraging. Our youth's performance was most promising for the 1988 Olympic Games.

I would be remiss if I did not emphasize also the enthusiastic welcome of the Alma citizenry.

Mr. Speaker, I take this opportunity to pay tribute to each and every participant.

* * *

[*English*]

## AGRICULTURE

### MARITIME LIVESTOCK INDUSTRY

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, 440 days is a long time to wait for anything. When one waits for 440 days for a Government to act in an emergency situation, it is really an abdication of responsibility.

In November of 1984 the Maritime Farmers Council met with the Minister of Agriculture (Mr. Wise) at which time they put forward a solid plan to save an industry worth hundreds of millions of dollars to the maritime economy. The proposal calls for moneys to be directed for research and development in order to make the maritime livestock industry self-sufficient in feed grain within 15 years. The second, and equally important aspect of the plan, calls for a reinstatement of federal feed freight assistance to the level of 60 per cent.

The Government has shown its true colours through inaction. On numerous occasions during the past 440 days I have asked the Minister for a decision on behalf of maritime farmers. The Council of Maritime Premiers has pressed for a decision, and the Maritime Farmers Council has been equally adamant in its demands for action.

Is the Government interested in maritime agriculture? After 440 days of hiding from this issue the answer is obvious. The answer is that the policy of this Government with regard to maritime agriculture is to let it wither and die. Shame—shame on this irresponsible Government!

* * *

## ENERGY

### RETAIL PRICES CHARGED FOR GASOLINE

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, for the past few weeks Canadians have been writing to their Members of Parliament about the gasoline retail price differential which exists between Canada and the United States. Not only does the retail price of gasoline vary between countries, it also varies between regions. Even cities which are close to one another will show price differences.

In my riding of Fraser Valley East the retail price of a litre of leaded gasoline in Abbotsford is 56.2 cents. Less than 40 kilometres away in Greater Vancouver the price for an identical litre of gasoline is also 56.2 cents. However, a transit tax of approximately one cent per litre of gasoline in levied in the Vancouver area, whereas Abbotsford has no such extra tax. Why then is the price of gasoline the same as in Vancouver?



Surely, the price of gasoline should be cheaper in Abbotsford than in Vancouver. But this is not the case.

In September of 1985 the Mayor of Abbotsford wrote to all the major oil companies about their pricing practices. In my opinion the Mayor received a less than satisfactory answer. Perhaps the oil companies were reluctant to pass on the benefits of cheaper gasoline to smaller communities. It seems that all the major oil companies follow a schedule of prices and are not anxious to compete with each other on prices. Only the independent gasoline retailers seem to be giving the consumer a break—at least they give a 4 per cent cash discount.

**Mr. Cassidy:** Come on over!

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## INCOME TAX ACT

### MEANING OF "CAPITAL GAIN" AND "CAPITAL LOSS"

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I will deal today with the simplicity and clarity of the Canadian tax system. I should like to quote from Section 39.(1) of the Income Tax Act:

> Meaning of capital gain and capital loss
>
> (1) For the purposes of this Act,
>
> (*a*) a taxpayer's capital gain for a taxation year from the disposition of any property is his gain for the year determined under this subdivision (to the extent of the amount thereof that would not, if section 3 were read without reference to the expression "other than a taxable capital gain from the disposition of a property" in paragraph (*a*) thereof and without reference to paragraph (*b*) thereof, be included in computing his income for the year or any other taxation year) from the disposition of any property of the taxpayer other than
>
> (i) eligible capital property,
>
> (i.1) an object that Canadian Cultural Property Export Review Board has determined meets all criteria set out in paragraphs 23(3)(*b*) and (*c*) of the Cultural Property Export and Import Act and that has been disposed of,
>
> (A) in the case of a gift to which subsection 110(2.1) applies, within 15 months after the death of the taxpayer or such longer period as is reasonable—

**Mr. Speaker:** I must regretfully advise the Hon. Member that the time allotted to him has expired.

* * *

• (1410)

## COMMUNICATIONS

### BELL CANADA—REMOTE AREAS—LONG DISTANCE CHARGES

**Mr. Jean-Pierre Blackburn (Jonquière):** Mr. Speaker, a few weeks ago Bell Canada filed with the CRTC new criteria

for certain communities to be provided with regional service without long distance fees.

Mr. Speaker, at first sight one is tempted to welcome these relaxed criteria proposed by Bell Canada. But on closer examination of the proposals, they are unacceptable. Because of the new proposed criteria, only 40 new interconnections will be possible in Quebec and the implementation period needed will be six years. Moreover, of the 40 new interconnections in Quebec, 80 per cent involve three major cities in central Quebec, such as Montreal, Trois-Rivières and Sherbrooke. There is practically nothing for remote areas.

The Saguenay-Lac-Saint-Jean area is a typical example, although the removal of long distance fees for calls between Jonquière and Ville de la Baie, a long awaited economic boon, has been requested for a number of years.

Mr. Speaker, the CRTC must turn down the new criteria as proposed. It should require Bell Canada to submit a special development plan for communities in remote areas.

Mr. Speaker, Bell Canada is the largest telephone company in Canada. It enjoys a monopoly situation and has always been protected. The CRTC is in a position to require Bell Canada to submit a special development plan to cope with the needs of remote areas.

* * *

[*English*]

## HUMAN RIGHTS

RAOUL WALLENBERG—CALL FOR ACTION BY CANADA

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, I rise today because the Honourable Per Anger, who is the former Swedish Ambassador to Canada, is in Canada today to express and share with us his experiences as a former colleague of Raoul Wallenberg and, once again, to bring to our attention the fact that Raoul Wallenberg is a prisoner in the Soviet Union. I would, therefore, like to bring to the attention of the House, that on January 16, the forty-second anniversary of the arrest of Raoul Wallenberg, I said that because of the fact he is now an honorary citizen of Canada it is incumbent upon our Secretary of State for External Affairs (Mr. Clark) to do all that he can to secure Mr. Wallenberg's return to freedom.

I would like on this day to call upon the Minister of State for External Affairs to tell us what are his intentions and what action he will take in order that Canada may be in the forefront in its concern to bring Raoul Wallenberg back to freedom, thus guaranteeing his human rights.

## ENERGY

EXPANSION OF OIL INDUSTRY'S ACTIVITIES IN ALBERTA

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, I would like to draw to the attention of the House, and especially to the doomsters and gloomsters in the opposition Parties, the latest figures published by *Oilweek* magazine concerning the sale of oil rights in my home province of Alberta.

The final 1985 Alberta energy and natural resources land sale, as of December 11, brought in a total of $53.7 million, the highest total since March 26, 1980. This increase boosted the 1985 total to $796 million, the third largest in the province's history. What we are seeing today is the result of many of our Government's initiatives—the Western Accord, the new spirit of co-operation with the provinces, the forthright Budget we presented last May, and the favourable economic climate now prevailing in Canada. The most important thing, however, is that this high level of activity in the oil patch is creating thousands of jobs for Albertans and for Canadians right across the country.

We have reversed the tide of unemployment and dependency upon Government. We have revived the entrepreneural spirit in Canada and people are responding to the challenge. This the Liberals could never do. That is what responsible Government is all about.

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE RAOUL WALLENBERG ASSOCIATION

**Mr. Speaker:** May I indicate to Members the presence in our galleries today of the former Swedish Ambassador to Canada, now President of the Raoul Wallenberg Association, the Hon. Per Anger.

**Some Hon. Members:** Hear, hear!

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE ADMINISTRATION

CONFIDENTIALITY OF LIBERAL PARTY CAUCUS MEETINGS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Prime Minister. I have in my hand a transcript of the words of the Deputy Prime Minister in which he admitted he improperly listened to, eavesdropped or, if you like, was associated with the bugging of private meetings of the Liberal caucus.

In light of what the Minister of National Defence and Deputy Prime Minister said, I ask the Prime Minister whether

he has obtained the resignation of the Deputy Prime Minister in light of the conduct of that Minister which obviously undermines his integrity and, therefore, that of the entire Government?

**Mr. Speaker:** Hon. Members will know that the Chair is in some difficulty on this question.

**An Hon. Member:** So is the Government.

**Mr. Speaker:** Order. Given the nature of the preamble and the fact the question concerns a Minister in the Cabinet, I think I must allow the Prime Minister to answer it. However, I must caution Members to deal, as best they can in all these matters, with questions to Ministers about their responsibilities as opposed to anything else.

**Mr. Frith:** We are talking integrity.

**An Hon. Member:** This has nothing to do with ministerial responsibility.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the question contains a number of very serious misstatements of fact and a really quite grotesque error which casts aspersions on the reputation of someone who has served his country honourably, in times of war and peace, for 30 years in the House of Commons, and I think it ought to be withdrawn.

**Some Hon. Members:** Hear, hear!

REQUEST FOR RESIGNATION OF DEPUTY PRIME MINISTER

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the Deputy Prime Minister is on tape as having said, referring to a meeting of the Liberal caucus:

—I was hearing every word that was spoken.

He also said:

There was a method by which we knew every Wednesday what was said in the Liberal caucus, word for bloody word.

**Mr. Speaker:** Order, please.

**Mr. Gray (Windsor West):** I ask the Prime Minister, in those circumstances—

**Some Hon. Members:** Order!

**Mr. Speaker:** Order, please. Can I ask the Hon. Member to put a question on ministerial accountability, please.

**Mr. Gray (Windsor West):** Mr. Speaker, I am asking a question of the Prime Minister about his responsibility to have people in his Cabinet who have the necessary integrity to be there.

**Some Hon. Members:** Hear, hear!

**Mr. Gray (Windsor West):** In light of the words of the Deputy Prime Minister himself, why does the Prime Minister allow that Minister to stay in his Cabinet?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, these questions are no doubt founded on an article which appeared in *The Toronto Star* this morning. That is a very interesting story. However, what that article was speaking about was events which are alleged to have occurred almost a quarter of a century ago. They were the subject of an interview, according to the article, with Mr. Stursberg in 1973; the subject of a book published in 1976; the subject of a tape, apparently, which has been available since January of 1981, and which appeared in *Saturday Night* magazine in January of 1985 in these words:

"One of Pearson's ministers said (in caucus) that he had two tasks: one, to destroy John Diefenbaker and two, to destroy Erik Nielsen. How do I know the words spoken in the Liberal caucus?" Nielsen smiles.

"No, there were no bugging devices. Wires were crossed on an electronic system being installed between the committee rooms and we knew every goddamn word that was spoken inside!"

Mr. Speaker, I think that perhaps I speak too much to the media.

• (1420)

REQUEST THAT PRIME MINISTER SECURE RESIGNATION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the Deputy Prime Minister stands condemned by the words from his own mouth which he said just a minute ago in the House. Does the Prime Minister not agree that he has a sacred trust as Prime Minister to defend the integrity of the parliamentary system, which includes the confidentiality of caucus meetings of all Parties and, as a result of the admission of the Deputy Prime Minister, he has no alternative but to seek and obtain his immediate resignation?

**Mr. Nunziata:** No respect for Parliament.

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** Listen to who's talking.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, in my 28 years in the House of Commons I have seen virtually a flurry of plain brown envelopes flying around the place. The Opposition Members, when in Government, were familiar with that, as they are now in both opposition Parties.

It is a practice which I have given my best efforts to terminate but thus far they have been a total failure.

[*Translation*]

ALLEGATIONS CONCERNING MINISTER—GOVERNMENT POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I would like to direct a question to the Prime Minister.

In light of the *Toronto Star* revelations that the Deputy Prime Minister and Minister of National Defence indulged in electronic eavesdropping when he was a Member of the Opposition, does the Prime Minister find it acceptable to have as

our NATO representative a man who in the past acted in such a deplorable manner showing a total lack of integrity?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member states that he has evidence allegedly showing that the Minister indulged in electronic eavesdropping.

Such a statement is absolutely false and the Minister has just made a categoric denial about it.

**Mr. Chrétien:** Mr. Speaker, my supplementary question is directed to the Prime Minister.

Did the Prime Minister read the transcript of those notes, or—

[*English*]

**Mr. Speaker:** Order, please. I had not recognized a supplementary question until I could hear it carefully. A supplementary question now, please.

INTERVIEW WITH DEPUTY PRIME MINISTER

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, the Prime Minister just said there were absolutely no facts to substantiate these accusations. Did he read the transcript of the interview with the Deputy Prime Minister, or did he listen to the tape which is the voice of the Deputy Prime Minister implicating himself directly?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I read it and thought carefully. From this, I concluded that, contrary to my hon. friend, there is no suggestion that the Minister was in any way responsible for or caused to happen any electronic eavesdropping for which he was directly or indirectly responsible that would in any way be illegal or improper under any circumstances.

**Mr. Nunziata:** It's immoral.

**Mr. Mulroney:** Of all Members, this Member talking about immorality should be struck by a bolt of lightening right on the spot.

**Some Hon. Members:** Hear, hear!

DEPUTY PRIME MINISTER'S REQUEST FOR INVESTIGATION INTO EAVESDROPPING IN 1973

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I also must direct a question to the Prime Minister about this matter. On October 17, 1973, the present Deputy Prime Minister, speaking to a request by the New Democratic Party for a review of a bugging that occurred in our caucus room, asked:

—that Your Honour—

That is, the Speaker:

—cause a further investigation to be made into the whole matter of eavesdropping—

He went on to say:

This offence is serious enough to require the offender to come before the bar of the House and give an explanation—

**Mr. Speaker:** Order, please. The question is getting long, that is all.

**Mr. Deans:** Given that the Deputy Prime Minister knew full well that he had been the recipient of eavesdropping information with regard to the Liberal caucus at that time, does he not think that the advice given by the Deputy Prime Minister should be taken now, and that all of those involved in providing the information to the Deputy Prime Minister should be brought before the bar of the House to explain their actions?

**Some Hon. Members:** Hear, hear!

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, my memory goes back a little further than that of the Hon. Member asking the question on this subject.

The first time the matter arose in the House of Commons was in the neighborhood of 22 years ago, to my knowledge. Indeed, it was raised by the then Leader of the NDP, Mr. Tommy Douglas, when the Chair asserted jurisdiction with respect to that matter and caused an investigation to be held. There have been at least two investigations subsequently that I can recall by Mr. Speaker, so that the idea of bringing unnamed persons before the bar of the House with respect to unsupported allegations is one which you should not, Sir, support, and which certainly falls within your jurisdiction.

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** If hon. gentlemen opposite have a specific charge to make, then they should make it and take the consequences if they fail to prove it.

• (1425)

RECEIPT OF CAUCUS INFORMATION—REQUEST FOR INQUIRY

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I have a supplementary question. It is not necessary to make a charge. The Deputy Prime Minister has admitted that he was the recipient of information obtained out of a caucus room that he listened to himself and had translated.

In light of the admission of the Deputy Prime Minister—it is not a question of did he or didn't he, he did—does the Prime Minister not feel it would be appropriate now for the Deputy Prime Minister to step down from his position until such time as an inquiry is held into this affair and the results of it become known?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it could very well be that the Deputy Prime Minister, who is referring to information that may have been imparted to him by a caucus member dissatisfied with the way things were going in the caucus at that time—

**Some Hon. Members:** Oh, oh!

**Mr. Chrétien:** Read the text.

**Mr. Mulroney:** That is possible. I think the appropriateness, Mr. Speaker, can be seen in a statement that His Honour made himself in an interview granted earlier this summer concerning a former Liberal Member of Parliament, a former Speaker, Ambassador Lloyd Francis. In response to a request for an investigation Mr. Speaker said:

> To go back behind decisions that were or were not taken about things that did or did not happen years ago, in my ind, is not appropriate. It's pointless.

That is the position the Speaker adopted in regard to that. I hold that it is no less appropriate today.

CONFIDENTIALITY OF CAUCUS MEETINGS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, the Prime Minister should read the transcript. The transcript says:

> I could scarcely believe what I was hearing and I was hearing every word that was spoken. He was speaking in French and I had the benefit of translation service as well.

Quite clearly, the Deputy Prime Minister was listening to some taping of the Liberal caucus as it was happening.

**Mr. Clark (Yellowhead):** More indignation, Ian.

**Mr. Deans:** Given that the Deputy Prime Minister has admitted he did this—there is no statute of limitations on matters such as this—does the Prime Minister not feel it appropriate to have an investigation into all of the relevant matters and to ask the Deputy Prime Minister to step down until the inquiry is completed?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, it should come as no surprise to that Hon. Member, or any Members who have been around here for very long, that information has a habit of finding its own way into other hands.

**Mr. Deans:** Every Wednesday?

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** You can do better than this.

**Mr. Speaker:** Order. Order, please.

**Mr. Nielsen:** I can tell the hon. gentleman that this information has been in the public domain for almost 13 years. I wonder why it comes as such a surprise now. I can also tell the hon. gentleman, indeed both opposition Parties, that I like keeping current, and welcome any information that might come to me from within their own Party caucuses.

**Some Hon. Members:** Oh, oh!

• (1430)

CONSERVATIVE PARTY PRACTICE INQUIRY

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, the only comment I want to make at the beginning is the following: that behaviour became so unethical that it became a crime.

**Mr. Chrétien:** That's right.

**Mr. Frith:** Is it still the practice and policy of the Conservative Party to eavesdrop "word by bloody word" on the Liberal caucus and, if not, when did it stop—

**Mr. Speaker:** Order, please. May I remind all Hon. Members, particularly experienced Members, that questions go to Ministers with regard to their ministerial accountability and not with regard to the way in which the Member is putting that question.

**Mr. Frith:** We are talking—

**Mr. Speaker:** Order, please. Whatever policy of whatever Party exists anywhere, it is not a matter for the House of Commons.

**Mr. Frith:** We are talking about the integrity of the Government.

**Mr. Speaker:** What is the question?

**Mr. Frith:** Is this the standard of moral behaviour that the Prime Minister will condone in a Deputy Prime Minister and then expect the young people of the country to look up to politicians?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think that on a careful reading of the transcript my hon. friend would agree that that kind of suggestion he just made is both malicious and unfounded.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** The Deputy Prime Minister, as I have indicated before, has served this country with honour in times of war and in peace. His reputation as an outstanding Member of Parliament is second to none, and I think my hon. friend would want to withdraw that kind of cheap shot.

**Some Hon. Members:** Hear, hear!

DEFINITION OF MORALITY

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The dictionary defines "moral" as concerned with goodness of character or disposition. Can the Prime Minister explain why the bugging of MPs by the man who now holds the high office of Deputy Prime Minister falls into his definition—

**Mr. Speaker:** Order, order. It is perfectly clear to me that that question is out of order, as I am sure it is to the Hon. Member, because it attempts to make a charge without making a charge. Therefore, I remind Hon. Members that the questions have to be put to Ministers about matters which are under their current ministerial responsibilities. Does the Hon. Member have a supplementary question?

**Mr. Dingwall:** Mr. Speaker, I direct my question to the Right Hon. Prime Minister. There is no need for a charge because there is an admission by the Deputy Prime Minister of improper conduct.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. I will give the Hon. Member one more chance, please, for a supplementary question only.

**Mr. Guilbault (Saint-Jacques):** It is not a matter of chance.

REQUEST FOR RESIGNATION

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. Since the Deputy Prime Minister has admitted this improper behaviour of systematically eavesdropping on MPs—

**Mr. Speaker:** Order, please.

**Mr. Dingwall:** —will he not do the honourable thing and seek the resignation of the Deputy Prime Minister?

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. The Hon. Member for Cape Breton-East Richmond will resume his seat.

**Mr. Clark (Yellowhead):** No wonder John Turner is absent.

**An Hon. Member:** No wonder John Crosbie is absent.

**Ms. Copps:** Talk about integrity!

**Mr. Speaker:** Order, please. The Hon. Member for Nickel Belt.

REQUEST FOR RESIGNATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Prime Minister. It deals with this very serious matter which has been revealed today. In light of the fact that the Deputy Prime Minister has suggested that he overheard what was going on in the Liberal caucus room as a result of an accidental crossing of wires, and in view of the fact that the Deputy Prime Minister said in the interview: "There was a method by which we knew every Wednesday what was said in the Liberal caucus, word for bloody word. I had nothing to do with it, but I had access to it", it clearly implicates the Deputy Prime Minister—

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

**Mr. Rodriguez:** Will the Prime Minister do the honourable thing that is consistent with the traditions of Parliament and have the Deputy Prime Minister step down and order an investigation into all matters surrounding the bugging?

**Some Hon. Members:** Hear, hear!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, there have been allegations that there was bugging of MPs by the Deputy Prime Minister. There is a suggestion that there was an admission by the Deputy Prime Minister. Neither is accurate. There was an acknowledgment by the Deputy Prime Minister that certain information was conveyed to him in a way that rendered—

**An Hon. Member:** We are talking about bugging.

**Mr. Mulroney:** —of which he was not the initiator and for which he was not responsible. The Deputy Prime Minister has indicated that he was entirely without responsibility for the initiation of this—

**Ms. Copps:** That's right, irresponsible.

**Mr. Mulroney:** —and he has made no acknowledgment beyond that, but because the Member raises it seriously, I view it seriously. I think, given the statement of the Deputy Prime Minister and given the facts, if my hon. friend has a charge he wishes to lay that he ought to proceed with that charge, with the appropriate consequences.

REQUEST FOR INVESTIGATION OF EVENTS IN 1963-64

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, will the Prime Minister, consistent with his responsibility as the Leader of Canada, stop stonewalling and immediately launch an investigation into the actions of the Deputy Prime Minister in 1963-64 and his behaviour then?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we are dealing with a matter that occurred some 23 or 25 years ago. I suppose the timeliness of it does not diminish its importance. The matter was raised. The Deputy Prime Minister has responded fully. He has indicated the circumstances whereby certain information was imparted to him. If my hon. friend feels that this is either inappropriate or improper or illegal, an event which transpired a quarter century ago in the circumstances that have been related, I think he ought to lay a charge and the House will deal with it.

CRIMINAL CODE PROVISIONS

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I remind the Prime Minister that a former Mountie was recently prosecuted for something which happened over 30 years ago. I want to ask the Deputy Prime Minister if he is now denying the words that

made very clear in the transcript, within the meaning of the definition of "intercept"—

**Mr. Speaker:** Order, please. I caution the Hon. Member for York centre that his questions should be put to Ministers with regard to ministerial accountability. Questions put with regard to what a Minister said in an interview are really not in order, and I think the Hon. Member knows it.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Hon. Member is an experienced Member and knows that. Therefore, his question, please.

**Mr. Kaplan:** Mr. Speaker, I ask the Prime Minister as to the standard of integrity which is to be permitted in his Cabinet, does he deny the statement? Does he disagree? Does he challenge the statement made in this transcript by the Deputy Prime Minister that he was listening to—"I was hearing and I was hearing every word that was spoken"—the caucus while it was going on, and that that is within the meaning of "intercept" in the Criminal Code?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, that is an interpretation that my hon. friend places on a construction of events. The Deputy Prime Minister has indicated that the incident which transpired was one in which he was entirely blameless with regard to the initiation thereof or any resonsibility flowing therefrom, on the one hand. Second, with regard to the point raised by my hon. friend regarding a member of the Royal Canadian Mounted Police, it is true, and I indicated it earlier, that the timeliness of this is not affected by the passage of time, but in the case of the member of the RCMP a charge was laid. If my hon. friend feels that something is illegal, he ought to lay a charge and assume the consequences.

MINISTERIAL STANDARDS OF BEHAVIOUR

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, let me simply ask the Prime Minister this. Is it acceptable today among his Ministers for them to intercept, that is, to listen to discussions which are going on in the Liberal caucus or in the NDP caucus? Is that an acceptable standard of behaviour today for his Ministers?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I don't read anybody else's mail, I don't open brown envelopes, nor do I make unsubstantiated allegations against people without having the courage to stand up and put my seat on the line.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Hon. Member for Ottawa Centre.

• (1440)

[*Translation*]

GOVERNMENT POSITION

**Mr. Mike Cassidy (Ottawa Centre):** My question is directed to the Prime Minister, Mr. Speaker. Am I to understand that the Government's position is that deliberate electronic surveillance of what is going on in the caucus of another political party in Parliament would be immoral and illegal, but if thanks to an electronic accident, the Government happened to have access to what was being said in another caucus, it would be all right to go on eavesdropping? Is that the Government's position?

[*English*]

**Mr. Speaker:** Order. Order, please. I know the Hon. Member believes seriously in his point, but it is now clearly entering into the realm of the hypothetical, beyond the realm of ministerial accountability, and into something that is between the Parties.

Does the Hon. Member for Ottawa Centre have a question he wishes to put with regard to a Minister or to a matter that is under that Minister's jurisdiction?

[*Translation*]

REQUEST FOR RESIGNATION OF DEPUTY PRIME MINISTER

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question will be very simple, since the Deputy Prime Minister has admitted that in the past he listened to the caucus meetings without letting the other caucus groups know. Does the Prime Minister intend to ask for the Deputy Prime Minister's resignation, pending an investigation of this matter before the House?

[*English*]

**Mr. Speaker:** The question is hypothetical. It has already been asked two or three times today. I am therefore going to rule it out of order. The Hon. Member for Cochrane-Superior.

REQUEST FOR REFERRAL TO COMMITTEE ON PRIVILEGES AND ELECTIONS

**Mr. Keith Penner (Cochrane-Superior):** I think the Prime Minister must feel, as all Members do, that there has been a shadow cast across Parliament today. I would like to ask him would he be prepared now to have this entire matter referred to the Standing Committee on Privileges and Elections so that the air can be cleared and we can know exactly whether there is any ground at all for charges or for the call of the opposition Parties for a resignation.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, in regard to the allegation, it has been denied by the Deputy Prime Minister. No charge has been laid. Therefore the matter is in the process of being resolved by the House.

**Mr. Deans:** There is no question about what happened.

**Mr. Speaker:** Order. Order, please.

REQUEST FOR COMMITTEE REFERRAL

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** I want to ask the Prime Minister to think about the fact that we are not talking here only about what is legal; we are talking here about what is right. The Prime Minister has had a reputation of good faith about the reform of Parliament, and I want to ask him, for the sake of Parliament, will he do the honourable thing and at least refer it to the committee as the Hon. Member before me just requested, or even better than that, ask the Deputy Prime Minister to step down until this whole thing can be looked into. It is not a question of allegations, it is a question of a confession.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, there has been no charge made. There is no allegation of illegality, or even impropriety, on the part of the Minister action 25 years ago, or thereabouts. Apart from the innuendo—

**Mr. Deans:** Why did you try to hide it?

**Mr. Mulroney:** Apart from the innuendo, which I think is unfair, and the spurious allegations, which I think are unworthy, if a charge is to be made I invite my honourable friend to make a charge, with the appropriate consequences.

INQUIRY OF THE PRIME MINISTER

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** The Government cannot have it both ways saying the charges have been denied but at the same time they are not serious. It is a question of the respect that we all have for Parliament. I want to ask the Prime Minister does he not think that on the second Wednesday of the "every" Wednesdays that the Deputy Prime Minister was stepping out of line and casting the very shadow across Parliament that we now need to get rid of.

**Mr. Speaker:** Order, order. I think the Hon. Member knows that that question is out of order.

* * *

## ENVIRONMENTAL AFFAIRS

TOXIC CHEMICALS IN ST. CLAIR RIVER

**Hon. Chas. L. Caccia (Davenport):** My question is directed to the Minister of the Environment. I regret to say the Minister is creating the false impression that the proposed Environmental Contaminants Act will clean up the situation in the St. Clair River. Therefore I have to ask him whether he could explain to the House how this proposed Environmental Contaminants Act will clean up the existing toxic chemicals in the water, in the sewer outfalls, in the leachings from the dump sites and other existing and ongoing sources of pollution in the St. Clair River, or for that matter in any body of water for which we have an international responsibility.

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the introduction of a new Environmental Contaminants Act will mesh with parallel plans already announced by the Hon. Jim Bradley, the Minister of the Environment in Ontario. Together our Act and their actions will cover every aspect of the toxic chemicals question, from production through to use, through to disposal. For example, in the case of the Ontario plan, limits will be placed on the amount of chemicals that will be allowed to be discharged into the river. Ambient quality standards will be set for water. In concert with my colleague, the Minister of National Health and Welfare, the federal Government, for its part, will be setting vigorous drinking water standards. Together the total package will do everything that is required to hit the problem head on.

PROVISIONS OF PROPOSED LEGISLATION

**Hon. Chas. L. Caccia (Davenport):** I would ask the Minister of the Environment to focus on the situation that we are facing today in the St. Clair River and the clean up of existing daily contaminations. Will he explain how his proposed Environmental Contaminants Act will tackle that problem?

**Hon. Tom McMillan (Minister of the Environment):** I never said the new Environmental Contaminants Act was designed to clean up existing pollutants in the river. We are doing that through other mechanisms, for example by working hand in glove with the Ontario Ministry of the Environment. The Environmental Contaminants Act is designed instead to prevent this kind of situation from happening in the future. We take the existing situation very seriously and we are taking actions to deal with it.

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## THE ADMINISTRATION

INQUIRY OF THE PRIME MINISTER

**Mr. Rod Murphy (Churchill):** My question is also directed to the Prime Minister. In view of the information that is available in the transcript about what the Deputy Prime Minister said at that time, can the Prime Minister expect the people of Canada to have faith—

**Mr. Clark (Yellowhead):** Order, order, order.

**Mr. Murphy:** —to have faith in the integrity and judgment of the Deputy Prime Minister to use the enormous powers that he has—

**Mr. Speaker:** Order. Order, order. Forms and versions of this question have been asked all day. Order, please.

**An Hon. Member:** We have got to get some answers, Mr. Speaker.

**Mr. Speaker:** I do not doubt that I am going to hear more about this at three o'clock. But may I remind the Hon. Member for Churchill and others that the purpose of questions is to ask questions that are about matters that are under ministerial responsibility and accountability, not, on either side, in answers or questions, to cast aspersions.

POWERS OF DEPUTY PRIME MINISTER

**Mr. Rod Murphy (Churchill):** The Prime Minister knows that the Deputy Prime Minister and Minister of National Defence has enormous powers. In light of his previous lack of judgment, how can any Canadian trust him now?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will not comment on the scurrilous aspects of that question except to say that the people of Canada, when they needed Erik Nielsen in peace and in war, found a man of courage and honour.

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## INCOME TAX ACT

REGISTERED RETIREMENT SAVINGS PLANS—AGE PROVISION

**Mr. Don Blenkarn (Mississauga South):** My question is directed to the Minister of Finance. The Minister has received many representations from senior citizens about how they convert their Registered Retirement Savings Plans after the age of 71. Some of them are concerned about the very restricted manner in which the present law requires that to be done. I was wondering if the Minister could advise this House whether he could make some changes in the Income Tax Act that would help seniors handle their money on retirement, perhaps in the Budget?

● (1450)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am very well aware of the interest the Hon. Member has taken in this issue. It is an issue that has been of some interest to me as well. I have read a number of letters regarding the debate that has been going on in some of the financial papers. I believe it is possible to go some way toward meeting the requirements of the senior citizens who express this point of view and it is something at which we are looking very closely. I am not now in a position to make a statement but I hope to be able to deal with this matter in due course.

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## THE ADMINISTRATION

EAVESDROPPING ON CAUCUS MEETINGS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I wonder if the Prime Minister would be good enough to tell us when he learned of this practice of eavesdropping on the Liberal caucus, and perhaps the NDP caucus, and second, whether he has verified that the practice has been discontinued and that the Government is no longer eavesdropping on either Parties—

**Mr. Speaker:** Order, please. The first two parts of the question are in order but the third part is not.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the first I heard of any kind of allegation in this regard was in 1976 when I read the book.

INTERCEPTION OF CONVERSATIONS—REQUEST FOR INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, my question is directed to the Prime Minister. Is the Prime Minister aware that it is an offence contrary to the Criminal Code of Canada to intercept conversations? In view of the fact that that activity is criminal, is the Prime Minister prepared to instruct the RCMP to investigate the conduct of the Deputy Prime Minister to determine whether or not there was a breach of the Criminal Code of Canada?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, as Acting Minister of Justice and Solicitor General let me just say that it is highly improper for the Hon. Member to make any kind of suggestion without stepping outside the House and laying a specific charge. Perhaps while he is in the process of considering this matter, he might ask his colleagues in the Liberal Party where they were when Marc Lalonde was putting out an all-points bulletin within the Department of Finance to read the present Prime Minister's mail. Where was he when the Liberal party was abusing its power in office?

* * *

[*Translation*]

## AIR SAFETY

DEREGULATION—GOVERNMENT POSITION

**Mrs. Lise Bourgault (Argenteuil-Papineau):** Mr. Speaker, my question is directed to the Minister of Transport.

I had the pleasure of going to Washington, as part of an interparliamentary exchange, to examine the impact of air transport deregulation with the U.S. parties concerned. They were unanimous in saying that it had been a very positive experience, except where safety was concerned.

Mr. Speaker, my question is: Could the Minister inform the House whether safety will be a special concern when this sector is deregulated in Canada?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the document entitled *Freedom to Move* clearly points out that safety is the number one priority of the Transport Department. Second, the paper proposes that in the process of regulatory reform the Government will not permit

or propose any diminution of safety as a result. In fact, it is quite the opposite.

As a fall-out from the Dubin Inquiry, steps have been taken to beef up the safety standards by passage of the Aeronautics Act and the Canada Shipping Act, another piece of legislation that will enhance safety in the marine sector. Further, the promulgation of the transportation of dangerous goods provisions last July was a further manifestation of the high priority the Government places on safety. Finally, the federal Government and the provinces have agreed to work toward developing a national safety code for the trucking industry, so I think that that is clear evidence.

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## THE ADMINISTRATION

REQUEST FOR RESIGNATION OF DEPUTY PRIME MINISTER

**Mr. Neil Young (Beaches):** Mr. Speaker, my question is directed to the Prime Minister. Earlier today the Deputy Prime Minister said that what had happened was an accidental crossing of wires. I have a copy of the transcript in question in my hand so would the Prime Minister not agree that the words used were:

There was a method by which we knew every Wednesday what was said in the Liberal caucus word for bloody word.

Would the Prime Minister not agree that there has been enough doubt raised by what the Deputy Prime Minister said earlier and what the transcript indicates to ask the Deputy Prime Minister to step aside until the Prime Minister investigates—

**Mr. Speaker:** Order. Order, please. I already indicated that questions that had been put on this matter would not be allowed to be repeated.

**Mr. Young:** Supplementary, Mr. Speaker? Come on!

**Mr. Speaker:** The Hon. Member for Hamilton East.

INQUIRY OF THE PRIME MINISTER

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Prime Minister. Given the already high degree of public cynicism that exists with respect to politicians, does the Prime Minister not recognize that his failure to take any action on this absolute and total abuse of parliamentary privilege by his own Deputy Prime Minister and the man who was supposed to—

**Mr. Speaker:** Order, please. Order. The Hon. Member knows that she cannot say those things without being in violation of the orders of the House regarding casting aspersions on the character of another Member. Therefore, I will recognize the next Hon. Member.

**Ms. Copps:** Mr. Speaker, I have a supplementary question.

**Mr. Speaker:** Order, please. The Hon. Member for York East.

**Ms. Copps:** You're in step with the Government.

**Mr. Speaker:** Order, please. Now the Hon. Member is casting aspersions on the Chair.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order. I do not propose to do anything about it because I understand that tempers are high today, but Hon. Members must understand that the reason there are rules with regard to privilege and the casting of aspersions is to protect everyone in the House.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. Therefore, I think the Hon. Member, if she—

**Mr. Prud'homme:** He set the standard in 1963 and 1964.

**Mr. Speaker:** Order. The Hon. Member for Saint-Denis will please come to order. The Hon. Member for York East had the floor.

**Ms. Copps:** I had a supplementary question.

**Mr. Speaker:** Order, please. I have given the floor to the Hon. Member for York East.

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## ENERGY

PRICE OF OIL—STATEMENT ATTRIBUTED TO LEADER OF NEW DEMOCRATIC PARTY

**Mr. Alan Redway (York East):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I understand that today the Leader of the New Democratic Party, the Hon. Member for Oshawa, stated in Calgary that Canada needs a regulated price for oil to ensure that the industry gets enough revenue to allow development while assuring fair prices at the same time. Will the Minister advise the House if she agrees with this comment which appears to call for higher energy prices?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I was wondering why members of the NDP were so silent on the issue of gas pricing today. It shows what hypocrites they are, when in the House they talk about lower prices for consumers and—

**Mr. Speaker:** Order, please. I think, given today's context, I must ask the Hon. Minister to withdraw that.

**Miss Carney:** Mr. Speaker, I accede to your demand and I withdraw the word "hypocrite". I would ask if "two-faced" is acceptable.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The answer is no.

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## THE ADMINISTRATION

DEPUTY PRIME MINISTER—REQUEST FOR COMMITTEE REFERRAL

**Mr. Sergio Marchi (York West):** Mr. Speaker, I would like to ask a question of the Prime Minister. The integrity of the Government and Parliament is under a shadow. Would the Prime Minister concede that the Deputy Prime Minister should be tried by his own peers in front of the Committee on Privileges and Elections?

**Mr. McDermid:** Lay a charge!

**Mr. Marchi:** Will the Prime Minister concede to Parliament, in the spirit of civility and parliamentary reform, that the admissions of guilt be investigated by his peers in this House—

**Mr. Speaker:** Order. Order, please. First, that question has been asked. Second, the Hon. Member knows that there is a route through which he may request the consent of the House with regard to a matter going to the committee.

**Mr. Marchi:** Supplementary, Mr. Speaker.

**Mr. Speaker:** Order, please. Does the Hon. Member have a question on a different matter, or a different question on this matter?

**Mr. Marchi:** Mr. Speaker, I would simply like to ask the Prime Minister if he has the courage to rise in his place and send this matter to a committee of Parliament so that parliamentarians—

**Mr. Speaker:** Order, please.

**Mr. Marchi:** Well, Mr. Speaker, what the hell are we here for?

● (1500)

**Mr. Speaker:** Order, please.

**An Hon. Member:** What's wrong with that?

**Mr. Speaker:** Order, please. First, it is the same question.

**Ms. Copps:** It's a different question!

**Mr. Speaker:** Order, please. Second, the Hon. Member knows that questions of privilege are not the responsibility of the Government; they are the responsibility of the House. A question with regard to that matter is not a matter of ministerial accountability and is therefore out of order.

Presenting Reports from Standing—

**Ms. Copps:** Double-talk from the Speaker's Chair!

*Point of Order—Mr. Gauthier*

**Mr. Speaker:** The Hon. Member from Hamilton East (Ms. Copps) will withdraw that comment.

**Ms. Copps:** I withdraw.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, January 29, 1985, meet the requirements of the Standing Orders as to form.

On a point of order, the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

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## POINT OF ORDER

CONFIDENTIALITY OF CAUCUS MEETINGS—ASSURANCES SOUGHT FROM MR. SPEAKER

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I rise on a point of order. Like many people in the House, I would like to raise a point—

**Mr. Speaker:** I regret to interrupt the Hon. Member for Ottawa-Vanier. I will wait until the House quietens and clears. Those who wish to leave, please do. There will be a few minutes, I suspect, on this matter.

The Hon. Member for Ottawa-Vanier.

**Mr. Gauthier:** As you know, Mr. Speaker, I occupy the position of Whip in my Party. There are others in other Parties who do the same thing. One of the basic obligations I have as Whip is to ensure that our deliberations, the workings of this caucus, are restricted to this caucus. I want an assurance from you, Mr. Speaker—because I cannot ask the Government the question—that our deliberations as a caucus in this parliamentary precinct are indeed not being interferred with, intervened in, or, for that matter, listened to by anybody else but the ones to whom they are directed, that is, members of my caucus.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member raises an important matter, one which I think all three Parties have taken seriously. Whenever a Party has asked the Speaker to have offices or caucus rooms checked, or swept, we have, of course, done so immediately. I received that type of request this morning from the Chairman of the Liberal Caucus. My instructions to the Sergeant-at-Arms were that that request be acceded to immediately, and steps have been taken to make sure that that was done. The Chair is happy to do that for any caucus at any time.

May I say to the Hon. Member this. Nobody can give the Hon. Member the assurance that somebody standing outside this building in some way, with electronic eavesdropping

equipment, cannot do that. What I can assure the Hon. Member is that whenever the Chair or the Sergeant-at-Arms receives a complaint, or a concern, it is acted on as quickly as in humanly possible.

**Mr. Nunziata:** On a quesiton of privilege, Mr. Speaker.

**Miss Carney:** On a point of order, Mr. Speaker.

**Mr. Speaker:** On a question of privilege, the Hon. Member for York South-Weston (Mr. Nunziata).

**Miss Carney:** Point of order, Mr. Speaker.

**Mr. Speaker:** Order, please.

**Mr. Prud'homme:** On a point of order, Mr. Speaker.

**Mr. Speaker:** Order, please. I will deal with them in the order in which I have received them. The Hon. Member for York South-Weston is claiming privilege. Is the Hon. Member for Saint-Denis (Mr. Prud'homme) rising on the point of order which has already been raised?

**Mr. Prud'homme:** Yes, Mr. Speaker.

**Mr. Speaker:** Let us conclude this point of order I will then hear the question of privilege. The Hon. Member for Saint-Denis.

**Mr. Prud'homme:** Mr. Speaker, in order that we can try to have an intelligent debate in the days, I am sure, and maybe even the weeks to come, on this matter, would Your Honour consider it the duty of a Member—any Member—to inform the Chair immediately upon knowing, or upon receiving information to the fact, that rooms of caucus—

**Mr. Speaker:** Order, please. That is a different question. The Hon. Member indicated that he was rising on the same question. He is asking the Chair to give an opinion as to what the Chair believes is someone's duty. Clearly, the Chair cannot do that, and the Hon. Member knows that.

The Hon. Member for York South-Weston (Mr. Nunziata) on a question of privilege.

**Ms. Copps:** Mr. Speaker, I rise on a point of order on the same issue, if you wish to deal with them all at once.

**Mr. Speaker:** The point of order that was raised with me was with regard to checking the caucus rooms. Is the Hon. Member rising on the same point of order?

**Ms. Copps:** Mr. Speaker, the reason I am rising on this point of order is because some months ago I requested—in fact of the Speaker's Chair—that a sweep of my offices be done. I would like to point out to you, Mr. Speaker, the inadequacy of this procedure in that the night before my office was swept I received a telephone call advising me that the sweeping would take place the next evening. It would seem to me that if the House is truly intent on having a proper sweeping procedure, the Speaker, or the office of the Sergeant-at-Arms, would not advise by telephone that they were going to be doing a sweep of those telephones. I ask you, Mr. Speaker, in that regard that you consider the possibility of looking at this question in a more general way because I do not feel we are being protected.

**Mr. Speaker:** I welcome the Hon. Member's recommendations on our procedures. I will be happy to take them and discuss them with the Sergeant-at-Arms. She may, in fact, have a very valid point. At first reading, she may have.

The Hon. Member for York South-Weston (Mr. Nunziata) on a question of privilege.

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## PRIVILEGE

### INVESTIGATION BY MR. SPEAKER OF REPORTED REVELATION BY DEPUTY PRIME MINISTER

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, the Deputy Prime Minister has admitted that he had access to certain conversations which took place in a caucus meeting, or caucus meetings, of the Liberal caucus some time ago. He has admitted to the fact that he had access to and made use of—

**Mr. Clark (Yellowhead):** What privilege is being claimed?

**Mr. Nunziata:** —information that was illegally obtained.

I submit that the Deputy Prime Minister, who was then a Member of Parliament, had a duty. His duty was to report to the police, and to those in authority, including—

**Mr. Hnatyshyn:** Order!

**Mr. Speaker:** I am sorry to interrupt the Hon. Member. He knows our practices. Could he please tell me what point of privilege he is raising, as opposed to making the case, I presume he wants to make, should there be a question of privilege found and put before the House? Could he therefore tell me what the privilege is, please?

**Mr. Nunziata:** Mr. Speaker, I would ask, in view of the importance of this particular matter, that Your Honour conduct an investigation. I am suggesting that my privilege as an elected Member of Parliament has been affected by the revelation and the admission of the Deputy Prime Minister that conversations in a private meeting of caucus were intercepted.

**Mr. Hnatyshyn:** Order! That is wrong and you know it.

**Mr. Nunziata:** As a Member of Parliament, I am—

**Mr. Speaker:** Order please. I am in a dilemma. Hon. Members know that the Chair requires one hour's notice of an application for a question of privilege, except those arising directly out of Question Period, in the sense of what goes on in Question Period.

**Ms. Copps:** You wouldn't let us deal with the question.

**Mr. Speaker:** Hon. Members have been free at any time to submit to me one hour's notice of an intent to raise this matter as a question of privilege. I understand the dilemma the Hon. Member for York South-Weston is in. I am not entirely sure that it is really a matter arising out of the Question Period itself. That is my procedural problem.

Let me indicate to the Hon. Member that I will hear his question of privilege. I think the Hon. Member for York South-Weston has finished his presentation as to whether or not there is a *prima facie* case. Does anyone else wish to speak on the matter?

Before we hear from anyone else, may I interrupt for one minute? The Hon. Minister of Energy, Mines and Resources (Miss Carney) wishes to seek the floor on a point of order, I believe.

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## POINT OF ORDER

WITHDRAWAL OF TERM USED DURING QUESTION PERIOD

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Yes, I rise on a point of order, Mr. Speaker. I do not want to show disrespect for the House. Therefore, I will withdraw any phrasing which the Chair finds unacceptable.

**Some Hon. Members:** Hear, hear!

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## PRIVILEGE

INVESTIGATION BY MR. SPEAKER OF REPORTED REVELATION BY DEPUTY PRIME MINISTER

**Mr. Speaker:** The Hon. Member for York South-Weston has made a presentation claiming privilege arising out of the Question Period and the comments of the Deputy Prime Minister. Is there anything further on the matter? The Hon. President of the Privy Council (Mr. Hnatyshyn).

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I would like to put the matter into perspective.

**Mr. Benjamin:** Whose perspective?

**Mr. Hnatyshyn:** There have been references made to a transcript of statements made by the Deputy Prime Minister.

**Mr. Benjamin:** Remember Favreau.

**Mr. Hnatyshyn:** There has been a statement made on the floor of the House by the Deputy Prime Minister in which he denies the least suggestion of impropriety. I think that the parliamentary tradition—and we are looking at this matter from the parliamentary tradition—is to accept the words of an Hon. Member. Accordingly, quite apart from the fact that a Member's question of privilege has to do with the ability of that Member to carry on his or her responsibilities, which are somehow impeded by activities which restrict his or her ability to carry out those responsibilities, I can think of nothing that would be less relevant to that whole situation than allegations of a general nature with respect to what transpired a quarter of a century ago.

On the basis of whether or not there is a *prima facie* case with respect to a question of privilege, I suggest, with all due respect, that the Hon. Member has not put forward one scintilla of evidence, or one point in his submission, which would indicate that he in any way is being pervented from carrying on his responsibilities, in terms of the Question Period, or in terms of debate on the floor of the House of Commons.

• (1510)

**Mr. Nunziata:** I would like to move the appropriate motion, Mr. Speaker.

**Mr. Speaker:** The Hon. Member will understand there are some other matters to be dealt with.

**Ms. Copps:** Mr. Speaker, I, too, would like to speak in support of the Chair finding this a *prima facie* case of breach of privilege in light of the fact that parliamentary tradition, which dates back to before the history of this Confederation and this Parliament, states that Members of each respective Party must have the opportunity to get together in a caucus forum and debate issues of importance not only to their own caucus and to their Party but also to the country.

I feel that if I cannot be guaranteed the privacy of those deliberations, and if I cannot be guaranteed, through some action on the part of the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen), that in fact the insidious intercepting of the caucuses' private deliberations is not happening—we do not know, it happened in 1964 and in 1965 and it could be happening now—it will directly affect the contribution I make in my caucus and subsequently in parliamentary debate. So I feel it is—

**Mr. Speaker:** The Hon. Member for Hamilton East (Ms. Copps) will know full well that to argue that something could be happening today is not to raise a question of privilege.

Let me take one minute, if I may, and explain that I have not heard, arising out of the comments which have been made in Question Period, a *prima facie* question of privilege which was attempted to be made by the Hon. Member for York South-Weston (Mr. Nunziata). That does not prevent, as a matter of form, someone who believes there is a matter of privilege arising from some other event or article—if that is the case they wish to make—from giving me notice of that matter. But out of what has been presented to me, and coming from Question Period, I see no question of privilege.

**Mr. Nunziata:** Mr. Speaker, I have not been given the opportunity to present my case.

**Mr. Speaker:** The Hon. Member presented his case. He has already presented the case the wished the Speaker to consider, I take it.

**Mr. Nunziata:** I want to plead my case, Mr. Speaker.

**Mr. Speaker:** I asked the Hon. Member if he had completed his case and he said, yes. That is why I went to the next Hon. Member, with respect.

**Mr. Gauthier:** Mr. Speaker, may I just ask now, with all respect, that you possibly give us some time? I had to absent myself from the House for a few minutes and I came back because I heard you were going to rule on this question of privilege.

I find it a very important point when I ask you if you could assure me, and members of my caucus, that no one else but those to whom the words spoken in my caucus are directed are hearing those words. I accept the fact that you say that that is physically impossible for you to guarantee and, in your view, you have done the utmost to avoid that. But the question at hand is that there is now a sort of veil—

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** —an uncertainty in my—

**Mr. Hnatyshyn:** Come on.

**Mr. Speaker:** Order. I understand exactly the point the Hon. Member is going to make. I think he knows that.

**Mr. Deans:** How do you know it?

**Mr. Benjamin:** Let him say it.

**Mr. Speaker:** Order, please. I want to be very careful about where it is these things are being directed. May I say, for example, I have yet to receive from anyone a request that I look into the matter, other than the Hon. Member's request now that I look into the question of—I can say to the Hon. Member that I have done some checking this morning as to the existing systems. However, does the Hon. Member for Ottawa-Vanier (Mr. Gauthier) wish to make further representations?

**Mr. Gauthier:** You acknowledged that to me a few moments ago when you said that indeed you had received a request from the chairman of my caucus. I made that request earlier of the Sergeant-at-Arms. But I am asking you as Speaker of the House, as a person elected by us and responsible for certain things, to look into this matter. I take it that one of the things you are responsible for is the integrity of the work we do here and in caucus. I am asking you, Mr. Speaker, to look into this matter, get a copy of this paper and see if you can tell me, and Hon. Members of the House, that at this time you do not know of any existing case where such a thing would happen.

**Mr. Speaker:** What I tried to indicate to the Hon. Member earlier is that I have already undertaken some of those investigations and I am satisfied. I have reviewed our procedures. I did this some months ago. I am satisfied that everything that can be humanly done to prevent any such leak of information coming out of any caucus room is being done.

I am also satisfied, as I indicated before, that the systems which were in place 20, 25, 30 and even 15 years ago were not adequate to enable one to make that claim. The Hon. Member knows that. I have said that many times.

I am prepared to go back and look again to make sure that our systems are adequate, but I can give the Hon. Member the assurance that both the Speakers before me met regularly with the Sergeant-at-Arms as does this Speaker. We have developed plans to try to cope with these situations, and anything that can humanly be done that we know of, we are doing.

Therefore, I can only say to the Hon. Member that there is no way in the world that I can imagine, or that I know of, that we have not tried to ensure that these things do not leak.

**Mr. Gauthier:** May I make one last point?

**Mr. Speaker:** On a point of order?

**Mr. Gauthier:** On the same point of order. I understand what you are telling me, and I understand exactly where you stand in this matter of modernizing the system. I know it has been done in this building, but I also know that there is a lot of work still to be done in the other buildings. And you know that, Mr. Speaker. So I am asking you to give me the assurance that indeed that work will continue to be done so that we can avoid having situations which existed in prior years. That is what I am asking you.

**Mr. Speaker:** I undertake to give the Hon. Member absolutely the assurance he seeks.

**Mr. de Corneille:** Point of order.

**Mr. Speaker:** Are these different points of order, not on this matter? The Hon. Member for Eglinton-Lawrence (Mr. de Corneille) rose first, I believe.

* * *

## POINTS OF ORDER

### POSITION OF PRIME MINISTER RESPECTING CONFIDENTIALITY OF CAUCUS MEETINGS

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, my concern arises out of the Question Period. It concerns my privileges and, for that matter, the privileges of all Hon. Members of the House of Commons. It arises out the remarks of the Prime Minister (Mr. Mulroney) himself. The Prime Minister did not agree to the question as to whether it is proper for Hon. Members of this House of Commons to have access to or listen to what is being said in a caucus. In view of his lack of concern in this matter, I feel—

**Mr. Clark (Yellowhead):** Order.

**An Hon. Member:** Smarten up, eh?

**Mr. Speaker:** Order, please. The Hon. Member will know that he is in fact disputing an opinion of another Hon. Member. It would be very difficult for the opinion of another Hon. Member of this House to constitute the basis of a Question of Privilege.

REASON FOR DENIAL BY MR. SPEAKER OF SUPPLEMENTARY QUESTION

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, as in all situations, I certainly will abide by your rulings, whatever they may be and however one may feel at the end of the day. But I guess I rise to ask you—and I ask this sincerely—as the Speaker elected by all Hon. Members of Parliament, if you would, for me and for my caucus colleagues, explain why you ruled out of order questions I had posed to the Right Hon. Prime Minister (Mr. Mulroney) regarding the conduct and behaviour of a certain Minister within the Government, which we believe reflects, rightly or wrongly—allow me to conclude—on the integrity and the ability of that particular Minister to carry on his responsibilities—

**Mr. Hnatyshyn:** Order.

**Mr. Dingwall:** —in view of the guidelines which have been set down by the Prime Minister—

**Mr. Hnatyshyn:** Order.

**Mr. Dingwall:** —in view of the comments and statements made by the Prime Minister.

**Mr. Hnatyshyn:** Order.

**Mr. Dingwall:** Could you comment on that?

**Mr. Speaker:** The Hon. Member is in fact making a speech.

**Mr. Dingwall:** Mr. Speaker—

**Mr. Speaker:** The Hon. Member is verging on making a speech. He knows that is why I was trying to get him to be brief. In order to be as clear as I possibly can, perhaps I will just quote Standing Order 40:

No Member shall speak disrespectfully of the Sovereign, nor of any of the Royal Family, nor of the Governor General or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote of the House,—

In other words, the Hon. Member may wish to ask the question which was asked with regard to the confidence of the Prime Minister in another Minister. That question was asked by Hon. Members. But in asking that question, no aspersions may be cast upon the character of the Minister involved. If the Hon. Member believes he wishes to do something further along that line, I think he knows our historical practices with regard to the tabling of motions.

The Hon. Member sought clarification, and that is all I can give him.

**Mr. Dingwall:** I understand your desire, Mr. Speaker, and the expediency with which you want to deal with all these matters of points of order and questions of privilege, but I ask you, respectfully, after reading that particular rule—

**Mr. Hnatyshyn:** Order.

**Mr. Dingwall:** —that you have just read, would you be prepared to review my question and indicate to me the offensive language which was used, specifically, in accordance with that particular rule? I wonder if you would be kind enough to do that because, as you have now stated it, I find your ruling to be more confusing than the first.

• (1520)

**Some Hon. Members:** Order!

**Mr. Lewis:** Reflection on the Chair.

**Mr. Speaker:** The Hon. Member knows he is making a reflection on the Chair and I am sure he will want to withdraw it. However, I am not going to pursue that right now.

I would be happy to check the "blues". As the Hon. Member will know, I do not have written questions in front of me, I only have what I hear. What I heard was the Hon. Member making an assertion that the Deputy Prime Minister (Mr. Nielsen) had at one point bugged the Liberal caucus. That is precisely what I heard in his preamble. I take that as an aspersion on character. Therefore I asked the Hon. Member to withdraw.

Order, please. Let me make it as clear as I can because I have a feeling we are going to go through this again. If the Hon. Member wants to make an accusation regarding the character of another Member, it is improper to do that through a preamble to a question. In our practices it is only proper to do that through a specific charge in a substantive motion laid on the Table.

**Mr. de Corneille:** Point of order, Mr. Speaker.

**Mr. Speaker:** Order, please. Anyone who wishes to make further representations with regard to these matters knows the proper route is to do it in Chambers or outside the House.

Order, please. I have yet to hear a point of order. Is the Hon. Member rising on a different point of order? Then the Hon. Member will resume his seat, please. He will not keep getting up on the same point of order.

CONFIDENTIALITY OF CAUCUS MEETINGS—ASSURANCES SOUGHT FROM MR. SPEAKER

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, I would ask you to kindly tell us whether you will, in light of these rather disturbing threats to the environment of this House of Commons—

**Mr. Hnatyshyn:** Order. What disturbances to the environment of this House?

**Mr. de Corneille:** —indicate what you can do and intend to do to bring some kind of assurance to us as to—

**Mr. Speaker:** Order, please. I thought I had already answered that question.

**Mr. Hnatyshyn:** Exactly right. Three times.

**Mr. Speaker:** Order. I cannot say more than that we do everything humanly possible to make sure that no such events could occur again.

REPORTED REVELATIONS BY DEPUTY PRIME MINISTER

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I rise on a question of privilege concerning what took place today. The Prime Minister (Mr. Mulroney) said that whatever took place 22 or 23 years ago, it was important today, just as it was then—

**Mr. Hnatyshyn:** Don't put words in his mouth.

**Mr. Rodriguez:** If what is alleged took place, it was as wrong then as it is today. I suggest that there is *prima facie* evidence in the actual recorded statements of the Deputy Prime Minister (Mr. Nielsen) that the conversations in the Liberal caucus—

**Mr. Speaker:** Order, please. The Hon. Member is not making a case arising out of Question Period. He is making a case out of the entire subject. I am not going to rule one way or another right now but I am going to remind him of his obligation to give me that case in writing. That is not to prejudge his case.

**Mr. de Corneille:** That was the subject of the whole Question Period.

**Mr. Speaker:** The subject of Question Period was ministerial accountability.

**Mr. de Corneille:** Right, that is what he is talking about.

**Mr. Speaker:** No, he is talking about a different matter. That is the point I am trying to make.

**Mr. Benjamin:** We would like them to account for all of this.

**Ms. Copps:** Point of order, Mr. Speaker.

REASON FOR DENIAL BY MR. SPEAKER OF MOTION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, according to Standing Order 56:

> Whenever the Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, the Speaker shall apprise the House thereof immediately, before putting the question thereon, and quote the Standing Order or authority applicable to the case.

During Question Period there was a motion to have this whole issue moved to the Standing Committee on Privileges and Elections by the Hon. Member for Cochrane-Superior (Mr. Penner). That motion was denied. Can the Speaker cite the appropriate Standing Order under which he acted?

**Mr. Hnatyshyn:** The procedural expert who does not know what a motion is.

**Mr. Speaker:** Let me say it one more time, and this is the last time I will say this. A question to the Prime Minister (Mr. Mulroney) with regard to whether the Government is prepared to consider a motion may be a House Business question but it is not a matter of ministerial accountability. The Hon. Member knows as well that a motion cannot be put during Question Period. I did not rule out her question on the basis that she was attempting to put a motion—

**Ms. Copps:** I was asking about the question of the Hon. Member for Cochrane-Superior (Mr. Penner).

**Mr. Hnatyshyn:** There was no motion.

**Mr. Speaker:** The Hon. Member for Cochrane-Superior (Mr. Penner) asked a question. If I remember, it was the first time a question with regard to that matter was raised. Someone answered it. I allowed the answer because it was the first time that that specific question had been put. I do not know what point—

**Mr. Marchi:** Point of order.

**Mr. Speaker:** Order, please. No. Presenting reports from Standing and Special Committees.

**Mr. Marchi:** Point of order, Mr. Speaker.

**Mr. Speaker:** Order, please.

**Mr. Marchi:** Point of order.

**Mr. Speaker:** Order, please. The Hon. Member for York West (Mr. Marchi) will please resume his seat.

**Mr. Marchi:** I haven't made a point of order yet.

**Mr. Speaker:** Order, please. The Hon. Member for York West will please resume his seat.

**Mr. Marchi:** Will you allow me to state my point of order?

**Mr. Speaker:** The Hon. Member for York West will please resume his seat.

**Mr. Marchi:** If you are going to allow the—

**Mr. Speaker:** The Hon. Member will please resume his seat.

**Mr. Marchi:** Well, give me a point of order, Mr. Speaker.

**Mr. Guilbault (Saint-Jacques):** Stop that joke and recognize him!

**Mr. Speaker:** Order, please. I appreciate that Members feel strongly about this question of making representations but they are not raising points of order.

**Ms. Copps:** Then hear his point of order.

**Mr. Speaker:** Order, please. They are making representations.

**Mr. Rodriguez:** You have not heard him.

**Mr. Speaker:** What is the Hon. Member's point of order, briefly?

DENIAL BY MR. SPEAKER OF TWO QUESTIONS

**Mr. Sergio Marchi (York West):** Very briefly, Mr. Speaker, you mentioned that Question Period is a session for ministerial accountability. I wish to know why my two questions were refused of a prime ministerial accountability—

**Mr. Speaker:** That is not a point of order. If the Hon. Member wants to come and talk to me about it, please come and do so. It is not a point of order.

**Mr. Marchi:** Why do I have to talk to you in your office if I can't talk to you now?

**Mr. Speaker:** Order, please. Because it is not a point of order.

**Mr. Marchi:** You won't even—

**Mr. Towers:** Sit down!

**Mr. Speaker:** Order, please. The rules stipulate that the Speaker is entirely in charge of what can be put and what—order, please. Will the Hon. President of the Privy Council (Mr. Hnatyshyn) and the Hon. Member for York West (Mr. Marchi) please come to order?

**Mr. Marchi:** Mr. Speaker, for God's sake allow me to finish the point of order and then declare it out of order.

**Mr. Speaker:** Order, please. Will the Hon. Member for York West please resume his seat?

**Mr. Marchi:** When can we ask the question of the Prime Minister (Mr. Mulroney) about the integrity of his Government?

**Mr. Speaker:** Will the Hon. Member please resume his seat? The Hon. Member knows full well that the questions which can be put in Question Period are entirely within the discretion of the Chair.

**Mr. Marchi:** You are not allowing answers, Mr. Speaker, in this Chamber today, absolutely.

**Mr. Speaker:** The Hon. Member asked my opinion and I am prepared to give it to him. If he checks the rules he will find that the question of what is in order and what is not in order in Question Period is entirely at the discretion of the Chair.

**Mr. Marchi:** Would you allow me to finish, though?

**Mr. Speaker:** Order. Therefore, no question of order can be raised on whether a question is put or not. That is the point.

**Mr. Marchi:** But we have got to listen to you—

**Mr. Speaker:** Order, please.



**Mr. Marchi:** You can't even have the decency to allow a Member to finish his point of order.

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Order!

**Mr. Speaker:** Presenting reports from Standing and Special Committees. Tabling of documents. Statements by Ministers. Petitions.

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## ROUTINE PROCEEDINGS

[*Translation*]

### PETITIONS

POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, today it is again my duty to table in the House a petition from people in the Moncton area and in my riding, who are still very concerned about the uncertain fate of the CN shops in Moncton.

No assurances have been received from the Minister that jobs will be protected, and they are asking this House to use its influence to obtain guarantees from the Government regarding the jobs at the CN shops.

[*English*]

EFFECT ON PENSIONERS OF CHANGES TO UNEMPLOYMENT INSURANCE ACT

**Mr. Aurèle Gervais (Timmins-Chapleau):** Mr. Speaker, it is my duty to present a petition on behalf of 101 pensioners, former employees of Abitibi Price in Iroquois Falls, and 253 of their fellow employees in the plant. The petition deals with changes to the Unemployment Insurance Act as it affects pensioners. They ask that all changes affecting the receipt of unemployment insurance benefits be grandfathered. They ask that, in cases where a pension renders pensioners ineligible for benefits, they be relieved from paying premiums. As well, they ask the Government to set aside a special fund to entice people to take early retirement to make way for younger people.

FUNDING FOR THERAPEUTIC ABORTIONS

**Mr. Paul Gagnon (Calgary North):** Mr. Speaker, I have a petition signed by constituents of Calgary North who request that funding for therapeutic abortions be stopped and procurement of a miscarriage be a criminal offence.

• (1530)

**Mr. Speaker:** Prior to proceeding to Questions on the Order Paper, I should inform the House for the record that the Chair

was in receipt of an application under Standing Order 31 which has, however, been withdrawn.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, Question No. 500 will be answered today.

[*Text*]

CORRESPONDENCE FROM MR. ALBERT AULSEBROOK

Question No. 500—**Mr. Young:**

Did the office of the Minister of National Revenue receive letters dated (*a*) March 28, 1985 (*b*) September 16, 1985, with respect to a complaint made by Mr. Albert Aulsebrook to the office of the Hon. Member for Beaches and is it the intention of the Minister's office to respond to the letters and, if so, on what date?

**Hon. Elmer M. MacKay (Minister of National Revenue):** The records of this Department indicate that the office of the Minister did not receive the referenced letters.

Copies of this correspondence, provided by the Hon. Member's office, show that the issue relates to the Canada Post Corporation, which comes within the responsibility of the Minister of Consumer and Corporate Affairs.

[*Translation*]

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

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 19 (Mr. de Jong) (p. 10322).

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, until such time as an investigation is held into the bugging of the Liberal caucus, I move:

That this House do now adjourn.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

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

*And more than five Members having risen:*

**Mr. Speaker:** Call in the Members.

*And the division bells having rung:*

**Mr. Speaker:** It being six o'clock p.m., the proceedings on the motion before the House have lapsed and pursuant to Standing Order 9(1) the House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.01 p.m.

# HOUSE OF COMMONS

**Friday, January 31, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

### EXTERNAL AFFAIRS

SITUATION IN HAITI—SAFETY OF CANADIANS—RIGHTS OF HAITIANS

**Hon. Jean Chrétien (Saint-Maurice)**: According to news reports, Mr. Speaker, the Haitian Government was overthrown this morning and the former President for life has left his country for an unknown destination.

This incident comes on the heels of several weeks of disturbances and violence during which many people were killed. For the time being we have no idea who will lead the new Government, but we can already express the wish that the beginning of a new era in that country will spring from chaos.

Canada's Haitian nationals can attest to the repression and lack of respect for human rights which prevailed in their country of origin. They can also confirm the extensive poverty and misery which have been the bane of Haiti, a country where the unemployment rate hovers around 60 per cent and where three quarters of the people cannot even read.

Hopefully the Canadian Government will support the Haitian people in their quest for the most basic rights and will do its utmost to ensure the security of Canadians in Haiti, many of whom are working on development projects.

* * *

[*English*]

### LABOUR RELATIONS

CANADIAN IMPERIAL BANK OF COMMERCE—APPEAL AGAINST CONTRACT FOR EMPLOYEES

**Mr. Rod Murphy (Churchill)**: Mr. Speaker, it was with regret that I read the article in *The Globe and Mail* this morning which indicated that the Canadian Imperial Bank of Commerce intended to appeal the decision of the Canada Labour Relations Board with regard to granting Visa workers a first contract.

I regret the decision of the bank, recognizing it has the full legal right to do what it is doing, but it is another example of the banks, the Bank of Commerce in particular, doing everything they can possibly do to deny the rights of their workers. There has been case after case after case where the Canadian Labour Relations Board has ruled against the bank for intimidating its workers, for denying them basic justice, and for using management to intimidate workers when they have wanted to join a union.

Visa workers, who have been out on strike for many, many months, used their right to go to the Canada Relations Board to ask for a first contract, something which every person should be allowed to have, but the banks are fighting this request.

Considering the very dismal record of the Canadian Imperial Bank of Commerce, which has lost numerous cases in dealing with its workers, I think the House should be appalled and should express a very strong message of sadness, regret, and disgust with the behaviour of the bank.

* * *

### NATIVE PEOPLES

CONFERENCES AT FORTHCOMING NATIVE BUSINESS SUMMIT

**Mr. Allan Pietz (Welland)**: Mr. Speaker, in just a few short months the Native Business Summit will take place at the Metro Convention Centre in Toronto. To be held over five days in June, the summit will feature four separate business conferences aimed at building growth in major sectors of the native economy. This summit marks the first such endeavour aimed at exploring opportunities for the expansion and development of new markets for native business.

The summit is aimed at Canada's top business and Government executives. Each of the four conferences will focus on a major area of native business concern. On Monday and Tuesday, June 23 and June 24, separate conferences on housing and real estate development will be held concurrently. The final three days of the summit will be given over to the first ever International Congress on Native Finance and Trade.

The importance of technological development will be a major theme throughout the summit activities. The chronic problem of making native business more competitive, given geographical, technological and financial constraints, will be explored.

A number of major speakers are being invited to participate, and native business delegates are expected from the United States and other countries. Organizers are planning for over 1,500 delegates to be in attendance at both the conferences and the trade show.

*S.O. 22*

[*Translation*]

## THE ECONOMY

GOVERNMENT PERFORMANCE

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I think we should look at the Canadian economy in its proper perspective. The information produced last week by Statistics Canada clearly shows that our economic growth rate was nearly six per cent during the last three months of 1985.

[*English*]

Our gross domestic product rose .7 per cent in November, following a similar gain in October. It was the eighth consecutive month in which real output grew. The November gains were attributable to strong growth in construction, manufacturing, and trade. Capital goods industries experienced a great month as their output climbed 1.7 per cent. Manufacturers of machinery and equipment raised their output by 3.2 per cent. A surge in home building pushed construction growth up 2.7 per cent. "There is continuing strength everywhere in the domestic economy", indicated the Conference Board of Canada, and the board described these numbers as "absolutely fantastic".

[*Translation*]

The central theme of the Speech from the Throne in November 1984 was economic renewal. The Government is on the right track.

* * *

## YOUTH

REQUEST THAT GOVERNMENT REVERSE DECISION ON KATIMAVIK PROGRAM

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I rise in the House today to deplore the fact that the activities of the Katimavik program have been stopped.

Katimavik was the only program providing periods of training for young people between the ages of seventeen and twenty-one. These periods were an opportunity for them to think for themselves, to take on responsibilities, to turn their lives around and discover the values of solidarity and personal initiative.

I see the demise of Katimavik as a distressing example of the Conservative Government's anti-social concerns. There is a prevalence of economic concerns at the expense of socially-oriented considerations, and this is a part of its program the Conservative party failed to reveal to the Canadian people during the last election campaign.

It is ridiculous to consider Katimavik in terms of the cost and benefit to the Canadian people, in other words, in purely economic terms. Katimavik was, until yesterday, undergoing a scientific assessment by the Department of Secretary of State. We have not had a chance to see the results, and now the Conservative Government decides to end the program.

I believe the decision announced yesterday is unacceptable. As a result, many opportunities for young people who have no other alternative today than welfare and unemployment insurance have disappeared.

I therefore ask the Government to reverse this decision.

* * *

[*English*]

## CHILDREN

ESTABLISHMENT OF MISSING CHILDREN RESEARCH PROJECT

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, this week the Solicitor General (Mr. Beatty) announced a major missing children research project in my riding of Edmonton East as a first step in dealing with the serious problem of missing children. The project, in co-operation with the Edmonton police, will bring together community groups, Governments, and the private sector to improve methods of prevention and investigation for locating missing children.

Missing children is a serious problem of which we should all be aware. We should all be dedicated to finding new avenues to reunite these children with their parents. While it is recognized that the jurisdiction for this problem remains under provincial and local authority, the federal Government has committed itself to contributing to the solution.

We have established a central registry on missing children which will be linked to every police department in Canada. The Minister has proposed the establishment of a Canadian information centre on missing children for the exchange of information about effective programs and the co-ordination of efforts across Canada. The Government has also proposed a national missing children's day in recognition of this ongoing problem. We also have suggested a national conference at which experts can discuss better ways of responding to this national tragedy.

• (1110)

Mr. Speaker, the Solicitor General (Mr. Beatty) should be commended for his commitment to missing children in the quest to find effective measures to prevent this serious problem.

* * *

## INCOME TAX ACT

ACCOUNTANT'S CRITICISM OF WORDING

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, yesterday in Edmonton, and again on a CBC Radio interview this morning, Mr. David Devine, Chairman of the Public Affairs Committee of the Canadian Institute of Chartered Accountants, roundly condemned Canada's present Income Tax Act. In a notable display of professional objectivity, Mr. Devine

stated that the Income Tax Act "creates far too much work for chartered accountants" and, moreover, "fosters a climate of suspicion". The Income Tax Act is a crumbling ruin of a legislative instrument, a morass of verbiage, quagmire of confusion overlaid with the successive swampy layers of years of Liberal amendments which were inequitable, inefficient and, to a large degree, incomprehensible.

The Government must not allow this sad tradition to continue. It must seize the spirit of Tax Probe 86 and give Canada an Income Tax Act that even an ordinary lawyer or accountant can understand fully, and the ordinary taxpayer can believe is fair.

* * *

## THE ECONOMY

### RECORD REAL ESTATE SALES YEAR

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, the Canadian Real Estate Association reported yesterday that the real estate industry, helped by lower interest rates and an improving economy, had a record sales year in 1985.

Mr. Speaker, 1985 was the best year ever for the Canadian real estate industry, with 247,658 residential transactions. That is up 27.1 per cent from the year before, according to figures from the multiple listing service. Total sales, including residential, commercial and industrial properties and land, amounted to $280.3 million, an increase of $60 million. Sales were particularly strong in Halifax, Sudbury, Thunder Bay, Kitchener-Waterloo, and in Calgary.

In my home city of Calgary construction cranes, once a common site on the Calgary skyline but gone in recent years, are returning. Housing starts and prices are rising for the first time since 1981, and a growing shortage of top-drawer downtown office space is convincing developers to revive their projects.

The value of building permits issued last year was $478 million, 20 per cent more than the $400 million in 1984.

According to Ed Wernick, an independent Calgary analyst, renewed confidence in the oil patch has sparked a real estate recovery that is expected to continue for at least two years.

* * *

## CROWN CORPORATIONS

### SALE OF DE HAVILLAND TO BOEING CORPORATION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, today the Government is closing the deal to sell the de Havilland Aircraft Corporation to Boeing. It shows how proud the Government is of this transaction that the Minister responsible has left the country, the closing is taking place in secret at a law firm somewhere in the city of Toronto, whose identity the Government is refusing to reveal.



This is a tragedy today for Canada's economic sovereignty because in this closing Canada is losing a piece of its future. Now, I am not saying anything against Boeing. It is a competent, shrewd company that makes an excellent product, and it has made a very good deal. What I regret is that starting today a big part of the decision-making about the future of the aerospace industry of this country will be made in another country, the United States.

We had an opportunity with that company, with its worldwide reputation, with its excellent line of products, to continue to expand and become a healthy, competitive international company which could hold its own anywhere in the world. From the evidence that was made clear before the committee, the Government made no real effort to keep this company in Canadian hands. I am not a socialist and I am not against seeing the company sold. I am not anti-American—

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

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# ORAL QUESTION PERIOD

[*English*]

## THE ADMINISTRATION

### POSITION OF DEPUTY PRIME MINISTER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, we were advised by his office that the Prime Minister was to be here today and we have questions that we need to put to him affecting the Government, arising from the admission of the Deputy Prime Minister. I suppose I will put my questions to the Deputy Prime Minister but I do so with reluctance because only the Prime Minister can answer these questions. I would like him to convey to the Prime Minister that as a result of the—

**Mr. Chrétien:** Let's suspend it.

**Mr. Turner (Vancouver Quadra):** We are tempted to suspend Question Period, as a matter of fact, until the Prime Minister comes in. I will yield for the moment and ask the House Leader to contact the Prime Minister and get him here to face what we have to put to him.

**Mr. Speaker:** Order, please. I will be happy to recognize the Right Hon. Leader later on in Question Period if he rises again. I now recognize the Hon. Member for York South-Weston.

**Mr. Nunziata:** Mr. Speaker, I would like—I will defer to the Leader of the New Democratic Party.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Hon. Member for Oshawa will know that it is the practice—

**An Hon. Member:** Where are you hiding him?

**Mr. Speaker:** Order, please. I recognize the Hon. Member for Oshawa.

ACCESS TO LIBERAL CAUCUS DELIBERATIONS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I too am deeply disturbed to find that the Prime Minister is not here. I acknowledge that Hon. Members on the other side have made the point that, from time to time, all Hon. Members are absent, but under the present circumstances, and since I am informed that his office did say that the Prime Minister would be here on a profoundly important matter, all I can do is express the deep regret of the Opposition and the people of Canada on this point.

**Mr. Speaker:** Order, please.

**Mr. Broadbent:** I would like to ask a question of the Deputy Prime Minister since what is involved has everything to do with his present responsibilities as Deputy Prime Minister and as a member of the Privy Council. Considering that the Deputy Prime Minister has on record acknowledged that some years ago he had direct access to what was being said in the Liberal caucus and did so every Wednesday, and did not inform the Speaker at the time in order to have the alleged incorrect wiring corrected, and given that the Privy Coucillor's oath has everything to do with the character of the Member, does the Deputy Prime Minister think such activity is compatible with being a member of the Privy Council and the Cabinet of Canada?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, over the 28-plus years that I have been in this place, this matter has been raised with each successive Speaker, from Speaker Macnaughton through the Speaker Lamoureux, Speaker Jerome, Speaker Sauvé, and Speaker Francis. On each such occasion the Speaker dealt with any current concerns such as those that were raised yesterday and are being raised now by the Leader of the New Democratic Party. You, Sir, gave your assurance yesterday that measures were being taken to meet those concerns. In any event, Mr. Speaker, the matter is properly within your jurisdiction and not that of the Government.

OATH OF OFFICE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, that answer is totally unacceptable. The Deputy Prime Minister is a member of the Privy Council and knows what that oath entails. When he was asked to be a member of the Cabinet by the present Prime Minister and was sworn in, did the Prime Minister ask him if there was anything in his past in terms of activities as a Member of Parliament about which the Prime Minister should be told before the Deputy Prime Minister was sworn in as a member of the Privy Council?

• (1120)

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Of course he did, Mr. Speaker. That is the practice of any Prime Minister who is worth his salt. My response to the Prime Minister, when he asked me that question, was the same as it is to the Hon. Leader of the New Democratic Party, that is, I have never done anything illegal or improper in my life, except being convicted once for going through a stop sign.

MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my last supplementary question concerns the adjective "improper", which the Deputy Prime Minister has just used. Does he consider that a Member of Parliament, who would systematically listen in or obtain information on a regular basis about what other caucuses are doing, in a process which would now be deemed to be illegal—does he consider this was appropriate activity for a Member of Parliament and for a man who was to become Deputy Prime Minister, and for him not to inform the Prime Minister of Canada that he had done that? Is that the proper kind of thing for a Member of Parliament to do?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the innuendo and allegations made in the preamble of the question put by the Leader of the New Democratic Party are absolutely false. They are simply not true.

**Mr. Broadbent:** Innuendoes cannot be true or false.

REQUEST THAT DEPUTY PRIME MINISTER CONSULT PRIME MINISTER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I wish to ask the Deputy Prime Minister, in view of his admission of repeated and regular eavesdropping on the Liberal caucus—

**An Hon. Member:** Not true!

**Mr. Turner (Vancouver Quadra):** Yes, that admission was made—whether, over the weekend—because we cannot put the question to the Prime Minister today, but we will face him here on Monday—

**Mr. Gray (Windsor West):** One way or another!

**Mr. Turner (Vancouver Quadra):** —one way or another—

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** —he will discuss with the Prime Minister whether, in view of conduct that is considered by most fair-minded Canadians to be unethical—

**An Hon. Member:** Immoral!

**Mr. Turner (Vancouver Quadra):** —and which was later declared by Parliament to be illegal—in fact, a criminal sanction was put on it—

**Mr. Andre:** Never!

**Mr. Turner (Vancouver Quadra):** Yes, it was—conduct which affects the rights of every Member of this House and affects the privileges of this House, if he will discuss with the Prime Minister whether he should stay in the Government, because it goes right to the question of integrity and confidence in our national Government. That is my question.

**Some Hon. Members:** Hear, hear!

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker—

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** You're a pinch-hitter.

**Mr. Hnatyshyn:** —I think there has been some suggestion made by the Leader of the Opposition with respect to the Prime Minister.

**An Hon. Member:** Your Prime Minister is gutless!

**Mr. Hnatyshyn:** He knows full well that the Prime Minister has been on the floor of the House of Commons on a daily basis—

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** We do not comment with respect to absences of any Member of this House. However, I think it is important to understand that the Prime Minister has been here, and that yesterday he responded fully and frankly to every question—

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** —that was asked of him by Members of the Opposition.

**Mr. Frith:** If he has no better sense in the House than that, tell him to step down.

**Mr. Hnatyshyn:** I simply want to say to the Right Hon. Leader of the Opposition, with respect to the question he put, to understand that this matter took place over 25 years ago. The question is whether or not Members who somehow do—

**Ms. Copps:** Systematic eavesdropping!

**Mr. Hnatyshyn:** —to quote the Right Hon. Leader of the Opposition, something in an improper way, should be qualified for Cabinet.

**Mr. Gauthier:** Sit down!

**Mr. Caccia:** Answer the question.



**Mr. Hnatyshyn:** I ask the Right Hon. Leader of the Opposition, in a rhetorical manner, what about Privy Councillors who make public disclosure of confidential and secret documents, contrary to the Official Secrets Act, which was the case with his own members when they had a press conference with respect to cabinet confidences.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I want to suggest to the Hon. Government House Leader that some days are more important than others. My friend, the Hon. Member for Oshawa, came back from Vancouver to be here this morning, and I came in from Chicoutimi, because we consider this issue to be important—the Prime Minister does not!

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** And we are leaving until he comes back!

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Boo!

**Mr. Kilgour:** Babies!

**Ms. Copps:** Your Prime Minister is a coward!

**Mr. Gauthier:** What a bunch of cowards you guys are!

**Mr. McDermid:** Take your balls and go home!

[*Editor's Note: Whereupon all members of the Opposition withdrew.*]

**Mr. Speaker:** Question Period. Oral Questions. The Hon. Member for Calgary West?

**Mr. Hawkes:** No, Mr. Speaker.

**Mr. Speaker:** Oral Question Period. The Hon. Member for Kootenay—no?

Order, please. Question Period: Oral Questions.

* * *

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, January 30, 1986, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Victoria (Mr. McKinnon) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

*Point of Order—Mr. Deans*

## PRIVILEGE

PROCEDURE DURING ORAL QUESTION PERIOD

**Mr. John Nunziata (York South-Weston):** I have a question of privilege.

**Mr. Speaker:** The Hon. Member for York South-Weston (Mr. Nunziata) is seeking a question of privilege arising out of Question Period?

**Mr. Nunziata:** That is correct, Mr. Speaker. We, as Parliamentarians, are entitled to ask the Government of the day, including the Prime Minister (Mr. Mulroney) who heads that Government, questions which are relevant to the governing of this country. The Prime Minister gave an undertaking that he would be here today to answer questions arising out of the conduct of his Deputy Prime Minister (Mr. Nielsen).

I would submit to you, Your Honour, that my privileges as a Member of Parliament have been affected because I have not been able to put questions to the Government relating to the conduct of the Deputy Prime Minister who holds the second highest position in this Government. I would ask that you, Mr. Speaker, refer the whole matter of the conduct of the Deputy Prime Minister relating to his use of conversations arising out of a Liberal caucus meeting, or several Liberal caucus meetings, some time ago, to the Elections and Privileges Committee so that we will have an opportunity to ask proper and appropriate questions which go to the very root and core of this Parliament.

**Mr. Speaker:** The Hon. Member quite properly makes the point that he has the right in Question Period to ask questions of the Government, as do all Hon. Members of the Opposition. That, I take it, is exactly what we went through.

The Hon. Member may not know that the Government, at least in the system as we have it, is a collegial system of cabinet responsibility. In fact the Hon. Member is absolutely correct, that questions are put to the Government to be answered by the Government. That is what we have done.

I cannot see that there is a question of privilege involved in what the Hon. Member is saying. I have a feeling that what he has done is that he has mixed two possible questions of privilege, but I took it he was rising on the question of the availability of the Government to answer questions as his question of privilege, since that is what he began with. And since we have had questions put to the Government, and since the Government was here to answer questions, I do not see that there is a question of privilege.

* * *

## POINT OF ORDER

BUSINESS OF THE HOUSE

**Mr. Speaker:** The Hon. Member for Hamilton Mountain (Mr. Deans) on another point?

**Mr. Ian Deans (Hamilton Mountain):** Thank you, Mr. Speaker. I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That we proceed to Orders of the Day.

**Mr. Speaker:** Order, please. I wonder if the Hon. Member for Hamilton Mountain would mind letting me clarify for myself whether that motion is in order. In some cases such a motion is in order but I am not entirely clear whether it is in order on a point of order.

**Mr. Deans:** I did not rise on a point of order.

**Mr. Speaker:** I am sorry, then I should not have recognized you.

**Mr. Deans:** You recognized me.

**Mr. Speaker:** Order, please. I think that if the Hon. Member checks the "blues" he will find I recognized him on a point of order, assuming that is what he was rising on.

**Mr. Deans:** Mr. Speaker, if I may—

**Mr. Speaker:** May I express my dilemma to the Hon. Member for Hamilton Mountain?

**Mr. Deans:** You do your checking. Okay.

**Mr. Speaker:** Because I did recognize the Hon. Member on a point of order. If that is not what he was seeking, then I do not know on what basis I could have recognized him otherwise. May I check with the Clerk, please?

• (1130)

With respect, the Hon. Member for Hamilton Mountain will know that I had presented the Clerk of Petitions' Report and had received a notice of a question of privilege. I have heard it.

There is nothing before the House until I indicate that we are at the Presenting of Reports stage. Threfore I recognized the Hon. Member for Hamilton Mountain on a point of order because I assumed that was why he was rising. I cannot accept his motion under a point of order. There must be a substantive matter of something before the House for him to be recognized on other than a point of order. The Hon. Member is now rising on a point of order?

**Mr. Hnatyshyn:** You are rising on a point of order.

**Mr. Deans:** Since the Speaker was receiving petitions, as he says—I am only going by what I heard—then stopped to hear a question of privilege, it is not unreasonable to assume that what was before the House was temporarily stopped in order that a question of privilege could be heard. My rising was then on the matter which was before the House prior to the question of privilege being raised.

The question of privilege does not stop the proceedings, but interferes with the proceedings. In actual fact we are still dealing with the matter that was before the House because

that matter had not been terminated and I moved, quite properly so, that the House should now proceed to Orders of the Day.

**Mr. Speaker:** I appreciate the sincerity with which the Members puts his argument. Normally we end Question Period with my statement in regard to petitions that were introduced the day before. I rose simply to do that. There is not a proceeding before the House at that time until we get to some matter under Routine Procedures.

It has always been our custom to hear questions of privilege or points of order that Members may wish to raise arising out of Question Period before we do that. It is on that matter that I recognized the Hon. Member for York South-Weston (Mr. Nunziata).

The Hon. Member will know that normally other Members may have questions of privilege or points of order they wish to put at that time. Until we get to a matter, I cannot accept a motion, with respect.

I recognized the Hon. Member for Hamilton Mountain on a point of order, as is our custom, at that time. If he was not rising on a point of order, in fairness he should have informed me that I had improperly recognized him because I did specifically recognize him on a point of order. Therefore, since I gave the floor to the Member on a point of order, I cannot accept a motion as a result of the Chair recognizing him on a point of order.

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## ROUTINE PROCEEDINGS

[*English*]

**Mr. Speaker:** Presenting Reports from Standing and Special Committees. Tabling of Documents. Statements by Ministers. Petitions. Introduction of Bills. The Hon. Member for Scarborough Centre (Mrs. Browes) on a point of order.

**Mrs. Browes:** Mr. Speaker, I have a petition that I wish to present.

**Some Hon. Members:** No.

**Mr. Murphy:** It's too late.

**Mr. Speaker:** Order.

**Mr. Deans:** We passed that.

**Mr. Speaker:** The Hon. Member for Scarborough Centre seeks the unanimous consent of the House to revert to Petitions.

**Mr. Murphy:** Not today.

**Some Hon. Members:** No.



**Mr. Speaker:** Order, please. There not being such consent, introduction of Bills will continue. Introduction of Bills.

* * *

### QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, the following question will be answered today: No. 426.

[*Text*]

SIGNING OF PETITIONS BY ARMED FORCES PERSONNEL

Question No. 426—**Mr. Cassidy:**

Are there any regulations, legislation or administrative rules which prohibit or limit Canadian Armed Forces personnel in Canada from signing or sending petitions to Parliament and, if so (*a*) has the Government sought legal opinion as to whether such restrictions are constitutional under the Canadian Charter of Rights and Freedoms (*b*) are changes contemplated to such restrictions and, if so, what are they?

**Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):** Yes, Queen's Regulations and Orders for the Canadian Forces, Article 19.10 and Section 3 of Chapter 19 deal either generally or specifically with this matter.

(*a*) The regulations have been carefully considered in light of the Canadian Charter of Rights and Freedom.

(*b*) QR&O's and CFAO's are periodically reviewed in the light of changing government policy and legislation.

[*English*]

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

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Thursday, January 30, 1986, consideration of Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 19 (Mr. de Jong) p. 10322).

*Excise Tax Act*

**Mr. Speaker:** Resuming debate. The Hon. President of the Privy Council (Mr. Hnatyshyn).

**Mr. Deans:** A point of order.

**Mr. Speaker:** The Hon. Member for Hamilton Mountain on a point of order.

**Mr. Deans:** Mr. Speaker, I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That the Hon. Member for Churchill (Mr. Murphy) be now heard.

**Mr. Speaker:** That motion is indeed in order. In fairness, the House should know that I checked the record to find out who had spoken last. Various Members rose at the same time. I recognized the next Member in order of our normal sequence. It is perfectly in order to put that motion, given that a number of Members rose.

Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** No.

**Mr. Speaker:** The Hon. Member for Churchill.

**Mr. Gauthier:** We said no.

**Mr. Speaker:** I am sorry, I did not hear any Members say no. All those in favour of the motion please say yea.

**Some Hon. Members:** Yea.

**Mr. Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Speaker:** In my opinion, the yeas have it.

*And more than five Members having risen:*

**Mr. Speaker:** Call in the Members.

*And the division bells having rung:*

**Mr. Speaker:** It being five o'clock p.m., the proceedings on the motion before the House have lapsed and pursuant to Standing Order 9(1) the House stands adjourned until Monday next at eleven a.m.

The House adjourned at 5 p.m.

# HOUSE OF COMMONS

**Monday, February 3, 1986**

The House met at 11 a.m.

[*English*]

## THE HOUSE OF COMMONS

USE OF MACE CRAFTED AFTER FIRE OF 1916

**Mr. Speaker:** Prior to calling orders of the day, may I make the traditional announcement to the House that, in recognition of the seventieth anniversary of the fire which destroyed the Centre Block on this day in 1916, I would draw to the attention of Hon. Members the wooden replica of the mace on the Clerk's table. This mace was used for many years as a replacement for the original one destroyed by fire.

Prior to calling and reading of the order, I am in receipt, properly, of a request from the Deputy Prime Minister (Mr. Nielsen) to raise a question of privilege. The Deputy Prime Minister.

**Some Hon. Members:** Hear, hear!

* * *

## PRIVILEGE

POSITION OF DEPUTY PRIME MINISTER

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, as you know, the proceedings last Friday terminated early. Over the weekend I had the opportunity of reflecting on the "blues" and this being the first opportunity that is available to me, I would like to say a few things that concern the various questions that have been raised in the House on matters which transpired almost a quarter of a century ago, here, in these buildings of Parliament.

As I indicated to Members on Thursday of last week, the substance of the article in that day's *Star* has been a matter of public record at least since 1976 when in his book, Peter Stursberg, quoted substantially from the interview I gave him in 1973.

**Mr. Deans:** This is a statement.

**Mr. Nielsen:** The full transcript and tape of that interview have been public since January 1, 1981.

Members will also be aware that in an article in *Saturday Night* in January of last year, statements similar to those made over a decade ago appeared. It is true that as a matter of happenstance I was able—

**Mr. Prud'homme:** Mr. Speaker—

**Mr. Speaker:** Order. With respect, the Deputy Prime Minister can hear what is beginning. I think he knows that I have been attempting in the past to be quite strict about requiring that the question of privilege which is raised be presented in its procedural form early in an argument with regard to questions of privilege.

**Mr. Nielsen:** It is true that as a matter of happenstance I was able as an opposition private Member to know what was said at meetings of the Liberal caucus. I say "happenstance" in that I did not initiate that opportunity. This took place during an intensely partisan period of parliamentary life during which Members on all sides were pursuing their responsibilities with a zeal that history will undoubtedly judge to have been excessively partisan and deeply regrettable. I have neither concealed nor denied the existence of this state of affairs. No one regrets more than I that events in this House of the past few days have likened themselves to the Parliament of the sixties. None of us who were in Parliament at that time, myself included—

**Mr. Althouse:** That is not a question of privilege.

**Mr. Speaker:** Order. I say, with great respect to the Deputy Prime Minister, that I think he is making a statement that is of deep and sincere importance to him, but I must ask him to come to the question of privilege, with respect.

**Mr. Nielsen:** I am in the middle of it now, or, coming very rapidly to it.

None of us who were in Parliament at that time, myself included, is proud of the excesses of that period. Indeed, I do not condone any invasion of a private Member's private conversation or caucus discussion, and Members are well aware of my views with respect to the Official Secrets Act and national security.

**Ms. Copps:** Order.

**Mr. Nielsen:** I offer these words because of my respect for Parliament. Hindsight and the passage of time have taught me that excesses of a quarter century ago ought not to be praised or repeated a quarter century later.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** Mr. Speaker, while the events of which I speak are long past, I apologize to those who believe that proprieties were violated 25 years ago by my conduct.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** My deeper regret is that in the past few days the attention of this House has recalled this period and in so doing has prevented the House from dealing with the more crucial issues which are and ought to be before us—

**Ms. Copps:** Oh, come on. Get off the editorializing. A bunch of cowards.

**Mr. Nielsen:** Job creation, parliamentary reform, international trade—these are the issues for which I would like this Parliament to be remembered. I pledge to you, Sir, and to all Hon. Members that I am determined that my contribution to this House and the people of Canada will be to move forward on these important issues and not to recall or indeed return Parliament to the partisan bondage of the sixties.

It is my hope that my reflections today can lead us all in this pursuit.

**Some Hon. Members:** Hear hear!

**Mr. Speaker:** There has been no question of privilege raised.

**Ms. Copps:** Well, why didn't you say that before?

**Some Hon. Members:** Oh, Sheila!

**Mr. Speaker:** Order, please. On a point of order, the Right Hon. Leader of the Opposition (Mr. Turner).

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, are you going to allow me, and perhaps the House Leader for the NDP, to respond to the statement?

**Some Hon. Members:** Agreed.

● (1110)

**Mr. Speaker:** Order, please. I think everybody will know that I want to treat this as fairly as possible. I think, in fact, what we have heard is not a question of privilege but a statement by the Minister. I therefore propose to hear the Right Hon. Leader of the Opposition (Mr. Turner), I take it for his Party, and the Hon. Member for Hamilton Mountain (Mr. Deans) for his Party.

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, we will, of course, want to analyse the words of the Deputy Prime Minister clearly to ascertain from those words whether that constitutes an apology. I want to draw to his attention, that the Prime Minister (Mr. Mulroney) and to the House, the fact that we find great difficulty in accepting the description of what the Deputy Prime Minister (Mr. Nielsen) termed happenstance. It was clear from the tape, which is now in the public record, that the eavesdropping of the proceedings of the Liberal caucus was more than happenstance, whether or not it was initiated by the Deputy Prime Minister. His own words indicate that eavesdropping was repeated and regular. I just wish to recite to Your Honour the words that fell from the mouth of the Deputy Prime Minister as recorded in the tape. He said:

> From here on in, this part is not for current publication. You can keep it and stare at it but you cannot disclose it. There was a method by which we knew every Wednesday what was said in the Liberal caucus word for bloody word.

He went on later to say:

> I could scarcely believe what I was hearing and I was hearing every word that was spoken. He was speaking in French and I had the benefit of a translation service as well.

Later:

> It is verbatim because I heard every word in that caucus, every single word. There are others who heard because I had to have somebody around.

Now, Mr. Speaker, that is more than happenstance. That reflects a regular style of conduct, and one which in those days, 20 years ago, and today remains unethical, unparliamentary, and as I stated on Friday, Your Honour, it transgress and offends the rights and privileges of Members of this House.

Of course, since 1974 the Parliament of our country has attached a criminal sanction to that type of conduct, whether the contact is initiated or abetted. I suggest to the Deputy Prime Minister that, at best, he was participating and abetting in that style of conduct. He himself, in this House on another occasion, but on the same type of subject, on October 17, 1973, and it is found at page 6942 of Hansard, said this:

> I do not think it is enough that the House simply ordered the tape to be produced by the offender. The offence is serious enough to require the offender to come before the bar of the House and give an explanation of the whole affair.

This was the Deputy Prime Minister speaking when he was, and still is, the Member for Yukon. He went on to say:

> It is an extremely serious affair and one that should be considered very seriously by the Chair. My suggestion is that Your Honour consider the advisability of having the offender appear before the bar of the House to explain the origin of the idea, the manner in which he accomplished his objective and, indeed, all of the details of the rather sordid action.

If the action was sordid when the Member from the Yukon, as he then was, was attributing it to another Member, then it remains sordid today.

Whether it was 20 or 25 years ago, the relevance today is the relevance we tried to bring up on Thursday and Friday, Mr. Speaker, whether that type of conduct, considered to be, I think by most fair minded people in this country, unethical, to be unprofessional, and which today is illegal, can be tolerated or condoned by the Prime Minister by retaining the Deputy Prime Minister as the number two person in his Government.

That is not the way in which the Prime Minister has been treating the matter. In Halifax over the weekend he said that eavesdropping is only human. He likened it to passing an open door and listening to a conversation. That is not what happened. This was deliberate, repeated and regular conduct.

Then we have the Minister of Justice (Mr. Crosbie), of all people—he who has the custody of the administration of the laws of this country—saying over the weekend on CTV, "So as to whether I" the Minister of Justice, John Crosbie, "would listen, if by accident the opportunity arose today, to another Party's caucus or whatever, yes, I would".

**Some Hon. Members:** Shame! Shame!

**Mr. Speaker:** Order, please. The Right Hon. Leader of the Opposition (Mr. Turner) will know that there is an equal time tradition in regard to these matters. I would ask him to conclude.

**Mr. Turner (Vancouver Quadra):** I will bring it to a close in just a moment, Mr. Speaker, and I am conscious of what you are saying.

For the Minister of Justice, having the custody and having a fiduciary position towards Canadians for the proper administration of our laws, to condone and laugh, even laugh at this type of conduct, is something that goes beyond the scope of my particular imagination.

We will read and reflect very carefully upon what the Deputy Prime Minister has said, and I appreciate his bringing it up at an early opportunity. We will govern ourselves accordingly after we have had time to reflect upon what he said.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I might, at the outset, say that had the Deputy Prime Minister (Mr. Nielsen) sought the opportunity simply to make a statement rather than to rise on a point of privilege, I, for one—and I am sure I am speaking on behalf of my colleagues—would have been pleased to have had that opportunity made available.

I can appreciate that understanding is not always easy to come by. I can appreciate that those who might feel that they personally were offended will feel more strongly perhaps from that point of view over the issue of 25 years ago. I want to say, on behalf of my colleagues, that I accept the Deputy Prime Minister's recognition of the inappropriateness of the actions taken 25 years ago. I accept that the Deputy Prime Minister has indicated that not only does he deem that to have been inappropriate, but that he has taken steps over the intervening years to attempt to make sure that such a thing could not happen again.

I had hoped that that statement might have been made on Thursday last. It has caused a great deal of diffiulty for a number of people across this country, many of us in the House of Commons, having to come to grips with the defence that was offered at the end of last week. I seriously regret that this matter came to public attention at this point in the way that it did. I do, however, want to say that I share the concern of the Leader of the Official Opposition (Mr. Turner) over the statements attributed to, and I believe made by—since I saw them being said—the Minister of Justice (Mr. Crosbie). I consider that to be a very serious matter, and I would ask that at some point that be considered by the Prime Minister (Mr. Mulroney) in reviewing the events of the last few days. It is quite inappropriate for a Minister of Justice to indicate in any way, shape or form that he might break the law, which certainly could be the inference drawn from the statements made by the Attorney General, the Minister for Justice.

• (1120)

Let me say to the Deputy Prime Minister that the confidence of this House is vitally important. We can disagree on issues and how they can be solved. We can disagree on whether better things can be done with regard to unemployment, with regard to the level of the dollar or with regard to interest rates. Those disagreements are fair. But the one thing we can never allow ourselves to disagree over is the quality and standard of conduct that we expect from Members of Parliament, regardless of where and regardless of when, as it affects their public duties.

For that reason, and for no other, I felt compelled to involve myself in the discussion, distasteful though it was. But I am pleased, I must say—I see the Hon. Associate Minister of Defence (Mr. Andre) huffing and sniffing in the background as is his normal practice. I want to tell the Deputy Prime Minister, who knows me well, that I personally, and I think on behalf of all of my colleagues, accept that the matter as far as I am concerned has come to an end.

**Some Hon. Members:** Hear, hear!

* * *

## POINT OF ORDER

### DESIGNATION OF OPPOSITION DAYS

**Mr. Speaker:** I am in receipt of a request to raise a point of order from the Hon. Member for Windsor West (Mr. Gray).

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I want to raise a point of order about the method by which this opposition day was designated, and for that matter the way in which the opposition day was designated for tomorrow.

On Friday, approximately 30 minutes before what would have been the normal time of adjournment, a senior advisor of mine received a phone call from a senior advisor of the Government House Leader saying that the Government intended to designate Monday and Tuesday as opposition days.

I am also informed by the Hon. Member for Saint-Denis (Mr. Prud'homme), who happened to be in the House at that time—I believe he will be speaking as well with respect to this point of order—that he observed a letter being handed to the occupant of the Chair by a representative of the Government, that is to say, within a period of about half an hour before what would have been the time of adjournment.

Opposition days, I am told, were created about 17 years ago. For 17 years, ever since opposition days were added to our procedures, these allotted days have been designated orally in the House, and at least several hours notice has been given, not just a few minutes.

If the way in which, and I coming to a conclusion very shortly, Mr. Speaker, the Government proceeded on Friday is acceptable and continues, it means that it will be very difficult for the Opposition to consider in a proper and deliberate manner what it should do and how it should proceed with respect to the allotted day in question.

There is a time limit within which a motion has to be set down with respect to an allotted day on a Monday. The motion

has to be set down on a Friday, and if the Government continues to use the method that was used Friday, I submit that it really distorts the concept of opposition days. It does not make it possible for Opposition Parties to consider in an appropriate and deliberate manner the form and subject matter of the motion in question. In fact, especially if this procedure is followed on a Friday, it might be impossible for Opposition Members to learn of the matter in time to put down any motion at all.

I ask you to consider this submission, Mr. Speaker, namely, the manner in which the Government designated today and tomorrow as opposition days, as contrary to the rules and, therefore, that these days have not been properly designated for the purpose the Government intends.

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, I rise on the same point of order. I was here Friday afternoon, as you were most of the afternoon. At 4.37 p.m. exactly, the Hon. Government House Leader came into the House accompanied by the Associate Minister of National Defence (Mr. Andre), the Hon. Member for Calgary Centre.

As a student of the British parliamentary system for many years, I know that we often deliberate in this House by precedent. As the Hon. President of the Privy Council (Mr. Hnatyshyn) came into the House at 4.37 p.m. exactly—and you will remember, Mr. Speaker, that I looked very attentively at your eyes thinking that something was going to take place before five o'clock, the reason I stayed here all afternoon—would you inform this House if the precedent established Friday will be the conduct for the future?

If the rule now says that at any time up to ten to five o'clock or ten to six o'clock on any given day the President of the Privy Council can assign the following day or the following Monday or the next day as an opposition day, as the House Leader of my Party just said, it is evident that we will not be in a position to fulfil our mandate, that is, to be given plenty of time to prepare ourselves when an opposition day is given to my Party or, for that matter, to the third party, the New Democratic Party. I would like you, Mr. Speaker, to advise us as to what is proper now.

**Mr. Speaker:** Order, please. The Hon. Member is asking me to give advice as opposed to commenting on the validity of the point of order.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I will preface my remarks by indicating a couple of inaccuracies in the observations of the Hon. Member for Saint-Denis (Mr. Prud'homme).

In the first place, I was not accompanied by the Associate Minister of National Defence (Mr. Andre). I know he was in the House at the time, as was the Hon. Member for Saint-Denis. To suggest that I was accompanied by the Associate Minister is to suggest that I was accompanied by the Hon. Member from Saint-Denis. I would be glad to be accompanied by him, but I was not.

I think I should address the point that was raised, Mr. Speaker. I listened very carefully to the comments made by the House Leader for the Official Opposition. I suggest that I could not find a shred of evidence that there is a point of order in relation to the designation of today and tomorrow as the first and second allotted days in this supply period.

First, it is a matter of common knowledge that I was prevented by the Opposition on both Thursday and Friday from using the normal House hours to announce the business of the House of the coming week. As a result, I had no opportunity, because the bells were ringing, to make any announcement in the House. It was physically and procedurally impossible for me to do so. Indeed, it would not have been proper for you, Mr. Speaker, to have noticed me under the circumstances, even at the conclusion of the day, in order for me to stand up and announce the business.

Accordingly, when it became obvious that it would not be possible for me to do so, I informed both Opposition Parties' House Leaders by telephone, and Your Honour by letter, that these days would be opposition days. These actions were taken well before the end of the time provided for filing Notices of Motions.

With respect to the exact timing, Your Honour will know that letters and copies indicating the intention were delivered to your office in advance of personal delivery, which took place at or about 4.30 p.m. in the aftternoon. Prior to that members of my staff were in touch by telephone with the Hon. House Leader for the Opposition, as he points out. Opposition Parties were notified of our intention to designate those two days as allotted days.

Second, in spite of the fact that steps were taken by me advising all appropriate persons, and in spite of the fact that opposition Parties walked out of the House, it is clear that, in any event, the Official Opposition filed a motion for debate on this day. Therefore, that should speak to the reality that there was time to put in a motion on the environment which, I acknowledge, is an important topic of national interest.

• (1130)

Third, may I remind Your Honour of the fact that, pursuant to Standing Order 63(1), we have a continuing order for the consideration of the business of supply which enables Opposition Parties to file motions for consideration at any time prior to the time when that item of business is before the House. Indeed, Your Honour will recall that there have been a number of instances over the past years where Opposition Parties, including my Party when we were in opposition, tabled well in advance notices of motion with respect to our intended business with regard to any opposition day being designated by the Government of the day. Thus the practice of filing in advance of designation is well established.

Fourth, I would like to draw to the attention of the House two Standing Orders which give ample support to the actions which I took on Friday afternoon. Standing Order 23(2) provides as follows:

Government Orders shall be called and considered in such sequence as the Government determines.

If I may refer the House to the *Order Paper and Notices* for this day, the first item of business under "Government Orders" is the business of supply. It is clear that it is entirely at the discretion of the Government whether or not to call the business of supply. This power is not limited as to time. Nevertheless, our practice has been that the Government allot the days for the consideration of the business of supply at least 24 hours in advance of the actual day in order to give the Opposition the opportunity to lay down a motion within the required notice period. I have complied fully with that practice, which is not mentioned in Standing Order 63, or elsewhere in the Standing Orders.

May I underline that I was prevented from announcing in the House the days for the consideration of the business of supply by the actions of the Opposition, which now apparently complains of my procedure. In addition, I took all timely and reasonable measures to inform the Opposition of the Government's plan for the business of the House of Monday and Tuesday. As well, I fully complied with the provisions of Standing Orders 23(2) and 63 which govern our procedure in such instances.

Finally, if it is a question of allowing Members sufficient opportunity with respect to the item of debate on the floor of the House of Commons at any time, I simply point out that in tabling its motion the Official Opposition placed an embargo on that motion until it could be printed. By the same token, this action by the Official Opposition would put the majority of Members in a position in which they would not know the subject matter for which to prepare themselves in order to have a full and proper debate. In other words, there was an embargo placed on the subject matter. Of course, we are prepared to defend the position of our Government on a supply motion, but this matter does work both ways. I simply say to Your Honour that we have complied with the requirements with respect to designating allotted days. In this instance, the whole weekend was given for preparation for today's debate and, indeed, for tomorrow's debate.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I rise on a point of rectification. I have been in this place for some years. It is normal for the Government to make its announcements after Routine Proceedings have started, and not after Orders of the Day have been called. I remind the Government House Leader that his argument in telling us that he could not announce the business of the House because he did not have time is actually faulty and that it would not stand up to the traditions and customs of this place. He could have made his announcement before Orders of the Day had been called on both occasions. That is the normal manner for dealing with such matters.

**Mr. Hnatyshyn:** I thought we were going to do business on Friday.



**Mr. Speaker:** Hon. Members might have assumed that I spent this morning checking precedents. I had a feeling this question might come up.

I simply say to the Hon. Member that the letters of the rules of our House have been completely followed. Therefore, I must find that there is no point of order.

May I confirm for the record one matter of fact. Hon. Members claim that I was presented with a notice while I was in the Chair at 4:37 p.m. on Friday. I was not, in fact, presented with such a notice at that time. The notice was sent to my office shortly before. What was presented to the clerk at 4:37 p.m. on Friday was his copy of the letter to me which had been sent to my office.

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## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—THE ENVIRONMENT

**Hon. Chas. L. Caccia (Davenport)** moved:

That this House condemns the Government for its failure to recognize the importance attributed by Canadians to toxic chemicals in water and other elements of the environment.

He said: Mr. Speaker, in moving that this House condemn the Government for its failure to recognize the importance attributed by Canadians to toxic chemicals in water and other elements of the environment, on a suddenly called opposition day, I have to conclude that the Government gave us the clear impression of having lost its sense of direction late on a Friday afternoon. A major budget Bill was dropped at that time and we asked ourselves why. Some nine months after a May budget the Government has not yet passed the necessary Bills.

**Some Hon. Members:** Oh, oh!

**Mr. Caccia:** We in the Opposition have to conclude that the Government is losing control of its agenda if, in fact, it has an agenda at all.

Hon. Members may wonder: Why toxic chemicals today? The answer is that it is time to put on paper the record of this Government with respect to cuts, inaction, unfulfilled promises, neglect, contradictions and secrecy since it took power in September of 1984.

Hon. Members may also ask: Why toxic chemicals in relation to what goes on in the country? This is, of course, an important issue to Canadians since toxic chemicals ultimately mean our water, our health and our food. Toxic chemicals affect the lives of every Canadian, not only those in the present generation but those in future generations. Therefore, the debate on toxic chemicals is really a debate on health. It is really a debate on the economy. What we propose to talk about today is the interest of future generations in water

quality, which really means the interest of future generations in health, in the quality of the products which we consume and will be consuming, the cost of production where water is essential, and the cost of consumption as well in every household.

Scientists are telling us that toxic contaminants represent the greatest immediate threat to the interest of future generations because of the time which is necessary to remove them from water through natural processes. That time is exceedingly long. We are also told by scientists that some actions of the present generation so degrade the quality of water that future generations will have less flexibility in using water. In some areas waters have become so polluted that certain uses such as for beaches, swimming and municipal water supplies are in danger or are even precluded. Scientists are also telling us that contamination of fish and the destruction of forms of plant and animal life is taking place.

Scientists are reporting persistent toxic contaminants in the Great Lakes and, inevitably, in the St. Lawrence Basin. What this means is that present generations may reap short-lived benefits from exploiting water as a sink for waste chemicals only to pass immense costs on to future generations. The interests of the future users of water must be protected in light of the scientific reports we continuously receive. We must have, therefore, a commitment to action and to specific programs by the Government.

• (1140)

We have two principles to guide us; first, the conservation of the quality of water for the next generation. It should be in the same condition, not worse than we received it from previous generations. Second, we must conserve our options. We must conserve the diversity of the natural resource base. In applying these two principles, there are two methods we can adopt and follow; first, the correction of present abuses which have led to the degradation of our water and, second, the prevention of similar processes from reoccurring in future.

But what is the record of the Government, this so-called Progressive Conservative Government which is neither progressive nor conservative in terms of the environment? There are specific questions to be asked as to what the Government is doing about the Niagara River and what are its long-term plans? How does it plan to protect the water and the health of future generations? If industry needs incentives to accelerate sewer separation procedures, proper monitoring and installation of modern equipment, and if municipalities are increasingly in need of help with sewer treatment and the rehabilitation of creeks, rivers and other water bodies, what does the Government plan to do about it in the second year of its mandate?

I will give a brief chronology of Government action beginning in October, 1984, when the first very important Niagara River Toxics Committee report was produced jointly by Canada and the United States. There has been silence on the recommendations contained in this report. One month later, in November, 1984, the Government shelved the Guelph Toxicology Centre. So far we have lost two valuable years in launching a centre of excellence which is badly needed in order to better understand what is happening in the environment as a result of the presence of toxic chemicals. The government also cut funds from the National Research Council. It cut an important secretariat which, among other tasks, had to deal with toxic contaminants. The Government cut the Canadian Wildlife Service by $3.8 million. What a shameful performance on an issue which is becoming more and more visible and a source of preoccupation to Canadians.

In March, 1985, the Government decided not to seek the annual amount of $2.5 million from Treasury Board to conduct research along the Niagara River. It replaced it with a $1 million fund per year with private institutions on any topic under the sun, thus the momentum on the Niagara River is lost. Two months later, in May 1985, the former Minister of the Environment finally looked into the matter, went to Washington to discuss the situation of our international river and promised a plan for full and speedy action along the Niagara River. In October 1985, the head of the Environment Protection Agency of the United States, Mr. Lee Thomas, came to Ottawa. There was a meeting but there were no statements, and no action forthcoming. The plan which was submitted by Mr. Thomas, which was public domain south of the border, was kept under wraps in Canada.

In December 1985, the Royal Society of Canada and the National Research Council of the United States jointly produced an important and substantial report which received front page coverage by the media, because of its significance. It was produced by funds from The Donner Foundation. Since then there has been silence; no action, no reply, nothing.

In January of this year we hear there were two vacancies filled on the International Joint Commission which, as you know, Mr. Speaker, deals with these matters virtually on a daily basis. These were two vacancies which had been unfilled for some 14 months. But unfortunately the Prime Minister (Mr. Mulroney) ignores a wealth of talent which is available and chooses to resurrect from the mausoleum of Tory "has-beens" two gentlemen, Mr. Fulton and Mr. Welch, whose familiarity with Great Lake issues match that of a cobra at the North Pole, to put it mildly.

What a disillusionment, Mr. Speaker, considering the talent which is available from non-government groups, from competent retired civil servants with long experience, and from other quarters. That was a real demonstration of the lack of understanding on the part of the Government as to the meaning and importance of having well equipped and prepared individuals working on the Canadian side.

Last week we received the second report on the St. Clair River. The Minister of the Environment (Mr. McMillan) described it to the media as the end of a saga and announced to the world that contaminents and toxic chemicals will be checked one day when we have a brand new Environmental Contaminants Act. How naive can one be to think that the daily operations of the industries, past and present, can be improved by legislation yet to be written, let alone passed?

First, the Minister distanced himself from his own scientists on the whole danger posed by toxic chemicals. Then a few weeks later in November, in order to regain ground, he described the situation of the St. Clair River as awesome and even chastised one of his backbenchers, the Member from Sarnia-Lambton (Mr. Jones), for not taking the matter seriously. Finally, with no reference to our obligation to the U.S. under the Great Lakes Water Quality Agreement, he drops this hot potato in the lap of the Ontario Government and invokes, as the remedy, the yet to be conceived Environmental Contaminants Act.

• (1150)

The Minister of the Environment reminds me of Bugs Bunny hopping from one issue to another and making promises which he hopes will be forgotten. He is good at describing problems. He is hopeless in implementing solutions. He is good at public relations, and slippery on substance.

I must refer back to the authors of this report on the Great Lakes who say, at page 117, I believe: "Political capabilities for correcting mistakes are inadequate". How accurate. This description, it seems to me, applies to the present Government which, with cuts in research, cuts in the establishment of centres of excellence on toxicity such as the Guelph centre, cuts in the Canadian Wildlife Service, with inaction on the Niagara River, with ineptness in appointments to fill vacancies on the International Joint Commission, and in passing the buck on the St. Clair River, is sending out a message, as it has in other cases in which it faced difficult issues, which reads: "If it is complex, if it requires forward-looking thinking, we cannot". When the going gets tough, Mr. Speaker, the Government gives up.

We must conclude that the Government basically has no confidence in itself. The Government seems to have no agenda, and not only on toxic chemicals. When it promises legislation on toxic chemicals it promises an initiative which it found already in the works when it took office. The Enrivonmental Contaminants Act will not clean up the St. Clair River. It will not clean up the Niagara River. The Government is dreaming in colour if it thinks that that can be achieved by invoking an Act yet to be passed.

The existing toxic chemicals in the river bed, Mr. Speaker, come from sewer outfalls, leaching from dump sites, and other existing and on-going sources of pollution which cannot be dealt with through the legislation which the Government intends to introduce because we are talking of the present and of the past. In addition, the St. Clair is an international river. The Government has an obligation under the Great Lakes Water Quality Agreement to clean up the situation. The Government has several instruments at its disposal. One, it could reinstate the two-year accelerated write-offs under the Income Tax Act. This is an important incentive to industry to get modern treatment equipment in place, separate sewers, modernize monitoring systems, and to ensure that the highest standards of waste treatment are applied. Two, it could offer a special program to municipalities such as Sarnia to provide financial assistance for the installation of equipment and facilities for the best possible treatment of residential, commercial, and industrial waste waters that pass through the municipal sewer system. It could create a super fund with interested provincial Governments to remove toxic waste from dumps and, therefore, remove the source of future problems at leaking dumps.

To restore the confidence of the people who live alongside the St. Clair River, the Minister must come up with a plan of action. He must move swiftly. He must protect the St. Clair River because it has a bearing on the clean-up of the mess along the Niagara River where we expect the Americans to do something for us. To rely on the Environmental Contaminants Act to clean up the present situation, as the Minister said on several occasions last week that he would, is not realistic.

Action to clean up past and present contamination will cost money. The Government will be tempted to use the deficit as an excuse for not acting. Mr. Speaker, if there is money to bail out the banks, how can there be no money to protect the health of this and future generations of Canadians? If there is money for national defence why not defend our health, the quality of our water, the economy of our future, and the well-being of future Canadians?

It is also important to put on record some observations as to where these toxic chemicals come from. They come from buried industrial waste, from daily operations in industry, from the use of chemicals in agriculture, from municipal waste, from chemical production, and from the waste of businesses such as dry cleaners, photographic establishments, and garages. In other words, they come from the daily activities in our cities and on our farms. In Ontario alone, about half a million tons of hazardous industrial wastes are disposed of improperly each year.

Where do these toxic chemicals go? They go into the soil and gradually, over time, into the ground water. They go into our creeks, rivers, and lakes, directly or indirectly. By way of evaporation of water containing toxic substances they go into the air, into the cloud system, and eventually, through rain, they precipitate and come back onto crops and the soil and, eventually, into our food. Over time, Mr. Speaker, these toxic substances become an integral part of the human body.

Therefore, the question that follows is whether we can do something and whether we are still in time.

**Mr. Deputy Speaker:** Order, please. Could I ask the Hon. Member to conclude his speech?

**Mr. Caccia:** Mr. Speaker, I will seek your permission to accelerate. The answer to that question, Mr. Speaker, could be a positive one if we see the problem not only as an environmental one, but as a threat to our economy and our health. You will ask, why the economy? Contaminated water eventually means cost of filtration and cost of treatment of water. Contaminated food eventually means costs in health care and the economic cost, if not borne by this generation, could be immense for the next.

The question that follows that is—

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the Hon. Member, but his time has expired. Is there unanimous consent to allow the Member to continue his speech for a couple of minutes?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** There is not. Therefore, we will proceed with the period for questions and comments.

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. There was a statement that did take some 20 minutes of our time and we usually add that time to the daily deliberations of the House. Since this is our day, could you take it under consideration that we add the extra 20 or 21 minutes to the day?

• (1200)

**Mr. Deputy Speaker:** I will take the matter under consideration and make a ruling later today. Questions or comments?

**Mr. Gurbin:** I appreciate some of the comments by the Hon. Member for Davenport (Mr. Caccia) and we are very grateful to be able to have this debate in the House today so that we can discuss a very important issue of concern to Canadians. This question deserves our attention and we want to consider it very seriously.

I am sure the Hon. Member will appreciate that I have some difficulty with many of his comments. While I would not accuse him of playing politics with the matter, he quite understandably was taking advantage of this debate to attract the kind of attention he might not otherwise get.

My first question relates to the accuracy, consistency and reliability of his comments with respect to his motion on the environment and the toxic chemicals about which we are all concerned. The Member alluded to the comments of the Minister of the Environment (Mr. McMillan) with respect to the ability of the Environmental Contaminants Act to clean up the problem that exists in Canadian waterways and the Great Lakes in particular. I suggest it is clear that the Minister of the Environment has never said that that is the only tool at his disposal.

The Hon. Member himself indicated that many of the substances with which we are dealing are almost indestructible and for some time have found their way into human fatty tissue. Chemicals such as PCBs and dioxin in our waterways are particularly difficult to destroy. Most important, these chemicals are bio-concentrated which means that they are building up in our life systems in such things as fish and vegetation in the waterways. This is a long-term problem that has evolved over many years.

The Minister of the Environment has said very clearly that the amendments to be proposed to the Environmental Contaminants Act—

[*Translation*]

**Mr. Deputy Speaker:** Order. The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

**Mr. Gauthier:** Mr. Speaker, in my opinion, the ten-minute period for questions and comments should be strictly adhered to, and both questions and comments should be brief, so that the Member has time to answer.

This Hon. Member is making a speech!

[*English*]

**Mr. Deputy Speaker:** The Hon. Member has already taken three minutes. I am sure that he is just about to conclude.

**Mr. Gurbin:** Mr. Speaker, I am trying to make sure that the Hon. Member for Davenport clearly understands my question. While he has one point of view, I want to make sure that he understands what the Minister has said to see if he does not agree.

I will attempt to be short in explaining the three critical points on which I would like the Hon. Member's comments. First, the Environmental Contaminants Act is long overdue for amendment. It will address the preventive aspect by placing the onus on the industries to deal with the many chemicals. Second, the changes to the Act will allow for the monitoring of chemicals from their introduction to their destruction. Furthermore, we intend to work very closely with the Province of Ontario—

**Mr. Deputy Speaker:** I regret to inform the Hon. Member that we have already taken more than half of the question and comment period. I give the floor to the Hon. Member for Davenport (Mr. Caccia).

**Mr. Caccia:** Mr. Speaker, it is no wonder that the Hon. Member (Mr. Gurbin) finds it difficult to understand some of the environmental points that have been made. It is not the first time he has had such difficulty.

His first question concerned the reliability of the information. It is information that is contained in the 1985 Report on the Great Lakes Water Quality. It is information contained in the Niagara River Toxics Committee, published in October, 1984. It is information contained in the joint report by the Royal Society of Canada and the National Research Council in the United States of America, entitled "The Great Lakes Water Quality Agreement: An Evolving Instrument for Ecosystem Management", which was published in December, 1985. These are documents from which I quoted in my intervention. If that is not reliable information I do not know what it is. It also is the record.

The Government now has a foundation on which to build its action as a result of the content of these reports. In the spring of 1985 the Government promised to take swift action along the Niagara River by the fall of 1985. The Government has been silent and has not delivered. The Government has not commented on the U.S. proposal, put forward an alternative or had the guts to say that it is not happy with the proposal from

the Environmental Protection Agency in Washington. It is the question of such political activity that we are raising in the House today to illustrate the Government's lack of agenda on such an important matter.

I submit that when the Parliamentary Secretary speaks on this subject he would be better off to tell us the record of the Government and not simply comment on the Environmental Contaminants Act in the future. As I indicated, such a measure will not take care of the discharge and leaks of contaminants into our rivers. We must clean up the present mess and we must deal with industries which discharge their substances into the St. Clair River daily. Such action is necessary in order to show the Americans that we take our obligation under the Great Lakes Water Quality Agreement seriously with respect to the St. Clair River and we expect them to do the same along the Niagara.

These are the contemporary issues on the table. The question is not whether the information is reliable. What further information does the Parliamentary Secretary need before he is convinced that action must be taken?

**Mr. Deputy Speaker:** Questions and comments? If not, resuming debate.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, let me take this opportunity to extend to Members of the House and the Hon. Member for Davenport (Mr. Caccia) in particular the regret of the Minister of the Environment (Mr. McMillan) at not being able to be here today to participate in the debate. He is presently in Calgary announcing the Four Mountains Park Plan which provides guidelines for the management of four of Canada's greatest national treasures—Banff, Jasper, Yoho and Kootenay National Parks—over the next 15 years. The plan will ensure that the heritage resources in these parks are protected and preserved for future generations of Canadians.

On behalf of the Minister let me explain the Government's position on the environment and the Hon. Member's motion in particular. Before doing so, I found it rather interesting that the Member for Davenport thought that the debate should not take place today because there were important budgetary Bills that should be passed. I agree with him, but I find the argument which he puts forward to be a weak one, especially on behalf of the Liberal Party. On the one hand, if we look at budgetary legislation, they are the ones who have been blocking it, be it in the House or in committee. That is the first point to be made. To make it very specific let us look at the family allowance legislation which they passed. They started implementing a reduced family allowance benefit in January and got the legislation passed in December of that year. However, he lectured us on the fact that we should be getting these Bills through the House of Commons. I agree that we should get them through the House, and I agree with the British system in terms of the passage of budgetary Bills. In number of days after the Budget comes down they are passed, and the Opposition has that period of time within which to debate them. I agree with the Hon. Member, but I do not think he should use the argument both ways when he tries to make his point.

• (1210)

**Mr. Penner:** You were a great teacher when you were in the Opposition.

**Mr. Epp (Provencher):** I am pleased I now have their attention.

The other point which I should like to make is that the Government indicated that we should have a regular period of time in which the Budget comes down so that ordinary Canadians and the provincial Governments can plan. In fact, that will be done this year. It speaks exactly to the point raised by the Hon. Member. I know he is interested in the environment. I mean that sincerely, but I suggest that his memory about budgetary items is not only somewhat faulty but has been put into a time capsule. If he is a Liberal, I would suggest that he should open up his mind a bit.

I should like to speak specifically to the motion before us. Toxic chemicals which we now find in all parts of the environment are indications that we have been living with the benefits of a chemical society and often without addressing the risks associated with those benefits. This is not a new problem and it is not only an issue with which this Government has to deal. I think the Hon. Member, as a former Minister of the Enrivonment, would indicate that he made some strides but, in his more sanguine moments, I am sure he would also indicate that he did not make as much progress as he thought he might, or as he wished. I think all of us have to have a common front on some of these issues.

The problem has been with us since we started to depend upon chemicals for our lifestyle. Of course, it was accelerated after the last World War. There are warning symptoms of a very real problem facing countries as they learn to deal with both the benefits and the risks of living with chemicals. We live in a global chemical society. We plough chemicals into our fields, we release them into the air, we treat our food with them, we wear them, and we use them in thousands of products. Each day Canadians enjoy a quality of life enhanced but dependent upon the use of chemicals. Possibly life without chemicals has become virtually impossible, and I would suggest even unthinkable. It is important for us to put forward both these points of view in this debate.

The people involved in that industry and in that research have done much to enhance our quality of life. We often discuss chemicals in a negative light when we deal with important environmental issues, but their benefits to Canadians are high and immediate. However, short-term benefits are creating a long-term legacy of continuing problems which we all have to address. We must ensure that we do not make decisions today that will cause problems for tomorrow's generations. The St. Clair River, which Hon. Members have discussed in the House, makes that point clear.

Many of us are interested in various forms of energy such as atomic energy. I have a research lab in my own riding, and tremendous work is being done by the men and women there.

The ability of a society in the western world to move forward in a technological sense, whether it is with that form of energy or chemicals, seems to be limited only by the ability of the human mind. Sometimes we are restricted by finances, but the ability to move ahead is absolutely critical. However, often the ethical and moral questions do not keep pace with that advancement, or they seem to lag. It is not that many of us are uninterested in these issues, but those components are often left out of the manner in which we structure research and development. It is not that we wish to ignore them, but the other issue becomes so important that we forget about them. That is to our detriment, and I say it very sincerely. Our task as a society must be to ensure that the unavoidable impact upon our environment does not render it unproductive. We must not impair its ability to provide for our survival and the survival of future generations. As we all know, we need the environment for the food we grow, the forests we use, the water we drink, the air we breathe and so forth.

As a society we are now releasing enormous amounts of chemicals into the environment, both deliberately and inadvertently. This is not a new problem; this is not a new issue. However, it is one about which we are all concerned. Therefore, on behalf of the Minister of the Environment I should like to indicate that the Government is committed to action. We are working with the United States, with specific states such as New York, toward a permanent solution, for example, to the leaking of dump sites along the Niagara River. We are co-operating with a range of jurisdictions to reduce the loading of dioxins entering the environment from all sources. With our federal and provincial colleagues we are looking at better ways to manage pesticides.

Our point of view must be made strongly and must be made in various fora. However, it is important for us to keep in mind that technology is giving us the capacity to determine in the case of dioxins their presence. As recently as a year ago, we were unable to do that. I know the Minister of the Environment has tried to put into perspective, for example, the level of dioxins by putting it in terms of time, namely, one second as compared with 32 centuries. To put it another way and to give Hon. Members some clarification, a year ago in my Department we were measuring it in parts per billion. A year or two before we were measuring it in parts per million. This year we have the ability to measure it in parts per quadrillion. Consequently, because of the new sophistication in testing, we have been able to discover it.

I am simply saying that these points have to be put forward. Very often when society hears these things it becomes naturally and rightfully concerned. In order to solve the problem and to inform the public, these issues should be put in this context so that solutions can be found.

I know of the concerns expressed by some people. The Hon. Member for Windsor-Walkerville (Mr. McCurdy) knows about the public meeting which took place this weekend in the City of Windsor in respect of environmental issues. It was a further demonstration of the concerns of people regarding the issue which we are debating today.

As a Government and with the co-operation of industry, we have initiated a review of safety precautions and procedures at industrial sites across the country to avoid, for example, the terrible tragedy which we saw at Bhopal as well as other chemical accidents. I am pleased, on behalf of the Minister of the Environment, to notify the House that the Minister will be prepared to release that plan to Canadians when he returns to the House within a short period of time.

Also we have initiated an action plan with provincial Governments to eliminate PCBs from the Canadian environment. We are assisting in the clean-up of chemicals leaking from dumps, from land-filled sites and from storage facilities. The actions of the Government will reduce emissions from cars and light-duty trucks by 45 per cent over the next decade. These emissions not only affect the health of Canadians but, as we all know, contribute to acid rain. Nobody has been more active, Mr. Speaker, than the Member for Parry Sound-Muskoka (Mr. Darling) who is in the House today. Mr. Speaker, I see certain people, for instance, wearing buttons on their lapels saying stop acid rain. Well, I know one thing, the Member for Parry Sound-Muskoka doesn't carry around buttons, what he does is take action. He keeps on buttonholing Members of the Government, the Minister of the Environment and the Minister of Health. That is his job and he is doing it well. I think all of us we have to commend him for the work he has done.

• (1220)

Within six months this Government put in place a comprehensive federal-provincial program to reduce sulpher dioxide emissions by 50 per cent by 1994. We are acting to eliminate lead in gasoline, a very real danger to children. These are urgent problems that this Government is acting to solve. The Government is committed to solving permanently those problems that have plagued Canadians for so many years. Toxic chemicals are one of those problems which we are preparing permanent solutions to as, I have just outlined.

We are all aware of how costly environmental problems are, both in terms of public safety and in terms of financial commitment. The very fabric of our industrial economy is being affected by the enormous cost of dealing with our past approach to chemicals. For example, it cost Dow Chemicals close to $1.5 million to clean up the St. Clair River blobs, and we estimate that federal and provincial Governments spent approximately another $1 million more. These moneys, I think all of us would recognize, could have been more productively used in our economy, than for cleaning up after a problem has occurred.

The Government believes it is no longer adequate in Canada to deal with toxic chemicals after problems are detected. I know that is a human approach that will have to remain in place, but it is not enough. Our approach is two-pronged, first to clean up the problems that exist, as I've already demonstrated. Second, to prevent new ones from occurring. To be success-

ful we must prevent chemicals from entering the environment in the first place. We must use foresight and common sense and structure all of our activities to prevent chemicals leaking into the environment. Based on a firm foundation of scientific knowledge and research we must anticipate and prevent problems rather than just continue to react.

What Canadians need and deserve, and I think what they are asking this Government for, is a comprehensive management approach for toxic chemicals, an approach that manages chemicals through their life cycle in a manner that prevents chemical leakage into the environment. This will mean that at any point in the life of a chemical, from start to finish—whether it is introduction into trade and commerce or manufacturing or transportation—during its use or disposal, all participants who use and care for that chemical must act in a responsible manner to protect the environment and the health of Canadians. We must find ways to manufacture chemicals in this country which are not subject to failure, such as I have already mentioned. We need more efficient manufacturing processes that produce less waste or, better yet, use the waste of one industry as a resource for the other.

We must recognize that things could go astray, and we must act quickly when they do. I think our workers, our communities and our environment deserve to be protected with every ability that we have to offer. When workers and consumers like ourselves use chemicals we must be equipped with the best information to use them properly, dispose of them safely, to act in emergency situations, and to choose alternative products and practices.

Chemicals, as all of us know, must be transported and stored in a manner that eliminates leakage to the environment. The Minister of Transport (Mr. Mazankowski), for example, has been very active in the field of transportation of dangerous products, dangerous goods. It is his initiatives, his type of legislation and approach to put forward a plan that will reduce not only the risk, but will ensure as well that if accidents occur, as they have for example in rail accidents just recently, there has been a very quick response time and a very adequate response time. I think we all want to commend the Minister of Transport for taking that leadership. If accidents do happen clean-up must be fast and effective and victims must be compensated in a just and equitable fashion. Ministers are working at these problems and in fact finding solutions and putting forward proposals.

We must not forget disposal, both of the chemical itself after its useful life, and of waste. Waste cannot continue to be added to the environment in the naive hope that the environment can safely accommodate it and cleanse itself. There must be adequate destruction facilities operating in this country to dispose of hazardous waste.

The sheer number of chemicals we use is intimidating. Over 65,000 are now produced commercially on the global market with over 1,000 new ones being added every year. Only a small fraction have been tested for their environmental and health consequences. We must clearly define the ground rules for allowing a chemical to enter the Canadian market. Since we are part of the global chemical market we are promoting the adoption and utilization of common international approaches to evaluating chemicals and setting those needed standards.

We must also promote alternatives to the use of high risk chemicals. Canada alone cannot test all the chemicals we use in a reasonable time frame. I can say that is also the case, for instance, in my own Department, especially in the Health Protection Branch. We have highly motivated people, but I think one has to also be reasonable in terms of the testing approach and the resources that are available. It has to be an international effort. It is one we are committed to put in place, and we are working through the OACD to do just that.

There is a crisis of public confidence in this country when it comes to chemical management. Our ability to solve the problems have not kept pace with our ability to detect the problems. The public is deeply concerned about the fragmented approach to dealing with chemicals, and our laws do not meet these public expectations. Most of our laws are the products of dealing with the problems of the past decades. They are inadequate to deal with the problems of today. Therefore, they must be revamped, they must be streamlined, consolidated, and they must address the real problems of environmental protection. I think that for all of us the challenge is clear.

The Minister of the Environment has already stated his intention of implementing a comprehensive solution to the problem. This package will include an environmental policy statement outlining the rights of each Canadian to a clean and healthy environment. It will streamline and strengthen existing federal environmental legislation, which will be more responsive to current environmental problems and provide for appropriate safeguards for all Canadians. It will address the need for more research into the effects of toxic chemicals. It will include a stronger legislative framework for regulating toxic chemicals to clean up problems that already exist and preventing new ones. It will include information to the public on living with chemicals, and it will define a cradle to grave management package for chemicals in Canada.

The key feature of the plan will be a new Environmental Contaminants Act, and consultations are already underway to ensure that use of all sectors of our society are involved in defining the problems of environmental contamination from chemicals, and are equally involved in proposing and implementing appropriate solutions.

The new Environmental Contaminants Act will provide this Government with stronger powers and shift the onus to industry to prove that their products are not harmful to humans or to the environment. It will require that all chemicals are subject to a review process prior to their entry to the Canadian market to ensure that no danger to health or the environment exists.

As a Government, Mr. Speaker, we are fully committed to addressing a wide range of interests and concerns about chemicals that exist in the country. Other Governments, industry, labour, consumer and environmental interest groups are already working with us on this key initiative. Ultimately our

society will have to come to grips with the fact that so many of our environmental problems are rooted in the lifestyle we have chosen. We have chosen a chemical society, and with it the responsibility to protect our life support system from our dependence on these chemicals. We believe that Canadians are ready to take a major step towards learning to live successfully and respectively with the chemicals that we are now familiar with. It is a step this Government is committed to take and which we will give very determined leadership.

I thank the Member for the opportunity provided today, by the motion put forward, for myself personally and on behalf of the Minister of the Environment, of putting forward my views and the views of the Minister. Additional material on specifics will be added later on in the debate by the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin).

**Mr. Speaker:** Questions and comments. The Hon. Member for Davenport (Mr. Caccia).

**Mr. Caccia:** If I may be permitted two brief questions of the Minister. How does he envisage the clean-up to be carried out in the St. Clair River, which is an international water body? Second, since the Minister in his speech did not make any reference to the Guelph Toxicology Centre that was scrapped in November, 1985, by his Government, could he tell the House what his plans are to ensure the Centre be established?

● (1230)

**Mr. Epp (Provencher):** Mr. Speaker, regarding the St. Clair River first, as the Hon. Member will appreciate, more specific answers will come from the Minister of the Environment. It is clear for all of us that the co-operation shown by provincial and federal Governments has not only been exemplary but has also brought about confidence that these problems are being taken seriously and things are being cleaned up.

There are provincial guidelines, as the Member knows, respecting the St. Clair River. As the Minister for the Environment has often restated in the House, there was a very quick response time from federal members of the Department of the Environment. In my own Department of Health and Welfare as well officials, specifically of the Health Protection Branch, were in close consultation on the question. If there are any more specific answers needed, I think the Minister of the Environment will reply.

With respect to the toxicology centres, the Guelph Toxicology Centre, the one at Laval University and the one at the University of Saskatchewan and Saskatoon, I am sure that all of us would like to see some advance take place on further toxicology research and facilities to enhance research. We recognize very clearly that the kind of deficits facing Canadians, left by the Government of which the former Minister of the Environment was a part, is proof positive again that it is that kind of financing which puts into jeopardy some of the very good programs society and the Government wants. It is for that reason we are so concerned about getting the economy turned around.

I regard the Hon. Member for Guelph (Mr. Winegard) not only as an excellent Member in the House but an expert on the environment. He is concerned about toxicology at the University of Guelph. Let me say to the Hon. Member for Davenport that the Member from Guelph is working actively on that. I am a great optimist that these questions will be resolved in due time to the satisfaction of us all.

**Mr. McCurdy:** Mr. Speaker, I am always a little mystified by statements such as, the people have chosen a chemical society. It is really absurd. Surely the people choose to use salt, that is a chemical. They choose to use sucrose to put in their coffee, also a chemical. They choose to use a number of things, including that desk over there made of cellulose, a chemical. In none of those instances were serious environmental problems likely to be created. Are these matters to be determined by experts people trust, or by industrialists who begin the syntheses of these products? What about the Governments that have control over them. They provided no context within which people could choose or not choose whether their environment would be loaded with chemicals invented by the hundredfold. Knowledge of the potential risks were far beyond them.

I would point out in that context, as the Minister sits there smiling, that he is apparently no more aware than the general populace of the seriousness of the problem, by virtue of having referred to dioxin and one or two other chemicals when in fact what we are concerned with in Lake St. Clair are 58 chemicals.

We talk about toxicology studies, individual chemicals and about controlling them, from the cradle to the grave. But we have to take note of a number of facts. First, we are not concerned about individual chemicals, no matter how low the concentration. I appreciate, as do other Members on this side, that the increased fastidiousness of scientific detection methods are bound to show the presence, perhaps ultimately, of molecules among the millions. It is true as well that one has to make decisions about what are the risks. How are we to make decisions about those risks when we cannot define the tests of those risks? For example, the test for the risk of a particular chemical is never just whether the chemical is there or what concentrations are present on a particular day, but something more. The question of bio-accumulation is an issue which includes accumulation in our bodies. Even more important, and not addressed, are the effects of combinations of chemicals which in terms of both cumulative and instant effects are totally unknown. It is doubtful whether there is any answer to the question of whether there are acceptable levels of those chemicals individually or in combination, which raises a question pertinent to the Minister's particular area of jurisdiction of health and welfare, that is, what are and what have already been the effects of chemicals in the waters of the Great Lakes and in the drinking waters of the Great Lakes? Various scientists have expressed suspicion about the effects that have already occurred.

Does the Minister have any plans, as a part of the over-all Governments scheme to engage in epidemiological studies which will determine how we have already been affected by

chemicals in the drinking water? Only a few years ago we were told they were at safe levels. But, in fact, we do not have any definition of content objectives for a quarter of these chemicals.

With respect to the epidemiological question, is the Department going to take initiatives in accordance with the over-all strategy of the Government to address the environmental concerns?

**Mr. Epp (Provencher):** Mr. Speaker, in reply to the Hon. Member for Windsor-Walkerville (Mr. McCurdy), he says he is mystified. I will try to take him out of the realm of mystery and into the area of knowledge.

The Member says, for example, that he cannot accept the fact that we have chosen a chemical society. Let us be very practical. I am sure being the kind of person he with the sartorial splendour in which I see him here from day-to-day, that he does not have synthetic fibres in any of his clothes.

**Mr. McCurdy:** That is not the question.

**Mr. Epp (Provencher):** I am sure the fibres he wears are all natural. What I am saying to him, Mr. Speaker, is very clearly, yes, in a practical sense this is reality for all of us. The Hon. Member cannot ignore that fact. That is the case. That is truth. He knows it and I know it.

What about the car he gets into tonight? It contains a lot of products from a chemical society. He knows that. He expects to use them and he expects to be transported in that way. He cannot simply say that there is an either/or, black or white situation because that is not the case. The Hon. Member lives with this situation every day. He should not try to project that somehow we can reverse society, or say that it would be a better society if we so chose. I would suggest that it is not. It was for that reason I was smiling, Mr. Speaker. The Hon. Member wants very often to make the point that there is a society into which we can revert which will be totally free of chemicals, totally free of any risk—

**Mr. McCurdy:** I do not remember saying anything like that.

**Mr. Epp (Provencher):** —and it was for that reason I was smiling.

Let me give the Member one very practical and quick example of what the Government is doing in terms of actions. Last week we announced guidelines on certain dioxins. Previously there were no guidelines. That is the kind of direct approach we took last week. The former Minister of the Environment tells the Government to do more, but those guidelines were not established earlier. We are setting guidelines. Our Government is taking a comprehensive approach from an environmental and a health point of view and, as I also stated, from a transport point of view. It is a total Government commitment which we will continue.

• (1240)

**Mr. Deputy Speaker:** The time for questions and comments has expired. Resuming debate with the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I would like to begin by saying a word or two about the environmental problem which is most recent in our minds. That, of course, is the St. Clair River problem on which we received a report just last week. I would like to address the question of guidelines, the subject which was just being debated, before I say the other things I have to say.

It is instructive to remember that of the 58 toxic chemicals found in the St. Clair River there are guidelines for only 23. With respect to what are acceptable toxic levels in fish, we have guidelines for only three of these chemicals. We are still in the dark about a great many things, both with respect to guidelines and with respect to the whole question of guidelines period. Many things which passed for guidelines years ago are now known to be quite unacceptable in terms of guidelines.

It is for this reason that it makes great sense for Members on this side of the House, and for people from other places, to call for the reinstatement of the Guelph Toxicology Centre and the cancellation of those cuts which were made in research by the former Minister of the Environment. If the Government is serious about addressing the myriad environmental problems which we face as a country, then it should want to have at its disposal the very best and latest in research. It can only do that by going back on some of the bad decisions which were made early in the life of this Government, and which I am sure many Members opposite now realize were bad decisions. I ask Members opposite to find the political wherewithal to correct those mistakes.

I am sorry that the Minister of National Health and Welfare (Mr. Epp) had to leave the House. I wanted to say to him that to proceed to do some of the things which he outlined on behalf of the Government would certainly be in keeping not just with any narrow concern about the environment but with the concern expressed in the preamble to the Canada Health Act on which he and I worked in a previous Parliament. As a result of an amendment moved by myself it was written into the legislative understanding of Canadian health that we realize it is not just a question of having a medicare system, but a question of dealing with the "social, environmental and occupational causes of disease". At that time I was pleased to have those words written into the Canada Health Act. It is about time that Governments got moving with respect to living up to that preamble in order to see that the type of legislation which needs to be in place is, in fact, put in place.

I would also like to say a word about whether or not we chose to have a chemical society. We could argue at great lengths about the question. The fact of the matter is that a great many decisions which were made about what type of products we would be offered in the market-place were made not by consumers but by people who decided to radically restructure the way things were manufactured in the post-war

era. These people decided, in many cases for reasons of increased profitability and productivity, as it was understood then, to use synthetic substances as opposed to more traditional and renewable substances such as cotton, wood or rubber. These were decisions that were not made in the market-place. I grant the Government, which believes that all things are decided in the market-place, the theory that people could have chosen not to buy those products. However, it was often the case that they either bought something which was made of these synthetic substances or they did not buy anything at all because the former product was no longer manufactured.

As the Hon. Member for Windsor-Walkerville (Mr. McCurdy) was trying to say, in many cases we are not just talking about choosing blindly, we are talking about informed choice. The fact of the matter is that it is only now that we are coming to be informed about many of the substances which were chosen, not by consumers but by the people making those products. That is not to say that there have not been people warning us all along since that time. I can remember even 10 years ago hearing concerns expressed about some of the things that are taken for granted today and at that time the people who expressed such concerns were regarded as some kind of doom and gloomers. They were considered to be party-poopers and against progress and the 20th century. We now hear things coming out of the mouths of otherwise very conservative people which sound much like the things they were probably derisive of some 10 or 15 years ago.

In this respect I wish to address what I think is the main problem for the Government as it concerns the environment. I do not intend to address in great detail the actual text of the motion, which is to condemn the Government for its handling of the problem of toxic chemicals. I do not think the previous Government did a bang-up job either. I think the Hon. Member for Davenport (Mr. Caccia), whose good intentions with respect to the environment I do not question, is often too preoccupied with trying to defend the record of the previous Government, instead of putting it behind him and trying to do the best in the present context.

It seems to me that a Conservative Government has at least two problems when it comes to the environment. One of course is with respect to transboundary environmental problems. We know that the two most contentious issues in this respect are acid rain and pollution of the Great Lakes, particularly as a result of pollution from the American side getting into the Niagara River. It seems to me that the problem from a foreign policy point of view, as far as transboundary pollution is concerned, is that members of the Conservative Party are convinced that they can get what we as Canadians want collectively from America, in terms of action on how it is polluting our environment, by the soft-sell approach, by being nice to the Americans and by adopting the approach of the Prime Minister (Mr. Mulroney). I do not say that we should be nastry to them; but there is a difference between the buddy-buddy approach and the firm, friendly approach which I think needs to be taken with our American neighbours.

In this respect, for instance, we saw very different responses to the report of the presidential and prime-ministerial envoys on acid rain. Members on the Conservative side felt constrained to say something nice about a report which was obviously a bust. Mr. Lewis obviously obtained the upper hand over Mr. Davis in recommending something which fit quite nicely into the needs of American politics and into the scenario desired by those on the American side who really do not want to have to do anything about acid rain in the foreseeable future. Under the report of the envoys, the Americans have at least five years, or even beyond that, to continue to do very little or nothing. The Minister of the Environment (Mr. McMillan) once said in committee that the acid rain issue would be the litmus test of whether or not the new approach to Canada-America relations was any good. So far I think the litmus test has proved to be just that type of test, only we have failed the test.

I do not want to spend too much time on the acid rain issue since we have the other problem of the toxic chemical pollution of the Great Lakes to consider. With regard to the Great Lakes, I say to the Government, we have to do everything we can when we find pollution on our side, to deal with it as effectively, as firmly and as immediately as we would want the Americans to deal with those pollutants which are affecting our environment. If we do not do this, then we will not be in a good position when we go to them and ask them for the very kind of action that we ourselves are reluctant to take. I believe the Government has undermined its own position on a number of occasions, particularly regarding Great Lakes pollution, although not so much with acid rain, an issue on which the Government has gone ahead. The Government undermined its position, particularly under the former Minister of the Environment and will increasingly do so under this Minister if we continue to receive nothing but rhetoric. The Minister, however, has a little time yet before he can be judged on whether he only speaks well, or, if he actually acts.

• (1250)

I was interested to hear the Minister of National Health and Welfare say that the Government hoped to be able to deal with these things once it gets the economy going. The fact is that the way the Conservatives propose to get the economy going is through imposing a deregulatory atmosphere on the Canadian economy and by accepting a notion of international competitiveness which I contend takes us in the opposite direction of where we should be going, if we are, indeed, serious about environmental protection and quality.

One major element of any environmental protection program is going to have to be regulatory in nature. We are going to need more inspectors to ensure that the new standards set by any legislation which might be brought forward are enforced. We are going to need more research so we can adopt better and more informed guidelines. We are going to have to do a lot of things which are going to cost money and which are going to be perceived as a pain in the neck by the business community.

But the Government is committed to quite the contrary. The Government is committed, to use one of its favourite phrases "to getting the Government off the backs of free enterprise and letting it flourish". Let me say that it is free enterprise, in many respects, which got us into this problem in the first place, although to be fair I would have to say that when it comes to the environment there has been a blind spot on the left and on the right.

It is the very kind of progress or economic environment which created these environmental problems in the first place that the Government, at least in its rhetoric, wants to return to with a vengence. That is a fundamental contradiction in the mindset of the Conservative Government. I say to Hon. Members of the Government that they will not be able to have it both ways, particularly in an international context.

We often hear from the Government that it wants Canada to be more internationally competitive. This relates to the free trade argument and other arguments put forward by them about the nature of the global economy. But part of what is now happening in the global economy is that big investment decisions are being made according to what country has the least environmental regulations. They are made according to where those companies feel they can have the freest hand in dumping their wastes into rivers and lakes or expelling them into the air. For this reason the Government should be committed—and it clearly is not—to working for a new international economic order where countries do not have to adopt this "beggar thy neighbour" policy, trying to get investment money by saying they will turn a blind eye to what these companies may do to their environment. If the Government is not willing to work for that kind of economic order and is not willing to do what is necessary in Canada in order not to capitulate to those kinds of international pressures, then all the rhetoric and legislation in the world will go for nought. As long as we have an economic policy which is committed to accommodating ourselves to the international economic order rather than resisting some of those trends and trying to change the way the global economy is developing, Canada will be in a very difficult position.

So I say to Hon. Members of the Government that they have a conceptual problem because they are committed to a notion of how the global economy works which will make it very difficult to do what they want.

**Mr. Gurbin:** You are 50 years behind. The economy and environment are the same.

**Mr. Blaikie:** The Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) says the economy and the environment are the same. I agree. That is precisely the point I am making. But up until now, within the context of an economy in which investment decisions and other financial decisions are made in terms of short-term profit margins, the environment is something which has not been taken into account. And it will not be taken into account until those people in the private sector, who make those kinds of decisions, are made accountable for the social and environmental costs which accrue to the public treasury as the result of their private decisions. I certainly do not see the Government moving in that direction.

The fact is that everywhere in the world people are being allowed to make the kinds of decisions which endanger the sustainability of the planet, certain resources and the environment, and it is the public that is finally asked to pick up the tab. I see no change coming from the Government with respect to that particular fact about our economy. So the Parliamentary Secretary can say that the economy and the environment are the same and I agree, but that is not the way our books are kept.

Many of the things which have been used up over the years have not been figured into how we account for the economy, like clean air, fertile soil and clean water. These are free goods which the private sector, and for that matter the public sector where it has been active, have just used up as if they didn't cost anything. These companies continue to do that, and if they are asked in Canada to figure that into their books they go to the Amazon Valley where they do not have to figure it in because the Government there will let them get away with not figuring it in.

That is the problem I am trying to point out to the Government. Until there is an international economic context in which multinational corporations, for instance, are not allowed to force countries to compete with each other in this mutually degrading way, we will not even have gotten to the major part of the problem and the need for that is completely contrary to the views of the international economy which are always espoused by this Government.

The Government sees the global economy as a wonderful competitive place where Canada gets in there with everyone else and tries to do its best to get investment. But the way the global economy works now is that we have to give up our values to really do so, our labour, environmental and social values. We give up whatever the international investment community thinks we ought to give up in order to qualify for investment, and the more other countries compete for that money on the basis that their governments could care less about such values, the more we in Canada will be put in an increasingly difficult position.

I say to the Parliamentary Secretary to the Minister of the Environment that this is as true of the environment and environmental regulations as it is of any other basis on which we might compete with other countries. What I would like to see of the Government is not the "living on its knees" kind of policy where it takes the global economy as a given and tries to accommodate itself to it. I would like to see some resistence. I would like to see the Government fight for a better international economic order in which we do not have to do these kinds of degrading things in order to have the kind of country we want.

There are so many more things which could be said about what the Government should do. Had I had the time I would like to have talked about increased Government funding for the upgrading of municipal water treatment facilities. Many of

our municipalities are now in a very difficult situation and are not able to afford to do the kinds of things which need to be done. I would like to talk about an environmental Bill of Rights, for instance, but I see my time is up.

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

At 1 p.m. the House took recess.

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### AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### UNEMPLOYMENT INSURANCE

CALCULATION OF EARLY RETIREMENT PENSIONS AS INCOME

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, on January 1 the Mulroney Government robbed thousands of Canadians of their hard-earned unemployment insurance benefits by counting early retirement pensions as income. This was done despite a legion of protests, pleas, and petitions. Approximately one year ago the Government announced this measure, and because of this advance notice it believes that Canadians should be able to adjust to it and accept it. This is not the case. There was little publicity and little formal consultation.

Every day new individuals and groups are finding out that this measure affects them and cruelly reduces their forced early retirement income. Worse still, the Government is forcing certain employees, such as members of the Canadian Armed Forces who must retire early, to pay unemployment insurance premiums but will not let them collect the benefits.

The Government has appointed the Forget Commission to examine the entire unemployment insurance system. Why does it not show some commonsense by suspending this harsh measure and referring it to the Forget Commission where it can be studied in the context of other possible changes?

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### EXTERNAL AFFAIRS

CANADIAN'S DEATH IN JAMAICA—ALLEGED LACK OF ASSISTANCE FROM CANADA'S HIGH COMMISSION

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I wish to bring to the attention of this House a matter of immense tragedy. A young constituent of mine was killed in an accident in Jamaica last Thursday morning. To the family, friends, and to me, the loss is enormous and personal. To our country and to the family, however, the grief has been transformed into agony by the thorough incompetence and uncaring attitude of Canada's High Commission in Jamaica.

During the past four days no one from our Commission travelled to the scene of the accident or to the hospital where this young Canadian lay. The father and a friend of the deceased received no assistance from the High Commission on arrival in Montego Bay and were forced to search out their lost kin in the basement of a hospital in Savanna la Mar. Throughout the day yesterday no duty officer could be raised to assist, despite repeated efforts by the family, myself, and External Affairs here in Ottawa.

I wish to thank those staff at External Affairs here in Ottawa who kindly assisted me and the family over the past few days, including the Under-Secretary of State, Mr. Taylor, who came sincerely to the task at 2 a.m. this morning.

I am confident that all Members of this House share in the grief of the family, and also share in the wisdom of recalling every member of Canada's High Commission to Jamaica to Ottawa for retraining in the basic elements of human decency. As the father, Warner Funk, Sr., said to me moments ago from Jamaica: "No parent should ever have to undergo such horror again".

* * *

### AUTOMOTIVE INDUSTRY

GENERAL MOTORS PLANT IN SCARBOROUGH—VAN SALES TO UNITED STATES

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, last week the one millionth van rolled off the assembly line in the Scarborough plant of General Motors. That plant manufactures vans for sale throughout the entire continent of North America and, as a result, provides employment for 2,400 production workers plus 250 administrative staff. Its magnificent record of production and sales shows what can happen when Canadian labour and management work together, but it also shows what can happen when Canada and the United States work together.

I ask the House, how many of those 2,650 people would have employment if that plant could sell vans only to Canadians? How many more Canadians who benefit from General Motors spin-offs would have work but for the Auto Pact? The success of that agreement points the way of the future. It is the way of gaining guaranteed access to a market large enough to provide Canadians with opportunities that our 25 million people cannot provide on our own.

The Government has shown vision and courage by inviting the United States to join Canada in trade discussions which may expand this kind of opportunity in other industries, and this kind of opportunity for all Canadians. Almost 20 years ago one of the key players making that Auto Pact possible was the then Prime Minister, the Right Hon. Lester Pearson. One could wish his Party had the vision today that he had then.

[*Translation*]

## AGRICULTURE

### GOVERNMENT'S NEW DAIRY POLICY

**Mrs. Lise Bourgault (Argenteuil-Papineau):** Mr. Speaker, two weeks ago the Minister of Agriculture (Mr. Wise) announced our party's new long-term dairy policy, to be renewed for five years, including the subsidy program.

Dairy farmers in my riding are very happy with this decision which demonstrates the Government's formal commitment to this vital sector of our economy. The policy will also help to boost the recovery of the agricultural sector among the expropriated farmers of Mirabel. Canadian dairy producers still remember the unilateral cuts in quotas made by our predecessors, which caused many new dairy operations to go out of business.

Today I would like to remind the House that the dairy policy was the result of consultation between farmers and various parties in the industry, and that without this consensus and commitment to regulate production, no dairy policy would have been possible.

Considering their commitment and their sensitivity to the public's well-being farmers deserve our admiration, especially after surviving fifteen years of Liberal Government, which is quite a feat, Mr. Speaker, for an industry as regulated as the Canadian dairy industry.

* * *

● (1405)

[*English*]

## THE ADMINISTRATION

### DEMAND FOR RESIGNATION OF DEPUTY PRIME MINISTER

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the time-honoured tradition of Parliament requires that every Member feel free to speak out in caucus without having to fear that his or her words are being intercepted by another political Party. The violation of this tradition by the Deputy Prime Minister (Mr. Nielsen) casts into question his ability to function in his current dual roles as Deputy Prime Minister and Minister of National Defence. Imagine what our allies must be saying about the possibility of interception that could exist on matters of national and international security.

What must the country think of a man who systematically eavesdropped accidentally every Wednesday for five months? What must the country think of a Prime Minister (Mr. Mulroney) who fired one Minister of Defence for going into a bar, yet is prepared to take no action when another flaunts the tenet of public morality?

If the Prime Minister is truly serious about his own position as leader of the country, he has no choice but to demand the resignation of the Deputy Prime Minister. Anything less makes him party to the insidious, Watergate tactics best characterized by the Conservative Member for—

**Mr. Speaker:** Order. The Hon. Member knows the rules about comments. The Hon. Member for Windsor-Walkerville.

* * *

## EXTERNAL AFFAIRS

### HAITI—CALL FOR CUT IN CANADIAN AID

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, Canadians have been appalled to hear of the carnage over the weekend in Haiti. There are reports of between 50 and 100 people being killed and many more injured in the anti-government demonstrations. Many Canadians would be even more appalled if they thought that their tax dollars were helping the repulsive regime of Jean-Claude Duvalier to maintain its grip on power.

Between Baby Doc and his father, the Duvalier family has tyrannized Haiti for 30 years. In the last 10 years Canadian aid has amounted to some $87 million, $8 million of that in the fiscal year 1984-85. With what result? The plight of the Haitian people is worse than ever. The flow of refugees to our country and others continues.

Baby Doc Duvalier is a cancerous growth on the Caribbean region and clearly has no intention of improving the desperate lot of his people. Until we see some willingness to respect human rights and democracy in Haiti, Canada should cut off its foreign aid for all but the most dire emergencies. My call is echoed by Canada's Haitian community as well. Let us stop aiding tyranny in Haiti now.

* * *

## EXPO 86

### PROGRAMS AND CEREMONIES

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, I realize this Chamber does not exactly dwell on good news and positive events but, if you will bear with me, I would like to spend a few moments bringing Members up to date on Expo 86 in my home province this year.

The television advertisements, the pamphlets and posters and brochures cannot begin to capture the excitement of what is about to happen in Vancouver this May through October.

Even the naysayers are surprised at the success of Expo 86 to date. The site itself is sold out. An unprecedented 8 million visits to the Fair have been sold three months before the door is even open.

On Vancouver Island our Expo 86 will begin on May 1, when Prince Charles and Diana, the Princess of Wales, will visit Victoria and Nanaimo. Together, Expo 86 and the concurrent Islands 86 celebration will host the largest international event on this Continent between now and the end of this century.

*S.O. 22*

This weekend Members of Parliament from across Canada will get a preview look at Expo 86 and experience a Canada we have never experienced before.

From Canada Place on the harbour to the Expo site itself, "from Bonavista to Vancouver Island," as the song says, we are about to discover what is good about this nation, what is exciting about this nation, and what we have to offer the world. Expo 86, — what the world is coming to. The people of British Columbia have much to be proud of.

**Some Hon. Members:** Hear, hear!

* * *

• (1410)

[*Translation*]

## THE ECONOMY

### IMPORTANCE OF RECOVERY

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, by the end of today's Question Period, that is, in about 50 minutes, the Canadian Government will have increased its deficit by $16,346,000. In a single hour, the Government will have spent 0.5 per cent of its total annual revenue from taxpayers across Canada.

Mr. Speaker, will this Question Period be put to good use by Opposition Members? Are they going to consider these financial constraints we are subject to or are they going to waste the time of the House on trivialities?

Mr. Speaker, today's editorial in the *Globe and Mail* appears under the title "A budget for less debt". That, Mr. Speaker, is what it is all about. Hon. Members are here in the House to legislate and administer, and their main instrument is the Budget. Let us focus all our energies and our sense of purpose on this area, and Canada's economic renewal, which has been well under way since September 1984, will continue to progress for the benefit of us all.

That should be the objective of all the elected Members of this House.

* * *

[*English*]

## ENVIRONMENTAL AFFAIRS

### TOXIC CHEMICALS IN ST. CLAIR RIVER

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, if the Government of Canada thinks that it can clean up the past and present activities on the St. Clair River through a yet to be introduced Environmental Contaminants Act, it is dreaming in colour. Existing toxic chemicals in the river-bed, sewer outfalls, leaching from dump sites, existing and ongoing sources of pollution cannot be dealt with through legislation not in the books. The St. Clair is an international river. The Government of Canada has a responsibility under the Great Lakes Water Quality Agreement to clean up the situation.

The Government has several instruments at its disposal. It could reinstate the two-year accelerated write offs under the Income Tax Act, an important incentive to industry to install modern treatment equipment, separate sewers, modernize monitoring systems, and ensure that the highest standards of waste treatment are applied. It could offer a special program for municipalities such as Sarnia to provide financial assistance for the installation of equipment and facilities for the best possible treatment of residential, commercial, and industrial waste waters which pass through municipal sewer systems. It could even create a super fund with interested provincial Governments, to remove toxic wastes from dumps and therefore remove the source of future problems at leaking dumps.

To restore the confidence of people living alongside the St. Clair River, the federal Minister of the Environment (Mr. McMillan) has to act and move swiftly with the momentum created by the St. Clair River—

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

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## THE ECONOMY

### IMPACT OF DEFICIT—CALL FOR ACTION

**Mr. Albert Cooper (Peace River):** Mr. Speaker, the deficit is the biggest single problem facing Canadians today. The deficit has become a cancer; it has entered our system and is spreading its disease throughout the country. There is virtually no day that goes by which does not remind us of how oppressive the deficit has become. It affects interest rates, thus hitting every home owner, every consumer, and every business person. It affects the funds available for social concerns and thus ultimately threatens every social program in Canada. It affects government plans and options, as was demonstrated when the drought hit many farmers this spring and summer. We were faced with a desperate situation and were forced to cope with a crisis, with scarce, borrowed resources.

I believe that three things must be done to allow us to rid ourselves of this dealdy, ever-growing weight upon us. The first is that the spending and raising of Canadian tax dollars have to be seen as related, working together. This means that we need a regularized structure in Parliament, tying the Estimates to the Budget and vice versa. Second, the Government of Canada needs to take many of the tough decisions required to reduce the deficit. Finally, the Canadian people must get involved by offering their help and energies to beat this problem. The deficit is too large a problem to be left in the hands of a few. It is a problem for all Canadians to tackle.

## SPORTS

NATIONAL SOCCER TEAM—REFUSAL OF UNITED STATES CLUBS TO RELEASE PLAYERS

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, all of Canada is proud of our National Soccer Team which is going to Mexico later this year to participate for the first time ever in a World Cup Tournament. Its success so far is a tribute to a concerted effort by so many individuals associated with the Canadian Soccer Association, and it has been made even greater by the fact that they have had to overcome as many obstacles off the field as on it.

The latest problem centres around the refusal of the Major Indoor Soccer League in the United States to release our Canadian stars to play with their national team in warm-up matches. In soccer all over the world it is a matter of pride for a club to have its players selected for a national team, and they willingly allow their players leave to participate in international soccer. But not in North America. Here the dollar rules, and club owners are afraid of losing attendance if their stars are released from time to time. It is a sign of immaturity which must be overcome if soccer is ever to be successful in North America.

I also have to wonder if the same reluctance would be shown if the players were to be released to play for a U.S. national team. It is time for the Sports Minister to offer his assistance in resolving this matter to allow our team, all of it, the time for practice and development which it so richly deserves.

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Minister of Finance. He will know that this morning the Canadian dollar reached an all-time low of 69 cents. I remember when this dollar used to be worth a hundred cents. It is now about two-thirds of that value under this Government. I want to ask the Minister of Finance what he is going to do to restore confidence in this country and world confidence in his Government. Obviously that lack of confidence is bearing down on our dollar.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have responded to this question on a number of occasions in recent weeks. Let me just repeat myself.

We have introduced, since September, 1984, a series of policies which are designed to address the fundamental problems of the economy, the fundamental problems of the deficit of the country, which is leading to some of the pressures that are on the dollar today. These have been widely recognized as being the right way to go.

The OECD, the Organization for Economic Co-Operation and Development, has said very clearly that it has no policy advice to give us. It is pleased with the directions that we are going, it is pleased with the economic performance of the country over this past 18 months, and has said that there is no need for a section in its report on policy advice because the things that we have set out are the things that it would be recommending to us.

[*Translation*]

INTEREST RATES—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, not according to the Canadian and world markets, which indicate that the credibility of the Minister of Finance fell to its lowest level ever this morning.

I shall repeat my question: Is the Minister of Finance going to tolerate an interest rate hike in an attempt to protect the Canadian dollar?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if I might quote here:

—the hon. gentleman is as knowledgeable as anyone in the House on these matters, and he must know how precarious it would be for me to predict either movements of exchange rates or interest rates and thus allow the market to take a position for or against that statement.

That was said by the Minister on July 14, 1975. As reported at page 7525 of Hansard. I believe the Hon. Member knows who it is; it is he.

SPREAD BETWEEN CANADIAN AND UNITED STATES INTEREST RATE LEVELS

**Right Hon. John N. Turner (Leader of the Opposition):** I think we might reserve for tomorrow some statements of the Minister when he was on this side of the House on what he thought the solutions ought to be. Two can play this game. I can tell the Minister of Finance our interest rates were within range of those in the United States. This morning our Treasury Bill rates are 400 basis points higher than American rates. In other words, we have a crisis in terms of the spread between the Canadian interest rate structure and the American interest rate structure. What is he going to do about this?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, when the Hon. Member was the Finance Minister—

**Mr. Turner (Vancouver Quadra):** The dollar was $1.02, $1.03.

**Mr. Wilson (Etobicoke Centre):** Okay. At the same time interest rates doubled during his term of office. One of the causes for the weakness in the dollar, as has been reported, is concern about the size of the deficit an control over government spending. The last year that he was the Finance Minister

of this country government spending increased by 29 per cent. This year there will be an increase in government spending of something like 4 per cent. That is what we are doing to stabilize the level of the dollar.

* * *

● (1420)

[*Translation*]

## FINANCE

### DIFFERENCE BETWEEN INTEREST RATE ON CANADA SAVINGS BONDS AND INTEREST RATE ON TREASURY BILLS—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, on September 4, 1984, when the Conservatives came to power, the preferred rate was the same in Canada and the United States. Today, there is a difference of 200 base points.

My question to the Minister of Finance is as follows: The savings bonds issued by the Canadian Government last November pay 8.5 per cent interest to holders. Since February 1, the bonds are redeemable without penalty, so that Canadians can cash them. Now, the interest rate on one-year Treasury bills is almost 11 per cent. My question for the Minister of Finance is quite simple. Does he intend to increase the interest on savings bonds, so that Canadians can get the same rate of interest on their savings that banks and trust companies get on one-year Treasury bills?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member knows, he being a former Minister of Finance in the Quebec Government, that there is a lot of instability in the international market-place. Currencies are bouncing around in unprecedented ways, partly because of things that flowed out of the G-Five meeting last September, and some are related to the weakness in the international price of oil. These are things affecting the level of the Canadian dollar and the level of Canadian interest rates.

Our policy is to try to generate some stability into the market-place so that we can see those interest rates decline and get back to a more normal relationship relative to the United States, as happened this time last year.

[*Translation*]

### REQUEST FOR INCREASE IN CANADA SAVINGS BOND INTEREST RATE

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I would have liked the Minister of Finance to answer my question. Since he did not, I will repeat my question. Does the Minister of Finance intend to increase the interest on savings bonds, so that Canadians can get the same rate of interest on their savings bonds that the Government is paying every month when it borrows by issuing Treasury bills, considering the gap between the present rates of 8.5 and 11 per cent? Is he going to increase the rate?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member knows that there are differences between Canada Savings Bonds and marketable securities.

Marketable securities have interest rates which will range up and down, depending upon current market conditions. The Government has the same rate on Canada Savings Bonds for a full year because they are a different type of investment instrument. They can be cashed at any time. Canada Savings Bonds have a degree of stability to them that provide the investor with a lot more safety in holding that investment. For that reason the difference in interest rates is warranted.

* * *

[*Translation*]

## THE ECONOMY

### THE CANADIAN DOLLAR—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister of Finance. Today our dollar has dropped again. For the first time in our history, the value of the dollar has dropped below 70 cents.

Does the Minister of Finance have another solution to this problem, aside from a further increase in interest rates?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I want to correct an impression which the Hon. Member may have left inadvertently. We are not trying to increase the borrowing rate.

What the Bank of Canada has been doing during the course of these past few weeks is to moderate the pressures on interest and exchange rates, both up and down.

**Mr. Orlikow:** More bafflegab.

**Mr. Wilson (Etobicoke Centre):** The purpose of this policy is to generate a degree of stability in the market-place. Once that stability is achieved, then we will see, as I indicated to a previous questioner, some narrowing in the interest rate spread. That is the policy of the Government, and we are going to continue that policy.

### REQUEST FOR MINISTERIAL ASSURANCE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the stability to which the Minister of Finance refers means increased costs to farmers for production, increased costs for homes, and increased lay-offs for our export industries. Given all these negative effects that are inextricable when you raise interest rates, and which the Minister of Finance himself pointed out when he was on this side of the House, will he give us

assurances that this Thursday will not see another increase in interest rates in Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member said something he did not mean to say. The export industries in this country, contrary to what the Member said, are benefiting from this, not the way the Hon. Member—

**Mr. Broadbent:** Increased rates?

• (1425)

**Mr. Wilson (Etobicoke Centre):** The Hon. Member should get his story straight. There are two influences here. He has tried to cross his tracks in the question that he proposed.

In specific response to the question, I have indicated to the Hon. Member that because of the huge magnitude of the borrowing requirements of the Government of Canada it is not possible for us to put a pin in and say that that will be the level of interest rates. This is because we sell, I think it is, $3 billion every week of Treasury bills. We cannot keep selling that amount and hope to set interest rates at a fixed level. That is why I say we have to allow the market to set the interest rates. We are moderating the increase, both upward and downward, of both interest rates and exchange rates.

GOVERNMENT POLICY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister of Finance knows that when he and his colleagues were campaigning to form a new Government they promised a change. The kind of change we have is more than a five-cent drop in the value of the dollar since the Conservatives come to power. Is the Minister now telling the House of Commons that the Government of Canada has no other option, in terms of dealing with this decline in the value of the dollar, except for the age-old one which has not worked in the past and which is not working now, which is another interest rate increase? Is that what the Minister is telling us?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have said clearly that we do have an entirely different approach to economic policy. That was set out in November of 1984 and repeated in May of 1985 in the Budget. The results of this policy are very clear: 450,000 jobs have been created—

**Mr. Blackburn (Brant):** Oh, come on!

**Mr. Wilson (Etobicoke Centre):** The unemployment rate was 11.6 per cent; it is now 10 per cent. We have investment growing at a rate of 11 per cent per annum. We have housing starts which have gone up by 25 per cent over the past year. Consumer confidence is at a record high, as measured by the Conference Board of Canada. The Conference Board is saying that—

**Mr. Speaker:** Order, please.

**Some Hon. Members:** More!

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

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## THE ADMINISTRATION

EAVESDROPPING ON LIBERAL CAUCUS—STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is for the Prime Minister. In light of the acknowledgement by the Deputy Prime Minister this morning in the House that his behaviour was wrong and that eavesdropping is not proper or acceptable, does the Prime Minister agree with the statement of the Minister of Justice that he would eavesdrop on the Liberal caucus today if the chance presented itself?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker—

**Mr. Speaker:** Order, please.

**Mr. Gauthier:** Misquoted again, John?

**Mr. Speaker:** Order, please. I am sure the Minister wants to reply. However, I have to say to the Hon. Member that, as he well knows, his question is seeking something well beyond the limits of Question Period. Therefore, I ask him that—

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Here we go again!

**Mr. Speaker:** Order, please. I therefore ask the Hon. Member to phrase his question in the context of ministerial accountability.

**Mr. Kaplan:** Mr. Speaker, the Minister of Justice is responsible for the lawful conduct of the Government of Canada. Can the Prime Minister keep in his Cabinet, as Minister of Justice, a person who indicated that that type of conduct is acceptable to him and that he would do it himself if he had the opportunity?

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** Mr. Speaker—

**Mr. Nunziata:** The PM won't defend you!

**Mr. Crosbie:** The hon. gentleman is not quoting me correctly.

**Mr. Rodriguez:** Come off it!

**Some Hon. Members:** Oh, oh!

**Mr. Crosbie:** I hope I will be permitted to finish my answer, Mr. Speaker.

I want to say that if I was too enthusiastic in defending my colleague on Saturday evening and left the wrong impression

that I might countenance eavesdropping, I would like to correct that now. I agree with the statement made by the Deputy Prime Minister this morning, which was an excellent statement. I add my regrets to his, in the event that there was any mistaken impression to the contrary created by me. As Minister of Justice it is my job to administer and enforce the laws of this country, which I have done, am doing, and will continue to do. I will put my record against anyone on the other side, or anywhere else.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Nystrom:** Get him a muzzle!

**Mr. Speaker:** The Hon. Member for York Centre—a short supplementary.

STATEMENT ATTRIBUTED TO MEMBER FOR KITCHENER

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, on this question of proper conduct and statements by Ministers, I want to ask the Prime Minister whether he would not rather agree with his caucus colleague, the Hon. Member for Kitchener, who indicated that, rather than walking past an open window, eavesdropping is more like receiving stolen goods.

• (1430)

**Mr. Speaker:** Order. That question is out of order.

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## PETRO-CANADA

PRICE OF GASOLINE CHARGED BY SERVICE STATIONS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of Energy, Mines and Resources. In 1983, 37 Conservative Members of Parliament opened a gas station to sell gasoline by the gallon and by the litre on grounds of their freedom to sell. Similarly, does the Prime Minister believe that Petro-Canada dealers should have the freedom to choose the price at which they sell at the pump?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, in reply to the Hon. Member's question, I think he is referring to a case where a service station was in conflict with the company, Petro-Canada. There was a signed contract with that particular station. There was a breach of that contract and Petro-Canada took the action which the contract allowed it to take.

CLOSURE OF SERVICE STATION AT GRAVENHURST, ONT.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my supplementary question is directed to the Prime Minister. The gas station of George and Cora McAra in Gravenhurst, Ontario, has been shut down because the couple want to give the consumers a break. Why should the Prime Minister not instruct Petro-Canada, at a time of dramatically falling oil prices, to allow people like the McAra's to give the consumer a break?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I think the Minister made it very clear in her answer last week that we do not instruct Petro-Canada or any other company to raise or lower gas prices.

**Mr. Broadbent:** That is the problem.

**Mr. McDermid:** She has asked them. This Government does not set the prices, the market-place sets the prices—

**Mr. de Jong:** What market-place?

**Mr. McDermid:** —and we will see some action very soon in that regard, I am sure.

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## THE ADMINISTRATION

STATEMENT BY DEPUTY PRIME MINISTER ON EAVESDROPPING

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Prime Minister. Will he withdraw and apologize for his own defence of the eavesdropping activities of the Deputy Prime Minister, activities which the Deputy Prime Minister considered wrong this morning and apologized for in the House?

**Mr. Gauthier:** No one answers that one, eh?

**Mr. Speaker:** Order.

**Ms. Copps:** They are all gutless.

**Mr. Speaker:** Order, please. Need I read the Citations with regard to questions being put to Ministers with regard to ministerial accountability? With great respect to those who wish to put questions—and I do not wish to stop them—Hon. Members know our practices with regard to opinions or matters which lie outside ministerial responsibility, and I have no choice but to enforce them and rule that question out of order.

**Mr. Guilbault (Saint-Jacques):** I will try to go straight to the heart of the Prime Minister's responsibility.

**Mr. Gauthier:** You will have a hard time.

PRIME MINISTER'S POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Does the Prime Minister still believe, after what we heard this morning, that it is still appropriate for the Deputy Prime Minister to hold a position in his Cabinet?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I did not think it was possible for the Deputy Prime Minister to give to me, or the House, any further evidence of his integrity and value, but indeed he did this morning with his statement.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

RESPONSIBILITY OF MINISTER OF JUSTICE

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Prime Minister. While we certainly recognize and accept the apology of the Minister of Justice for the statements he made on the weekend, in view of the serious responsibilities of the Minister of Justice and the Attorney General of Canada, does the Prime Minister not recognize that having in effect counselled a breach of the law—that is, Section 178 of the Criminal Code—and suggested that it is entirely proper, the Prime Minister should, in the circumstances, relieve the Attorney General of his responsibilities?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, it is simply an incorrect statement of fact to say that I counselled a breach of anything. I counselled no breach of any of the laws of this country. I can tell the hon. gentleman that if he or anyone else breaches any of the laws, or counsels a breach of them, I will certainly be active to see that that offence is properly chastised.

**Mr. Turner (Vancouver Quadra):** We'll use you as a character witness.

**Mr. Crosbie:** There was no counselling of that nature by me and I am disappointed that the hon. gentleman would even suggest it.

**Mr. Gauthier:** Crosbie for character witness.

PROVISIONS OF CRIMINAL CODE

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I have Section 178.2 of the Criminal Code in front of me. In view of the fact that the Criminal Code very clearly states that it is illegal to intercept, or to take advantage of the interception in the situation such as he has suggested, does the Minister of Justice not recognize that the statements he made in effect counselled breach of the law, and that he should step down as the chief law officer of the Crown?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, someone on the other side should have intercepted that silly, tasteless question.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** That wastn't the sharpest, John!

**Mr. de Corneille:** Bugging is tasteless.

[*Translation*]

## HEALTH

CEREBRAL PALSY TELETHON—GOVERNMENT CONTRIBUTION

**Mrs. Lise Bourgault (Argenteuil-Papineau):** Mr. Speaker, I have a question for the Minister of National Health and Welfare. Yesterday, the Tenth Cerebral Palsy Telethon was held across Quebec, during which some 15,000 volunteers collected nearly $4 million for research and nursing care for the victims of this terrible illness. My question to the Minister is as follows: Could the Minister inform the House what kind of research is being done in this field and how the Canadian Government contributes to an event like the Cerebral Palsy Telethon?

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, first I think all Hon. Members of the House would want to join me in congratulating the volunteers for the Telethon which was carried on successfully in the Province of Quebec over the weekend. I think it is a commendable demonstration of volunteer action in helping to find solutions and answers to a very terrible disease. I commend all of those volunteers, including the Hon. Member who asked the question.

I want to say to her that through the NHRDP, the Medical Research Council, as well as some provincial based research organizations, there is research being carried on. At present we have approximately $7 million of expenditures, not only specifically in the area of cerebral palsy but in related diseases, by the various provincial and federal research organizations which are charged with this responsibility.

* * *

## LABOUR CONDITIONS

YOUTH UNEMPLOYMENT IN ATLANTIC CANADA

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Prime Minister. He may not have noticed during his visit to Nova Scotia last weekend but Atlantic Canadians, including his former constituents of Central Nova, are still waiting for the brand new day which was promised to Atlantic Canada by the Prime Minister.

Given youth unemployment of 30 per cent in Newfoundland, 20 per cent in Nova Scotia and 23 per cent in New Brunswick, will the Prime Minister come forward with a first chance program to give the approximately 55,000 jobless young people in Atlantic Canada a chance for the dignity of a job?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, we realize that jobs have to be created, but we are pleased with the trends we see happening, particularly with young people. I may tell the Hon. Member

that since we came to office 43,000 more jobs have been created for young people. Unemployment among young people is down by some 75,000. The unemployment rate is down from where it was during his regime by 2.6 per cent. At the same time we have put into youth programs some $180 million this year—

**Mr. de Corneille:** Yes, and the session is over, too.

**Miss MacDonald:** —for summer programs for students, an additional $30 million for students to take part in the census—

**Mr. McCurdy:** That's not additional. Come, on. Shame.

**Mr. de Corneille:** Shame.

**Miss MacDonald:** —and, as well, under Job Entry, which particularly is geared to disadvantaged young people, we have allocated some $125 million.

**Mr. de Corneille:** The session is over. Shame on you.

**Mr. Tobin:** The Minister in answering the question has taken the same attitude as the Prime Minister with respect to his promises to Atlantic Canada. He has ignored the region and he has broken—

**Mr. Hnatyshyn:** Order.

REQUEST FOR NEW EMPLOYMENT PROGRAM

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, despite the statistics spewing from the mouth of the Minister of Employment and Immigration, which are relevant to the Atlantic region, would the Minister not recognize that unemployment is up in Newfoundland, up in Prince Edward Island, and has not hardly moved in Nova Scotia and New Brunswick? Will she not recognize the reality and the desperation in the Atlantic region and the anger of the demonstrators last week in Halifax, Nova Scotia, and come forward with a realistic program to give people in Atlantic Canada the dignity of a job, because the Government has not done it? The Prime Minister has not kept his word.

• (1440)

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am going to ask the Hon. Member to accompany me to some of the projects where young people are working, where young people have had an opportunity to go into training programs across Atlantic Canada and across the rest of the country. They have been able to take six to eight months of training and on-site work experience and, at the end of this, have been able to acquire permanent jobs. In Newfoundland, for example, employment among young people is up by some 2,000 and unemployment is down by 1,000.

## UNEMPLOYMENT INSURANCE

TREATMENT OF PENSIONS AS EARNED INCOME

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of Employment and Immigration. The changes to the Unemployment Insurance Act which become effective January 3, 1986, treat pension income as earned income. This is creating a considerable amount of hardship for people, particularly those who have retired from the Armed Forces, who now have to report their pensions as earned income. They are still looking for work, but if they work they will have to pay premiums and would never be able to collect. Is the Minister prepared to withdraw that draconian measure of counting pension income as earned income for unemployment insurance purposes?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as you well know, this question has been raised on a number of occasions before. Indeed, it has been raised on several occasions by the Hon. Member himself. I will repeat the answer that I have given earlier in the House. This regulation change was announced in November of 1984. There was a year allowed to make the adjustments necessary for the implementation of this regulation.

With regard to the point which he raises about premiums, I have also announced in the House that this issue has been specially referred to the Forget Commission of Inquiry. I have asked especially for a reply to the question of who pays premiums, under what circumstances, and whether there should be the same prevailing structure. These questions have all been referred to the commission of inquiry and I am looking forward to receiving the report.

FORGET COMMISSION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I would like to ask the Minister a supplementary question related to the Forget Commission. Will the Minister then, as seems to be most logical, wait until she gets the Forget Commission report before she starts making changes to the Act and hurting people?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I may inform the Hon. Member, although I do know that he has recognized this previously, that the regulation change was announced long before the Forget Commission was established.

**Mr. Orlikow:** And we protested it then.

**Miss MacDonald:** In November of 1984 we announced when it would come into effect. The Forget Commission was not established until some six or seven months later.

[*Translation*]

## EXTERNAL AFFAIRS

### TROUBLES IN HAITI—SAFETY OF CANADIANS—ROLE OF DEPARTMENT

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I wish to direct a question to the Minister for External Relations.

Considering that the situation is deteriorating rapidly in Haiti, that dozens of people have been killed and hundreds more have been injured, can the Minister assure the House that the department guarantees the security of Canadians living there and looks after the relatives of Canadian families who are permanent residents of Haiti?

**Hon. Monique Vézina (Minister for External Relations):** As I said in weekend reports, Mr. Speaker, the comments and reports we have heard do indicate that no Canadians have been injured or even affected in that country.

I too am concerned about the situation in Haiti and we are monitoring developments very closely.

Since we are a Government that knows how to listen, I called a working session for 6 p.m. later this day where I will be listening to the spokesmen of Montreal's Haitian community and seeking their advice, because they still have brothers and sisters living in Haiti.

### ACCESS TO INFORMATION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I have a supplementary question for the Minister.

Some newspapermen and some Members from the Montreal region have told me that they are experiencing a lot of difficulties in trying to elicit information on that subject from the Department of External Affairs.

Would the Minister take the appropriate steps to ensure that the Canadian media and all interested individuals have readier access to information than has been the case in recent days?

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, as early as last Friday when we made the announcement, steps were taken to provide assistance to all Canadian families. I have been told that the service is excellent.

In light of the statement made in the House by the Hon. Member for Saint-Maurice, I would urge him not to believe everything he says, hears or reads.

## SHIPBUILDING

### REQUEST FOR DETAILS CONCERNING CONSTRUCTION OF SECOND FERRY

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, my question is directed to the Minister of Transport.

As Hon. Members are aware, Canadians in Newfoundland are expecting an improvement in ferry services provided by CN Marine. Furthermore, workers at the Versatile Davie shipyards in Lauzon are expecting a contract for construction of a second ferry.

Could the Minister of Transport inform the House of any new developments?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, that particular issue is currently before Cabinet and I hope that we will be in a position to make an announcement within the next two to three weeks with regard to the acquisition of further ferry vessels for Canada.

* * *

## STATUS OF WOMEN

### PORTRAYAL OF WOMEN IN THE MEDIA

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my question is for the Minister of Communications and is with regard to the appalling report of the Sex Role Stereotyping Committee of the CRTC which shows no improvement, and indeed some deterioration, in portrayal of women in news, public affairs, and drama. Would the Minister tell us what his concerns are in this area and what action he plans, given the total failure of the CRTC to effect any improvement in portrayal of women in the broadcast media, public and private?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, a paper on sexual stereotyping in the broadcasting media was published by the CRTC on January 31.

However, since we have just received the report at the Department of Communications, I am not now in a position to comment publicly on its contents.

However, I can give the House the assurance that this paper will be used as the basis for discussions on the subject that will be held during public CRTC hearings scheduled in Vancouver, Montreal and in the Ottawa area next April.

[*English*]

### APPOINTMENTS TO CRTC AND CBC

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my supplementary question concerns a very specific recommendation that the Department has had since since 1982 and has, therefore, certainly had time to study. That is the recom-

mendation of the public members of the sex stereotyping task force that half of the appointments to the CRTC board and half of the appointments to the CBC board be of women, and that some of these individuals, men or women—

**Mr. Speaker:** Order, please. Order, please!

**Ms. McDonald:** I am asking if the Minister is prepared to act—

**Mr. Speaker:** Order, please. I think the Hon. Member is making a long preamble. Could she just put a supplementary question?

**Ms. McDonald:** Mr. Speaker, is the Minister prepared to act on this recommendation on the appointment of women and the recommendation that some of these appointments be of people who are conversant with the problems and ready to act and make improvements?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, it was after reading this documentation that I decided to recommend to Cabinet an appointment that has now been made, namely that of Mrs. Lorraine Duguay as Director of the CBC. I am sure that with the Prime Minister's support, we will be able to increase appointments of this kind involving competent people and responding to part of the question raised by the Hon. Member.

* * *

[*English*]

## LABOUR RELATIONS

### GENERAL MOTORS WINDSOR PLANT—THREAT TO COLLECTIVE BARGAINING PRACTICES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. I know that he is away on official business, so I will ask my question of the Prime Minister. The president of General Motors Canada, in a letter which was made public on the weekend, wrote in terms that indicate that the jobs of some 2,700 workers at the General Motors Trim Plant in Windsor are in jeopardy unless their union gives up longstanding collective bargaining practices, a demand the company is not making of GM workers in the United States.

Will the Prime Minister or his Minister take immediate steps to have General Motors drop this demand in view of the high levels of productivity and efficiency connected with the GM Trim Plant and its workers which are in the best interests of General Motors of Canada and our Canadian economy?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am not aware of all of the details raised by my hon. friend, but I will certainly take this as representation and notice and respond as quickly as I can. I was unaware of the thrust of one of the comments made by the president and I will be happy to examine it.

### CANADA-UNITED STATES AUTO PACT PROVISIONS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, will the Prime Minister draw to the attention of the President of General Motors Canada that the course of action that he has in mind could well be contrary to the spirit and approach of the Canada-U.S. Auto Pact which is based on having Canadian content and Canadian production where it makes, at the very least, economic sense in this country, which is very much the case with the GM Trim Plant in Windsor and the 2,700 jobs in that plant?

• (1450)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will be happy to look into it and review with the president, or even my hon. friend, the implications of that suggestion.

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## AIRPORTS

### RENOVATIONS AT OTTAWA INTERNATIONAL AIRPORT

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, my question is directed to the Minister of Transport. We all know that the Ottawa International Airport has been undergoing renovations for what seems like an eternity. Can the Minister tell us when the renovations are expected to be finished, if they will be within budget, and if all safety precautions are being vigorously pursued during these renovations?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, as the Hon. Member knows, this is a project that was inherited from the former administration. The contract and the time farme for the completion of this project were a responsibility of the former administration.

It is my understanding that the project is running roughly two to three months behind schedule. There have been a number of unforeseen problems, such as the high demand for certain types of labour, including electricians and plumbers who were in short supply and caused a bit of a delay.

Notwithstanding that, I am advised that the west wing will be open to the public within the next month or so, and that should alleviate many of the problems to which the Hon. Member refers.

* * *

## YOUTH

### TERMINATION OF KATIMAVIK PROGRAM

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, the ruthless termination of Katimavik, which was a program that served youth and many Canadian communities well, is another example of the Government's disregard for the concerns of youth.

My question is directed to the Minister of State for Youth, who is supposed to be an advocate for youth in the Government. Is anybody listening?

[*Translation*]

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, anyone who thinks that the end of the Katimavik Program means that the Government has turned its back on Canadian youth could not be further from the truth. In fact, the Government wants young people to have access to more permanent advantages and wants to make these available to more than just 2,000 young people at a cost of $10,000 a year, as has been the case under the Katimavik Program for ten years.

[*English*]

REQUEST FOR ANNOUNCEMENT OF NEW PROGRAM

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, that was a very interesting non-answer to my question. We know that a program has been promised. Why has this program, which is supposed to replace Katimavik, not been announced by now? Really, is not the cut in Katimavik just the beginning of a number of cuts in budgets for youth programs, including a threat to the Ministry itself?

[*Translation*]

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, announcing the winding down of Katimavik now was the sensible thing to do, to preclude further commitments since we do not intend to continue the program. And why wasn't another program announced right now? The answer is very simple. International Youth Year came to a close less than a month ago. We are now collating and compiling the findings of that year's consultations, and the new programs to be announced will respond directly to the needs and aspirations of our young people. They have said as much all last year. New programs are under way, and I think there will be room for more than 2,000 young people who will be able to contribute to the well-being of their communities and register for programs in which they can get practical experience and thus enter the labour market far more easily. All we ask is some patience.

[*English*]

REASONS FOR CANCELLATION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my question is directed to the Minister of State for Youth. There are over 750,000 unemployed youth in Canada today, regardless of the statistics given by both Ministers across the aisle. They are out of school, out of work and we will need a variety of programs to meet this growing crisis. How can the Minister justify the cancelling of the Katimavik program which addressed the learning needs of more than 20,000 young Canadians and gave them a sense of purpose, direction, and skills as contributing workers of our society? Why did you cancel that program?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, at a time when money is scarce—

**Some Hon. Members:** Oh, come on.

**Mrs. Champagne:** —$20 million for 2,000 young people is $10,000 per young person. The Government, with many types of programs right now, is doing a lot more for a greater number of young people with that money. There will be new programs announced very soon.

**Mrs. Finestone:** Nobody in the Government has a right to balance the Budget on the back of our youth who are the future of this country.

**Some Hon. Members:** Hear, hear!

MINISTER'S POSITION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the Minister knows that Katimavik won a United Nations aware for excellence and for the environment.

**Some Hon. Members:** Hear, hear!

**Mrs. Finestone:** The Minister also knows that 35,000 people have been—

**Mr. Speaker:** Order. I have not heard the question with all the applause. Is there a question?

**Mrs. Finestone:** Why does the Minister not recognize that this program is invaluable in the development of social skills and job-related exprience, that it is an effective job strategy? Why can she not get that through her head?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, no one said there was nothing good about Katimavik. However, it was not and is not meant to be a job-creation program. Are we to leave the $20 million there and not create jobs or give young people the possibility of acquiring skills? I know that $20 million for those Members is nothing. No wonder the deficit went up 10 times in 20 years.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

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## FAMILY VIOLENCE

FUNDING OF NATIONAL CLEARING HOUSE

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. On behalf of many organizations which are struggling to deal with the increasing number of battered women and abused children, will the Minister reinstate funds and renew the mandate for the National Clearing House on Family Violence which is due this month?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I answered this question in the House last week. The short version, as those Members opposite want, is that my answer this week is the same as last week.

**Ms. Mitchell:** That answer is not good enough.

MINISTER'S PLANS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, if the Minister has a better plan to assist battered women and children, what is it? Why is there a mystery? The women of Canada want to know and have the right to know.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, again, I answered that question last week, as well as the response to the Badgley Report. That answer stands as well.

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## INTERNATIONAL MONETARY FUND

INCORRECT REPORT ON MONEY SUPPLY

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that figures published by the International Monetary Fund last month wrongly implied that Canada was printing money at a rate almost four times higher than that of other industrialized countries, will the Minister say what effect, if any, this has had on the fall of the dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think it is has had any effect. The only person who was fooled by those figures was the Hon. Member who asked the question.

**Some Hon. Members:** Oh, oh!

MINISTERIAL RESPONSIBILITY

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the Minister did not know about this when I asked him on Thursday and apparently he still has not troubled to issue a correction. However, I understand the Bank of Canada may have taken some initiative. Does the Minister feel that he has any responsibility at all for the fall of the dollar, or is he happy to be asleep at the switch?

**Some Hon. Members:** Hear, hear!

● (1500)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker—

**Some Hon. Members:** Wake up, Michael.

**Mr. Turner (Vancouver Quadra):** He does not even know what a switch is.

**Mr. Andre:** Take a switch to the Opposition.

**An Hon. Member:** You can have him.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, I do not quite understand what the Hon. Member is getting at with the question.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** I have answered on many occasions regarding the policy of the Government in dealing with the dollar. If she has any suggestions on how she thinks it should be dealt with, I would be very happy to listen to her comments. However, at this point in time the only suggestions which I am getting from her are cheap shots that do not do any good for anything in relation to the Canadian dollar.

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## POINT OF ORDER

EXTENSION OF SITTING

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I rise on a point of order. Earlier today the Deputy Prime Minister (Mr. Nielsen) rose on a question of privilege and some time was taken in respect of that proceeding. In view of the fact that today is an opposition day and the Official Opposition has a motion before the House, may I suggest that the time of the House be extended by the period of time used by that question of privilege?

**Mr. Gray (Windsor West):** Mr. Speaker, the Government Whip has already raised that, and we would agree to it. However, I would ask that when in future other Ministers apologize and back down, as did the Deputy Prime Minister (Mr. Nielsen), the Government House Leader ask the House to allow it to be done as a statement by a Minister, so that it will be clear that the time could be added and the confusion on the part of the Government this morning could be avoided.

**Mr. Deans:** Mr. Speaker, we had some discussion about this, and I think it would be an excellent idea.

**Mr. Speaker:** I take it there is a suggestion that the time used for the statement by the Hon. Deputy Prime Minister (Mr. Nielsen) and the replies thereto be added on to the day. I am informed that it will be 18 minutes, and I take it that there is no objection to it. It seems reasonable.

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Therefore the sitting day will continue an extra 18 minutes.

## BUSINESS OF THE HOUSE

**Mr. Deans:** Mr. Speaker, my point of order concerns House business. I should like to ask the government House Leader if he might be in a position during the course of this week to inform the House of the date upon which the Budget will be introduced.

**Mr. Hnatyshyn:** Mr. Speaker, I am in consultation with my colleague, the Minister of Finance (Mr. Wilson). He will announce it in the House at the earliest possible moment so that there will be an opportunity for advanced planning by the Opposition. God knows they need advanced planning.

**Mr. Blackburn (Brant):** At least tell us what year.

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## HOUSE OF COMMONS

TRIBUTE TO THE HON. MEMBER FOR EDMONTON NORTH (MR. PAPROSKI) AS ACTING SPEAKER

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, last Wednesday, January 29, as a result of an urgent and pressing situation, the Hon. Member for Edmonton North (Mr. Paproski) replaced Your Honour in the chair. I was kind of appalled and saddened this morning to read in *The Toronto Sun* an article dealing with the Hon. Member's performance. With all due respect to your performance, Mr. Speaker, and without meaning to denigrate it in any way, we on this side of the House would like to say that the Hon. Member for Edmonton North did a fantastic job. He understands this House. He is a comrade of ours. Any time he wants to take the chair, he is welcome.

**Mr. Speaker:** I think all Hon. Members of the House know that I was away through an unavoidable delay caused by the failure of an airplane to leave Toronto. I have reviewed the tape, and I second the comments of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) with regard to the Hon. Member for Edmonton North (Mr. Paproski).

**Some Hon. Members:** Hear, hear!

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# ROUTINE PROCEEDINGS

[*English*]

## LEGISLATIVE COMMITTEE—BILL C-67

PRESENTATION OF REVISED REPORT OF LEGISLATIVE COMMITTEE

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, on behalf of the Hon. Member for York North (Mr. Roman), I have the honour to present the revised report of the legislative committee on Bill C-67.

*Order Paper Question*

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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## PETITIONS

TOURNAMENT CHESS—RECOGNITION AS SPORT FOR PURPOSE OF FUNDING

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I have the pleasure and privilege today to present a petition signed by a number of residents of the Province of Ontario who are chess players. These individuals call upon the Government of Canada to recognize tournament chess as an appropriate sport and to ensure that they have access to the same kind of funding as have other sports.

USE OF PENSION INCOME IN CALCULATING UIC BENEFITS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the duty and responsibility to present two petitions today. One is signed by 104 residents of the Province of Nova Scotia, and the other is signed by 300 citizens of Windsor, Ontario, Local 195 of the UAW. Both these petitions protest the change in the Unemployment Insurance Act which saw pension income being used as earned income for calculating unemployment insurance benefits. They call upon Parliament to reverse that Draconian change.

[*Translation*]

POSSIBLE CLOSURE OF CN SHOPS AT MONCTON

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I have the pleasure of presenting another petition from the people of the Moncton area, Dorchester, Riverview and Shédiac. They are still concerned about the situation at the CN shops in Moncton and want the assurance of the Minister of Transport (Mr. Mazankowski) that the jobs at the CN shops in Moncton will be protected.

* * *

[*English*]

## QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I wish to advise the House that Question No. 467 will be answered today.

[*Text*]

CANADIAN ARMED FORCES—SEPARATION AND RENTAL ALLOWANCES

Question No. 467—**Mrs. Cossitt:**

1. How much money is paid to Armed Forces personnel, at the present time, for (*a*) separation allowances for wives (*b*) rental allowances?

*Order Paper Question*

2. What is the total value in annual amounts of any perquisites provided in addition to the other two?

**Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):** 1. (*a*) Separation expense is paid to the member and not his or her spouse or any other dependant. Separation expense has three components which cover food, lodgings and incidental expenses. The amounts paid are dependent on the circumstances of the member:

(*a*) If the member is provided with rations and quarters at a military establishment other than in Cyprus or the Middle East, he or she will receive $3.55 per day/$106.50 per month to cover incidentals.

(*b*) If the member is provided with military rations and quarters while serving in Cyprus or the Middle East, he or she will receive $91.50 per month to cover incidental expenses.

(*c*) If military rations and quarters are not available and the member is required to find semi-permanent commercial or non-commercial accommodation, he or she may receive:

(1) $308.70 per month, without receipts, to cover meals and incidental expenses;

(2) for commercial lodgings, actual and reasonable expenses, supported by receipts, to a maximum of $885 per month;

(3) for non-commercial lodgings, such as accommodation in a private home, actual and reasonable expenses, supported by receipts, to a maximum of $198.74 per month.

The total military expenditure for Separation expense during the period October, 1984 to September, 1985 was $3,301,500.

(*b*) Accommodation Assistance Allowance (Rental Allowance). Accommodation assistance allowance may be payable to members of the Canadian Forces serving at locations where the local cost of accommodation is significantly higher than the national average cost of similar accommodation. The actual amount that an individual member receives will vary with the location and the member's rank, status and family size. Effective November 1, 1985, nine locations qualify as accommodation assistance areas. The following depicts the range of rates applicable to each location:

| Location | Range (Monthly Rates) |
|---|---|
| Gander | 41-208 |
| St. John's | 52-157 |
| Halifax/Shearwater | 78-157 |
| Ottawa | 71-204 |
| Toronto | 55-110 |
| Vancouver | 55-110 |
| Whitehorse | 59-391 |
| Yellowknife | 360-719 |

The total military expenditure for accommodation assistance allowance during the period October, 1984 to September, 1985 was $6,854,484.

2. We are unable to estimate the total value of other perquisites since we would have to cover every allowance, grant and gratuity contained in the Queen's Regulations and Orders.

[*English*]

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

**Mr. Nunziata:** Mr. Speaker, I rise again in respect of the questions which I put on the Order Paper on March 15, 1985, ten and a half months ago. I have risen time and time again to ask the Government when it intends to answer those questions which relate to the involvement of the former Solicitor General in a case involving the Premier of New Brunswick. It is clear that the Government is stonewalling and refusing to answer because the answers to those questions will tend to embarrass not only the Government but the Conservative Government of New Brunswick.

I should like to put the question again to the Parliamentary Secretary. When does the Government intend to answer those questions? If the Government does not intend to answer them, what would that mean in terms of the credibility of the Government when it speaks of enhancement of the role of the back-bencher?

**Mr. Lewis:** Mr. Speaker, I advise the House that we have made every effort to answer as many questions as possible. If the Hon. Member reviews the record, he will find that our percentage of answers is, if not equal to, very close to that of the previous administration. I know, and I know there are other Members, such as the Hon. Member for Bow River (Mr. Taylor), who could tell the Hon. Member that some questions went four and a half years without being answered by the former administration. It is just that some questions get answered quicker than others.

**Mr. Nunziata:** Mr. Speaker, I asked specifically with regard to Question No. 296.

**Mr. Speaker:** Order, please.

**Mr. Nunziata:** When does he intend to answer this question?

**Mr. Speaker:** Order, please, I think the Hon. Member has asked that question. I am only reluctant to grant him a supplementary question because of our practice not to grant supplementary questions during this period. However, if the Hon. Member has a very short supplementary question, I will recognize him.

**Mr. Nunziata:** Would the Parliamentary Secretary not agree that what is at issue in respect of my question on the Order Paper—

• (1510)

**Mr. Speaker:** Now, the Hon. Member is going beyond the practices of this period of question.

**Ms. Copps:** Mr. Speaker, I, too, rise on a question arising out of statements by the Parliamentary Secretary. I tabled a

question, Question No. 64, on November 9, 1984, dealing with the Government's economic statement. Since then we have seen a Budget, and we are about to see another Budget in the not too distant future. We have seen the dollar go through the floor, it is down to 69 cents. I would like to ask the Parliamentary Secretary when I can expect to have an answer to a question that I asked on November 9, 1984?

**An Hon. Member:** Over a year ago.

**Mr. Lewis:** Mr. Speaker, I would like to say that since the Hon. Member's question is pertinent to the issues of the day, and not character assassination, I will take this up and get back to the Hon. Member on her question which relates to the economic statement of the Government, naturally an important issue.

[*Translation*]

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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## MOTION TO ADJOURN—S.O. 31

DROP IN THE VALUE OF CANADIAN DOLLAR

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, pursuant to Standing Order 31, I move that this House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the collapse of the Canadian dollar which, for the first time in its history, has fallen below 70 cents in U.S. funds.

**Mr. Speaker:** The Hon. Member for Laval-des-Rapides (Mr. Garneau) has given me notice of his request.

The Hon. Member for Trinity (Miss Nicholson) submitted a similar request last Monday. On that occasion, I indicated that although the pressure on the Canadian dollar is a matter of grave concern, the problem is of a continuing nature rather than that of a sudden emergency. Our precedents do not allow us to give ongoing problems the status of an emergency situation in terms of the provisions of Standing Order 31, except in very special circumstances.

Furthermore, there are six Opposition days left in the current period, one having been designated for tomorrow, so there will be an opportunity to debate this very important matter within a reasonably short time.

*Supply*

# GOVERNMENT ORDERS

[*English*]

## BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—THE ENVIRONMENT

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

That this House condemns the Government for its failure to recognize the importance attributed by Canadians to toxic chemicals in water and other elements of the environment.

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, in speaking to the motion today I want to begin by expressing a word of commendation to my friend the Hon. Member for Davenport (Mr. Caccia) for bringing to the attention of this House a matter that is timely, relevant and urgent. The Hon. Member for Davenport is certainly one of the most respected environmentalists in Canada today. I believe that my Party is fortunate to have him as our spokesperson and critic on environmental issues.

Canadians today in all parts of the country are deeply concerned about the quality of our environment. They look to the federal Government for leadership in the resolution of environmental problems and the preservation of a very rich natural heritage that we still possess. Inaction by the federal Government cannot be excused on the basis that there is a jurisdictional overlap between the provinces and the federal Government when it comes to environmental issues.

Canadians expect strong leadership from the federal Government. As the Member for Davenport pointed out in introducing this motion they are not at the present time getting the leadership that they expect and deserve. Inaction cannot be excused either because neglect of our environment may sometimes be profitable in the short run. Canadians know that environmental degradation inevitably harms the economy in the long run. For example, acid rain harms tourism and buildings. If we have poor forest management it leads to a shortage of wood. The effects of pollutants in air and water causes health problems. That, Sir, leads to absenteeism and much higher costs for our health care system.

There are many environmental problems in this country, Mr. Speaker, which really are the result of one sector of society trying to avoid paying the costs of waste disposal or of sustaining a particular resource. They just try to avoid it. These costs will not go away. They are simply passed on to others, another sector of society or, even more seriously, they are passed on to future generations.

The debate today in this House concerns the toxic chemicals issue, and no one should be misled. The task of intervening by the federal Government to control toxic chemicals which will find their way into our environment is an enormous task. Ours has been described as being a chemical age. Probably that is more to be regretted than it is to be cheered. We know that modern industry today uses some 60,000 chemicals in a very wide variety of processes. Many of these products that are used are new, they have been synthesized within this century.

For the most part we have only very limited data concerning their long-term environmental and health impacts. We just don't know enough about them.

There are 1,000 new chemicals that are utilized annually, but there is no comprehensive legislation to monitor and control them. This is not to suggest that the federal Government in the past has been inactive or unconcerned—not at all. The federal Government has six Acts regarding toxic chemical management. There is the Environmental Contaminants Act of 1976, the Clean Air Act, the Canada Water Act, the Ocean Dumping Control Act, Section 33 of the Fisheries Act, and, of course, the Migratory Birds Convention Act. In addition to that there are another 30 related federal Acts; that is, in a variety of statutes there are aspects that direct themselves to environmental matters. For the provinces there is a total of another 97 Acts that deal with specific aspects of toxic chemicals.

That is impressive, but all of this legislation has not proved successful. It has not solved our pollution problems resulting from toxic chemical disposal. I wonder why that is, Sir? The reason it seems—and the Minister of National Health and Welfare (Mr. Epp) referred to it in his speech—is that monitoring, regulating, and controlling have not kept pace with the development of new chemicals. Regulation development requires a political commitment, the exercise of strong political will and the direction of the necessary financial resources in order that we can keep pace.

The Minister of National Health and Welfare admitted this morning that those resources are not available. Does that mean that we should therefore conclude that there is not a political commitment on the part of this Government to face up to the big challenge of dealing with toxic chemicals entering our environment? There is reason to be suspicious that there is not that commitment.

● (1520)

As my friend from Davenport pointed out, the toxicology centre in Guelph, which had an allocation of $6 million at its disposal and was destined to become a centre of excellence in North America attracting the best of scientists, has ceased to function. We know that an important toxic chemical research program with respect to the Niagara River, which had an allocation of some $2.5 million a year, has been cancelled. We know the National Research Council was doing important research on toxic chemicals. There is no longer money available for it to carry on that work.

The key issue is that chemicals continue to be used in great abundance in our society. New ones are regularly introduced, but are done so without an adequate assessment program to deal with the risks they may pose.

The simple fact, and Hon. Members have to face up to it, is that Canada lacks an effective control and assessment policy for chemical usage and disposal. What does that mean, Mr. Speaker? It means we are gambling that there will be no ill effects either to the environment or to human health when one of these new chemicals is used and disposed of in some unacceptable way.

It is frequently charged that in Canada most chemicals have not been tested adequately to determine their toxicity, how they effect ecosystems and how they interact with other chemicals. Consequently, citizens of Canada, those who we represent here, are raising numerous questions about the safety of drinking water and the risks involved in the eating of fish.

There is a great deal of disagreement, of course, even amount experts about the impact of toxic chemicals on the environment. Some very clear signals, however, and problems do exist. The big proportion of fish with cancerous tumours that have been taken from the polluted areas of the Great Lakes is a very clear signal that we have a water quality problem.

A three-year study was undertaken by Environment Canada in co-operation with the Government of the Northwest Territories. It revealed high concentrations of certain agricultural and industrial chemicals, including PCBs, in polar bears. The very fact that PCBs and other toxic chemicals have been found in northern Canada—supposed to be our pristine wilderness—indicates that we have to rethink our approach to these toxic chemicals, to manage them better throughout their life cycle and to prevent them from finding their way into the environment affecting human health and wildlife as well.

We do not yet fully understand how these toxical chemicals got into the North. There can be no dispute here about federal responsibility. There is a federal responsibility to develop the best possible means of preventing that from happening. Our well being is intimately connected to the quality of this nation's air, water and soil. For example, PCBs and mercury were widely used for a long period of time and thought to be safe until scientists suddenly discovered that they have harmful effects.

Let me just take the case of mercury. The Indian people who live in northwestern Ontario in the communities of White Dog and Grassy Narrows are today tragic reminders of the sad fact that we did not carry out our responsibilities to guarantee their health and safety.

What we have, and the Minister of National Health and Welfare (Mr. Epp) admitted it this morning, is an *ad hoc* process by Environment Canada and the Department of National Health and Welfare in assessing and controlling the 60,000 chemicals now on the market. That is not adequate to protect the health and the environment of Canadians.

Our neighbour to the south does not have a great reputation for environmental concerns in many areas—

**Mr. Blackburn (Brant):** Putting it mildly.

**Mr. Penner:** Putting it mildly, yes. Nevertheless, if you take a look at the Americans' Environmental Protection Agency, it has a much more sophisticated and advanced process for monitoring, regulating and controlling toxic chemicals than do we. The Americans have clearly defined stages. They have decision-making criteria to identify and regulate hazardous

chemicals. Canada does not have a system like that and it needs one.

On August 9, 1985, the Aboriginal Council of British Columbia wrote to the Minister of Indian Affairs and Northern Development (Mr. Crombie) supporting the efforts of the Kitsumkalum Indian Band Council in its fight to stop the herbicidal spraying of a chemical known as Garlon Ester 4. This case illustrates so well the need to prevent toxic chemicals from entering lakes, rivers and ground waters. There seems to be an absence of any strong federal leadership. In fact, the federal Government in this case, it is sad to say, was the culprit.

The previous Minister of the Environment, who has now left the Cabinet altogether and never really was regarded as much of a champion of our biosphere nevertheless acknowledged that considerable experience had been gained in coping with chemicals in Canada since the passage of the Environmental Contaminants Act of 1976. She indicated that much more had to be done. She called for, and she should be given credit for this, a comprehensive management plan. She said:

> Toxic chemicals must be and will be safely managed in Canada.

That is why my hon. friend and colleague from Davenport has called for this debate. We in this Party want to see the Government bring in such a comprehensive management plan. Will it do so? If so, when?

No one questions that there are some chemical substances that are of value to society; that is not the issue here today. It must be recognized that their widespread and unregulated use poses very great risks to human health and to the environment. Industrial societies such as ours are steadily increasing the potential exposure of citizens to chemicals which can cause cancer, birth defects, blood diseases, miscarriages, nervous disorders and damages to the liver, the kidney and the genes. All of the chemicals in use today will enter into the environment in one way or another. Too little is known about the effects of chemicals on living beings.

• (1530)

Possibly, hundreds of these chemicals pose no serious risks at all, but others are unquestionably dangerous. The federal Government is responsible for overseeing that we have national water safety standards in the country. It should be in a position to ensure for every Canadian, no matter where that citizen lives, the right to clean, safe drinking water. The federal Government should have the force of law behind it to order industries to have recycling centres for industrial discharge.

Think about it for a moment, Mr. Speaker. The concept that discharge of these chemicals is acceptable because they dilute in water surely has to be considered irresponsible. I would like to use an authority in this regard. I quote the words of Dr. Wilkinson of Carleton University who gave testimony before the Pearse Commission. He said:

> Toxic chemical waste ought not to be a topic of water management—but it is. We do need control of chemicals from creation to disposal. Storage in the ecosphere through dilution is irresponsible.

I think all Members in the House will agree that the emphasis has to be on prevention. The Government of Canada must have the power to prevent toxics from entering lakes, rivers and groundwater. If we have to rely on remedial measures, then we know that they are always expensive. They will be much more expensive than a systematic program of pollution prevention. Once a toxic chemical has been dispersed into the environment, it is usually difficult, or it may even be impossible, to clean it up.

I conclude by saying that this is an important debate. Its purpose is to stress, to elaborate and to emphasize the point that Canada needs a better system to assess and control toxic chemicals so that our citizens can be assured that their health, their safety and their concern for good environment is not constantly, daily, at threat.

[*Translation*]

**Mrs. Bourgault:** Mr. Speaker, I think that if we want to be consistent ... I realize this is an Opposition day, but the motion could just as well have read: "That this House condemns the previous Government for its failure to recognize the importance attributed by Canadians to chemicals." The Hon. Member for Cochrane-Superior (Mr. Penner) referred to new toxic chemicals. He knows perfectly well—as he used to be on this side of the House, on the Government side—that it takes years to get a chemical certified for use.

I am aware of the Hon. Member's parliamentary record. I know that he is very interested in parliamentary procedure and reform, since he was a fairly active substitute member of the committee. The Hon. Member must remember those uncertain times of the urea formaldehyde foam insulation question, and in fact Canadians are still ... And we are still trying to deal with the difficult UFFI question. The Hon. Member will recall that at the time, approval of the product was ... the Government of Canada had not been careful enough, and I think we can never be too careful. Now, is the Hon. Member for Cochrane-Superior prepared to admit in the House today that what is happening to us now—and environmental matters are very important to my constituents in Argenteuil-Papineau: there are a number of organizations whose concerns include the quality of air, water, forests, in fact the quality of life in general—is not the fault of this Government, because if we realize ... It seems it takes two or three years for a chemical to be certified for use.

The Standing Committee on Agriculture, and in fact I am not sure whether it is the Caucus Committee or the Standing Committee, at any rate the Committee met with the Canadian Manufacturers of Chemical Specialties Association and told us: It may take three years to get a product certified for the market.

So if the present regulations ... and what I want to ask him is: Does the Hon. Member recognize that the present regulations are a consequence of the previous legislation? It is as simple as that. That this Government has a tremendous

responsibility and is facing a tremendous challenge to deal with environmental matters and acid rain? That Canadians are not the only ones to blame for our acid rain, Mr. Speaker?

I would appreciate it if the Hon. Member for Cochrane-Superior would answer that, and if he would remember the days of UFFI. He must realize it is not easy for a government, and as my father used to say: It's easier to be on the outside looking into the ring than being in the ring yourself.

[*English*]

**Mr. Penner:** Mr. Speaker, I only have to say to the Hon. Member that the matter she raises is really peripheral. We are dealing here with a central problem. I was in this House when pollution matters and concern for the environment first became public policy issues. It happened in the late 1960s. Progressively, the Government became more and more concerned. A ministry was established, a Department was established and legislation was passed. Very frequently, as I indicated in my remarks, that legislation fell short of what citizens in the country expected from it.

The matter is simply this. We are dealing with a progressively serious problem. It is becoming more and more serious. So the issue now, as my hon. friend from Davenport has stressed by bringing this motion forward, is that the Government has been elected with a large majority to take leadership in a wide range of areas. Today in the House we are saying that one of the areas that must not be neglected is the area of toxic chemicals disposal. It is becoming a more and more serious problem, as represented by the questions which have been raised in the House about the St. Clair River. During previous administrations we had equally serious problems. We had to move on them; but there has to be a political will to do something about it and to commit the resources to those problems.

What concerns us is that there does not seem to be any clear statement of public policy from the Government on environmental issues. In fact, we on this side of the House seem to be getting the message that there is a drawback. If toxic chemicals are as serious as my hon. friend and experts in our community have indicated, then how can there be justification for major cut-backs when we ought to be allocating new resources to a comprehensive toxic chemical management program in the country? That is the challenge for this Government. I do not think that they are responding to the challenge, at least not to the satisfaction of either myself or the Hon. Member for Davenport.

**Mr. Redway:** Mr. Speaker, I think all of us in this House, no matter what side we sit on, are very sympathetic with the main thrust of the Hon. Member's comments. Obviously, all of us are most concerned about the environment. We are most concerned about toxic waste, toxic chemicals and, in particular, about toxic chemicals in our drinking water. Those are matters of common ground. I do not think that anyone is holier than thou in that respect.

The Hon. Member also knows from statements made by the Minister of the Environment (Mr. McMillan) in the House last week that the Government has the intention within a very short period of time to introduce some very comprehensive changes to the Environmental Contaminants Act in order to make clear and to strengthen the whole thrust of the Government's enforcement and prevention policies in which the Hon. Member is interested.

• (1540)

The Hon. Member also knows that one of the main problems we face in dealing with the environment and the toxic chemical problem lies in the chemical dumps along the American side of the Niagara River, in particular those four infamous chemical dumps originally owned by the Hooker Chemical Company: the Love Canal, the Hyde Park dump, the S. Area dump and the 102 nd. Street dump. They are all along the American side of the Niagara River and they are all causing a great potential problem which somehow has to be dealt with. Those dumps have been there for a number of years. They did not just suddenly occur since September 4, 1984.

Since that time, of course, the present Government has been dealing with the American Government, the State of New York Government and with the chemical companies involved, trying to come to some sort of solution to the problem of cleaning up those dumps. The ultimate solution, of course, is to get rid of the chemicals, take them away and dispose of them somewhere else, and I mean actually dispose of them rather than just dump them in another site where they can cause the same sort of problem.

The present Government is doing something about that and it has been for some time. I am sure the Hon. Member has some thoughts of his own and is very disturbed by the fact that the Governments of which he was a part in the past were not able to do anything about those dumps. I hope he is prepared to admit to the House that the present Government is taking substantial action in that direction.

All of us, of course, are most interested in knowing what the Hon. Member would have done had he been the Minister of the Environment to clean up these dumps on the American side of the Niagara River. I hope the Hon. Member will help us with his own suggestions as to what he believes his Government should have done to clean up those dumps.

**Mr. Penner:** Mr. Speaker, first, no one disagrees for a moment that there has to be harmonization with our American friends in dealing with pollution problems that affect bodies of water which border our countries. Past administrations have always had an active policy of trying to seek that harmonization. But if my hon. friend, the Hon. Member for Davenport, were the Minister of the Environment, we would not have seen the $2.5 million cut in the toxic chemical research program for the Niagara River. I would like to ask my hon. friend how he justifies that.

Let me say on the third point that we have heard on many occasions a promise of an action plan, but I would like to see that action plan. We have not received the details of it as yet

and only have indications that it will be forthcoming. Part of the reason for this debate is to get that action plan brought forward much more quickly because it is urgent it be done soon.

**Mr. Gauthier:** Mr. Speaker, I would like to ask a question of the Hon. Member for Cochrane-Superior (Mr. Penner). Some of us had the honour and privilege to visit northern Ontario and spend some time in some of its important industrial centres such as Dryden, Kapuskasing and Cochrane. Can the Hon. Member tell us if the people in his community are satisfied that at this time we as a Government are doing what should be done in terms of assessing possible damages of waste disposal and in terms of control and regulation? Are we making sure of the heritage we leave our children in northern Ontario, which is one of the largest and richest areas of the country? I am sure he will tell us that in his riding there are a lot of expectations and that we still have a lot to do.

**Mr. Penner:** Mr. Speaker, I mentioned in my remarks the alarm which had been created in the Indian communities of Whitedog and Grassy Narrows as a result of the mercury pollution which had come from the pulp and paper plant at Dryden, Ontario. It was some years later that the Government of Canada, in co-operation with the Government of Ontario—a Liberal and a Conservative administration—and in co-operation with the industry, put vast amounts of money into a program in northern Ontario for the pulp and paper industry which did two things; first, it modernized the industry and, second, it introduced the very latest pollution technology. We in northern Ontario at this time are benefiting from that multimillion dollar program which was put in place by two levels of Government, plus the industry. More than $1 billion was spent in a very short space of time. So we have done much in northern Ontario to clean up the act of our industry. But we are not so convinced that other industries in other parts of Canada are doing as well.

**Mr. Deputy Speaker:** Resuming debate. The Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin).

**An Hon. Member:** Hear, hear!

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** I have at least one person who is interested in what I might say. I think the debate thus far is starting to take some focus and the question is becoming action and political will. I believe that is the bottom line of the remarks coming from the opposition today. It has been said, and I have mentioned it before, that this is an appropriate debate. There is no question about that. It is one which the Government welcomes. The Minister of the Environment (Mr. McMillan) would have dearly loved to have participated in the debate but he is out west today to make an announcement. I believe this is an example of action taken by the Government. The Hon. House Leader of the Opposition should perhaps take into account that the action the Hon. Member for Davenport (Mr. Caccia) was asking for several months ago in a Standing Order 22 is now being implemented in the announcement of the four mountain parks plan. It will establish the arrangement between Parks Canada and the four mountain parks, with which most of us in Canada are very familiar and which are such a natural attribute and heritage to all Canadians. It will be an umbrella agreement, in co-operation with the people in the area and with the 3,200 organizations and individuals taking part in the formation of that plan.

The comments to which I would like to respond first are those comments made by the critic for the New Democratic Party this morning. He made two points to do with this Government and with what, in his mind, would be our difficulty in actually implementing the kind of environmental and management controls he feels would be necessary. He thought there would be a conflict between the economic objectives of the Conservative Government and the environmental goals which most of us who have a sense of the environment would like to see achieved.

I believe what we must do in fact is to look at actions when we are considering this whole issue. What actions have been taken? We have been in Government now for 18 months—sometimes it seems a lot shorter and sometimes a lot longer. Let us take, for example, the problem of PCBs. For a long time, possible controls for transportation of PCBs were on the books but were never promulgated. The Government in the spring of last year did that so that there would be rigid controls for the handling and transportation of PCBs. That could have been done a long time before. We have not allowed PCBs as far back as 1978. We had then a pretty full sense of what possible dangers they could lead to, particularly in terms of human health, but it was this Government which brought in this legislation within a period of less than a year from the time of coming to office.

Second, and I think this is a really key point because it also speaks to a point made by the Hon. Member for Cochrane-Superior (Mr. Penner), is the modernization of the pulp and paper industry. Before forming the Government we have had discussions over a period of at least five years concerning acid rain. We did not make as much noise as some members of the Opposition have from time to time. We did not shout and scream. Instead, we reached agreement with every province in Canada concerning our objectives, and then we went into action and put our money where our mouth was. That is the critical difference. Not only did we take action and achieve agreement, we have allocated $150 million to do precisely what the Hon. Member for Cochrane-Superior was suggesting we did not have the political will to do. We put forward that money, to be matched in many cases by the provinces, for the modernization of the smelting industry. I am sure the Hon. Member for Davenport would have liked to have achieved that had he got the co-operation or financial support of his Government when he was the Minister. We did it and it is a major accomplishment.

• (1550)

Along with that, we established automobile emission levels so that in September, 1987, for the 1988 model year, automo-

bile emissions will be reduced by 45 per cent. We can start getting rid of the nitrogen oxide and hydrocarbon and carbon monoxide emissions. Our standards will also result in significant reductions in the amount of lead in the environment, ultimately eliminating it as quickly as possible. Those are specific actions taken in the short time we have been in office. Those actions speak much louder than any words we hear from either of the opposition Parties. It is sometimes difficult in the hue and cry to be fully aware of the real action taken and the positive results achieved in that period of time.

What is hard for me to grasp, Mr. Speaker, is the inconsistency between some of the things the Liberal critic said and what he was able to accomplish. I have heard many excellent words spoken by almost everyone who stood up to speak today on the environment. There can be little debate about the fact that, as the Minister of National Health and Welfare (Mr. Epp) said today, the problem of toxic chemicals has been with us since at least the 1940s. It has also been an increasing problem. We hear the Opposition talking about our lack of action, yet when we came into office we walked into a vacuum. As the Hon. Member for Cochrane-Superior indicated—

**Mr. Caccia:** The vacuum is in your brain.

**Mr. Gurbin:** —there were pieces of legislation all over the place which did not accomplish anything. We have a Liberal critic who I guess cannot read. I am not sure. They want a statement of will. The interpretation that he chooses to put on some of the things he has raised—

**Mr. Gauthier:** You are just a bunch of cheap shots. You don't get anything done.

**Mr. Gurbin:** If the Hon. Member wants to talk about cheap shots, he should read the speech by the Hon. Member for Davenport.

**Mr. Gauthier:** I was here when he made it. It was a good speech.

**Some Hon. Members:** Oh, oh!

**Mr. Gurbin:** He may like those cheap shots in the Hon. Member's speech, but I have to tell you that calling the Minister of the Environment names is not a very constructive thing to do if he wants to raise the level of debate.

**Mr. Caccia:** I didn't call him a name, just described him as Bugs Bunny.

**Mr. Gurbin:** At least I have refrained from making some of the obvious comments about the Hon. Member's personality. I think this debate is important enough that it should be at least raised to a higher level.

I would like to read the statement by the Minister which the Hon. Member for Davenport probably has not had an opportunity to read. His concept of what the Environmental Contaminants Act might or might not do is one thing. What the Government intends to do with it is, I think, reflected in the speech by the Minister in Peterborough about one week ago. I am going to quote directly from that speech and then follow it up with some specific comments to try to give a sense of the constructive actions this Government will be taking. The Minister said this:

> The new Act will regulate chemicals from "the cradle to the grave". Specifically, it will prevent the formulation, manufacture, distribution, sale, and use of any new chemical that has not been proven safe, and it will bring order to the system of managing chemicals already in trade and commerce. In cases where accidents occur—and accidents can certainly happen to even the most environmentally sensitive companies—the new law will cover every facet of clean up, including, possibly, compensation to innocent third parties.
>
> The preamble of the new legislation will set out, for all time, the purpose, intention, philosophy, and commitment of the Government of Canada to protect the environment and, thereby, to protect the health and safety of present and future generations alike. The preamble will constitute, in effect if not technically, this country's first "environmental bill of rights".

The Minister went on to say:

> The new law will be the strongest of its kind, not only in North America but in the western hemisphere.

I do not think there can be any clearer statement of this Government's intentions, and this will be followed by a specific action.

The Hon. Member for Cochrane-Superior has raised some important points. We have not even had an inventory of the some 65,000 chemicals presently in use in this country and the 1,000 new chemicals which come into the country every year. That has to be done, it is under way, and we will accomplish it. We are one of the few countries in the western industrialized world which does not have that information. This Government has had to live with that fact since coming into office some 18 months ago.

Earlier I spoke of a vacuum. I heard some comments about cheap shots and a Member opposite saying that the vacuum was in my head. Let me ask this question. Where was the statement of the Government's environmental policy up until now?

**Mr. Gauthier:** None.

**Mr. Gurbin:** There was none. There has been none by the Government of Canada until now. That is exactly right. Now this Government has made a statement. I would like to ask the Hon. Member for Davenport, if he were still in the House, where is our national water policy? We never had one. It is this Government which will produce a national water policy. Following the federal inquiry on water, in which the Hon. Member for Davenport had some part, we are at a stage where the Cabinet, for the first time, has given responsibility to an individual Minister in this area, and that is the Minister of the Environment. We are looking after our water and all its aspects, including the toxic chemicals therein, including exports, and diversions and all those things. We have that responsibility vested in one Minister, and he will take the responsibility for making sure we have a national water policy which will serve Canadian needs. That is a giant step forward and it helps to fill the void which has existed for so long.

A lot of issues surrounding toxic chemicals have been raised, certainly in the public's mind if not in this House, by the spill

in the St. Clair River. It was an accidental spill but it brought to light some of the problems which have existed for heaven only knows how long. We could not have had a more rapid or specific response to a problem than that by the Minister of the Environment to the difficulties we faced with that spill. Within days we had a full-fledged federal, provincial and industry investigation. The best available facilities were used and federal Government spending has exceeded $1 million, and I assume that the company and the province have spent as much. The situation was followed on a daily basis. There was a competent staff which made a competent clean-up and found out that we were, in fact, dealing not only with a spill, but with a long-standing problem and probably some chronic leakage areas. These things have also been investigated. We received a final report last week, which gives us a framework to look into the future and 24 recommendations which are being acted on by the Government. I do not have time now to delineate all 24 of the recommendations and the specific responses, but this has now been accomplished, Mr. Speaker.

• (1600)

We talk almost blithely about cradle-to-grave management and research. The Government's commitment to research is mentioned frequently. We had many pieces of research on toxics for a long period of time, but it was difficult to know whether we were getting the most effective use of our resources and whether some of the intended expenditures were going to provide the best possible results for the money that would be spent. We had three separate inquiries into toxicology research in Canada; one through the National Research Council, one through Environment Canada, and the final one through the Science Council. All of these have been reported and the Government has taken some specific actions and will take more.

In conjunction with that, I will very quickly mention the toxicology fund. We have supplied seed money of $1 million for a toxicology fund which, under a joint management board, including people from private enterprise, has created a whole series of specific projects. Twenty-one have been submitted to date and, of those, 12 have been accepted. They provide some very interesting and unique approaches into very specific areas of toxicology research. Those things are presently under way. As was mentioned this morning, the Member for Guelph (Mr. Winegard), who is very interested in the possibility of a toxicology centre in that part of the country, is working locally and with Ministers of the Crown to determine whether that type of facility is in fact necessary and appropriate.

To return to the main point, Mr. Speaker, our approach must provide a system that will deal competently and effectively with the issue of toxic chemicals and their potential for getting into our drinking water and affecting our health. It must deal with more than only the St. Clair River, the Niagara River, or a response to a particular spill.

Mention has been made of the IJC. The reaction of the Member for Davenport to the IJC was unfortunate and discouraging for all Members of the House. Be that as it may, the IJC is a specific part of the long-term approach, particularly with regard to national boundary waters. The IJC is probably best known to most Canadians for its very constructive and competent work in the 1970s when the Great Lakes, and Lake Erie in particular, faced eutrophication. The amount of difficulty was such that, for all intents and purposes, the lake was dead. I lived in that area and saw what happened to it. The co-operation that was achieved through the International Joint Commission is a real success story. That is the type of activity that we hope to be able to emulate and repeat time and again when it is necessary on matters of this type.

The Prime Minister (Mr. Mulroney) has filled the two positions which were vacant on the IJC with people who have a level of competence to deal with both political matters and the excellent scientific support staff of the IJC.

**Mr. Caccia:** Tell us about their backgrounds.

**Mr. Gurbin:** The unfortunate thing about the IJC, as the Member for Davenport and anyone who knows anything about it will know, is that during the administration of the last Government that body became almost useless. That was very unfortunate because that body was not able to accomplish many of the things it should have been able to accomplish because it did not have the respect or co-operation of both Governments.

**Mr. Caccia:** He doesn't know what the IJC stands for.

**Mr. Gurbin:** In conclusion, Mr. Speaker, the Government has the action and the political will. In the future we will produce the results that are necessary to ensure that Canadians have a healthy future and that we manage the toxic chemicals that are an integral part of that future.

**Mr. Foster:** Mr. Speaker, could the Parliamentary Secretary clarify why the Government is allowing corn and soy beans to come into Canada from countries that use the chemical alachlor known by the trade name of Lasso? On December 31 the Government cancelled the temporary permit which it had allowed for this herbicide since last February. Farmers in southwestern Ontario who depend on this for use in the production of their crops are wondering why, if this chemical is being cancelled for use in Canada, corn and soy beans from the United States, where its use is allowed, are being allowed into Canada. Can the Parliamentary Secretary assure us that countries which use this chemical will not be allowed to ship corn and soy beans into Canada?

**Mr. Gurbin:** Mr. Speaker, the Hon. Member for Algoma (Mr. Foster) has given us another example of Government action in an area where there had previosuly been inaction. My understanding is that we have, in fact, cancelled the use of alachlor in Canada. My understanding, subject to confirmation, is also that there is no residue left by the product. I am not positive of that and I will say that very clearly so that I do not intentionally mislead him. However, my understanding is that there is no residue left by the product. If that is the case, it poses no threat to our health through getting into to ecosystem in any way. Even if that is not the case, I under-

stand his point that this would be legitimate grounds for claiming unfair advantage. The Minister of Agriculture (Mr. Wise) will have to respond to that. I am not familiar with the details.

**Mr. Fretz:** Mr. Speaker, today we heard a well thought out and informative speech given by the Parliamentary Secretary. The House is grateful to him for the information which he has given us today.

With regard to the appointees to the IJC, I had the privilege of meeting today with Mr. Bob Welch, a very distinguished person from the Niagara Peninsula in Ontario who has knowledge and a grasp of some of the problems of the environment in the peninsula. Those of us who represent the Niagara Peninsula are grateful to have someone of his stature appointed to the IJC.

**Mr. Caccia:** That's too funny.

**Mr. Fretz:** I am glad that the Parliamentary Secretary mentioned that. The Member also mentioned that this is a Government of action regarding acid rain. The agreements which the Government has now made with the provinces and the expenditure of $150 million certainly let the people of Canada know that the Government is going to deal with this issue, and also the Bill of Rights to which the Parliamentary Secretary alluded.

During the 1980 election the then Prime Minister, Mr. Trudeau, journeyed to the Niagara Peninsula and came to Niagara Falls. The cleaning up of the Niagara River, Love Canal and Hooker Chemical with all the sludge pouring into the lower Niagara River was a major election issue at that time. The Prime Minister made some amazing statements, such as that this would be at the forefront of his Government's concern about the environment.

• (1610)

What did the former Government do during its four years to clean up the Niagara River?

**Mr. Gurbin:** Mr. Speaker the inability of the former Government to accomplish anything is unfortunate. I understand that its intentions were often good, especially on the part of the Member for Davenport, but he was unable to accomplish anything.

I expect him to criticize the Government in our efforts to resolve some of these outstanding problems. However, the first step in being able to resolve these problems is to establish a level of communication and confidence. I recognize that it may not be a perfect first step.

Opposition Members have said that we are wasting time because it is the fault of the Americans that we have been unable to achieve a bilateral agreement on acid rain. However, such an agreement requires two parties, and the relative inability of the former Government to put this issue on the agenda with the Americans at the presidential and prime ministerial level speaks volumes in terms of the relationship.

We have established a working relationship and while we have our separate points of view, and hope to have the Americans understand and accept our view, this may not be accomplished immediately. However, we are on the right track and that is the great difference with what we have seen before.

**Mr. Foster:** Mr. Speaker, I hope the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) can assure us that Government will put controls on the importation of corn from those states which permit the use of alachlor in its production. Such controls are also important with respect to the use of alachlor in the production of soya beans because it obviously puts our farmers at a disadvantage in the production of that crop. I assume he will discuss this with the Minister of Agriculture (Mr. Wise) to ensure that corn produced with that chemical in the United States will not be allowed into Canada.

The Hon. Member talked about the Guelph Toxicology Centre. He said that the Member for Guelph (Mr. Winegard) is reviewing the feasibility of that project with the Minister and other officials. That project was ready to proceed. It had the staff and was under construction over a year ago, on November 8, when it was cancelled by the Government. If it really wanted it to proceed it would not have cancelled that project. There was a $16 million commitment by the federal and provincial Governments and another $8 million from the private sector. It should have proceeded.

That project was moving ahead when the Hon. Member for Davenport (Mr. Caccia) was the Minister of the Environment. It was a model project in a field in which we need a toxicology centre of excellence for training and research. We have seen over a year lost on a project that is essential to the environment and toxicology research, and I hope the Government will reinstate it immediately.

**Mr. Gurbin:** Mr. Speaker, we must take two factors into consideration when discussing a toxicology centre and toxicology research in Canada. First, we must consider how a toxicology centre will be run and on what basis. Second, there is the financial factor.

Let me give the Hon. Member a specific example. Toxicology research in Canada was taking place on a year-by-year basis. A number of the projects which were claimed to be cancelled were, in fact, completed. There was no long-term funding. That is precisely why the three groups from the National Research Council, Environment Canada and the Science Council were mandated, either by themselves or in cooperation with the Government, to determine what type of long-term toxicology research should take place.

We must also consider the operating costs of those establishments in addition to the capital expenditure. This is where fiscal responsibility must be taken into account, and I know that whatever determination is made for that facility, if it occurs, it will achieve concrete goals in the long-term best interests of this question.

**Mr. Redway:** Mr. Speaker, the Hon. Parliamentary Secretary dealt with the theme of action and political will. He gave

a number of excellent examples of the demonstration of political will and action on the part of the Government which have been seen already. However, the Parliamentary Secretary is aware that there are some questions among the public as to the Government's will to proceed with some of these particular items, even though they have been announced.

Are the rumours about the postponement of the automobile emission standards correct? Second, as far as the amendments to the Environmental Contaminants Act are concerned, has the Government made a firm commitment to proceed with those amendments and, if so, when will we see them introduced in the House?

**Mr. Gurbin:** Mr. Speaker, as far as the automobile emissions are concerned, unfortunately, *The Toronto Star* editorial which dealt with this subject raised some unnecessary questions. If the research had been better, they would understand that the Government has not backed down. The controls were always meant to be effective for the 1988 models to be introduced in September, 1987.

We realized that some 1987 models would still be in production after September. The only change is to indicate that all 1988 models, as originally intended, will be affected. We will not impose these controls on companies finishing their 1987 model runs.

I believe it is general knowledge that automobile companies usually change their model runs in September. Rather than backing down, we have listened to the realistic proposals of the companies to let them finish their 1987 models production.

The Hon. Member asked about the Environmental Contaminants Act. We have a specific agenda and program for Cabinet submission. I do not want to give the Hon. Member a firm date for introduction to the House, but we do have a proposal and I hope we will be able to follow through with it. I think he will be happy with the time frame.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview-Greenwood (Ms. McDonald)—Public Service—Smoking in the workplace. (*b*) Request for legislation; the Hon. Member for Don Valley East (Mr. Attewell)—Insurance—Increase in premiums; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—proposed Guelph Toxicology Centre. (*b*) Minister's position.



## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—THE ENVIRONMENT

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

That this House condemns the Government for its failure to recognize the importance attributed by Canadians to toxic chemicals in water and other elements of the environment.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the spokesman on the environment for the Official Opposition has moved:

That this House condemns the Government for its failure to recognize the importance attributed by Canadians to toxic chemicals in water and other elements of the environment.

This is an important and timely motion. All one has to do to confirm this is to look at the report which was published only last December by a special committee to review the Great Lakes Water Quality Agreements, of the Royal Society of Canada and the National Research Council of the United States of America. That report, speaking about the water quality of the Great Lakes, said that "toxic contaminants represented the greatest immediate threat to the interests of future generations". Unfortunately they represent a serious threat to the present generation as well. The fact is that when it comes to toxic chemicals in our environment, we are facing a serious situation, one that is potentially even more serious if urgent action is not taken right now.

• (1620)

Earlier today the Minister of National Health and Welfare (Mr. Epp), speaking on behalf of the Government, tried to say that the Government has recognized the problem and its priority. To see if this is correct, let us look at the record just in connection with the problem of toxic chemicals in the St. Clair River. If we look at that situation, we see that in September, 1985, test results were released showing that what is now known as the toxic chemical blob on the bottom of the St. Clair River contained, among other dangerous chemicals, dioxin, one of the most toxic chemicals known to mankind. The fact of the matter is that the sample which provided these test results was taken more than a year before, in August, 1984. That sample was taken by divers working for the Great Lakes Institute of the University of Windsor, funded by a program provided by the previous Liberal Government. The Minister has never explained, at least not in any satisfactory way, why his Department sat on that sample for more than a year without completing the test results showing the dangerous toxic chemical situation connected with the toxic blob on the bottom of the St. Clair River. He has never explained why that sample was not tested immediately or why the action about which he talked in respect of setting up the joint task force of the federal and provincial Governments was not taken a year earlier, immediately after the sample was originally taken by

divers working for the Great Lakes Institute of the University of Windsor.

Let us be clear about the situation we are describing. As I have said, dioxin is considered to be one of the most dangerous chemicals known to mankind. Last week it was disclosed that tests taken only recently showed traces of dioxin in the drinking water of Windsor and three other communities downstream from the St. Clair River. The federal Minister of the Environment (Mr. McMillan) said that the amounts found in these tests were minute and below acceptable levels for safety. I will say more about that in a minute, but I repeat again that the Minister has never explained the delay in completing the tests on the sample taken in August, 1984 by the divers working for the Great Lakes Institute of the University of Windsor.

Let us be clear. When we are talking about acceptable standards for dioxin, the evidence is that the standard about which we are talking is a temporary standard, one set only in the last week or so. It is an interim standard, which means that it is one capable of being adjusted downward in the light of further research and further evidence. We are not talking about a standard which is the result of final conclusions by experts working in the field of toxic chemicals. In fact, what is disturbing about all this is that the United States Environmental Protection Agency indicated that there was no safe level for dioxins. Yet, the federal Minister of the Environment tries to tell us that there is nothing to worry about. He made a statement based upon what he admitted was only an interim or temporary standard, one capable of adjustment in the future. Perhaps the adjustment will be upward, but also, unfortunately, it could be downward.

It seems that if we are to take seriously what the Minister of National Health and Welfare said today and what the Minister of the Environment has said on other occasions about their desire to deal with the problem of toxic chemicals in the St. Clair River and toxic chemicals in our environment generally, I think there has to be a greater recognition than can be found in the Ministers' words so far that the situation is serious. We on all sides of the House, on behalf of millions of Canadians and their families and future generations, must insist that immediate action be taken by federal and provincial Governments to deal with the problem of toxic chemicals in the St. Clair River and generally in our environment, and what it means for people in downriver communities such as my own City of Windsor. There must be a commitment to action, a definite plan and a definite timetable for taking and implementing the action in question. We have not seen this as yet.

When I speak of the need for commitment by the federal Minister of the Environment and the federal Government, I say that to show that commitment the Minister must stop his practice of casting aside, downgrading publicly in the House, any of his own experts who raise concerns beyond those he is willing to recognize at the time those concerns are expressed. The House will remember how, in response to a question from myself, the Minister rejected and cast aside Darryl Cowell, one of his officials, who told the press that the leakage of toxic chemical wastes in the St. Clair River could create the biggest hazardous waste problem in North America. We now see from the report of the joint federal-provincial task force which looked into the situation in the St. Clair River that we cannot at all exclude the possibility that toxic chemicals are leaking into the river from dump sites or wells used for the storage of toxic chemicals. That report leaves that question very much open and calls for further detailed studies into the whole matter of possible leakage of toxic chemicals into the St. Clair River. Therefore, when the official of the Minister's Department, Mr. Cowell, pointed out the possibility that it could be the source of a great ecological disaster, the last thing the Minister should have done was to reject and rebuke publicly the official in question.

The Minister should not have done the same thing to Dr. Hallett of his Department when Dr. Hallett released disturbing findings about the levels of PCBs in the food we eat. When I raised that question in the House, the Minister said that Dr. Hallett was speaking at a seminar and, since it was not organized by his Department, it did not represent something which could be given credence and weight by his Department. I do not think it should have made any difference where Dr. Hallett made his remarks, provided they were worthy of attention and support. There seems to be confirmation of Doctor Hallett's concerns in the report of the Royal Society of Canada and the National Research Council of the United States, which I referred to earlier. I personally do not think it was completely a coincidence that Doctor Hallett chose to leave the Department shortly after he was publicly disavowed in this House by the Minister of the Environment. Certainly the Minister has not been creating in his Department a congenial atmosphere for experts who dare to challenge the Minister's own conventional knowledge on the subject. Also, as I have said previously, people like Doctor Hallett, I would think, know a lot more about the problem than does the Minister.

• (1630)

In addition to real commitment by the Minister and his Government, more commitment than has been shown until now, there has to be a meaningful plan of action. That plan must involve steps to be taken right now. So far the Minister's only answer is to say that at some vague, unspecified future date the Minister will be presenting legislation to this House to update the Environmental Contaminants Act. Well, surely that is not the answer, or at least it is only a very small part of the answer.

The report of the special task force of federal and provincial officials on the St. Clair River shows how much more has to be done. That report contains 24 specific and pointed recommendations. What concerns me, and I am sure it concerns the people of my community of Windsor and the people of the entire Great Lakes region, is that at no time in this debate today did the Government state clearly and specifically that it would accept and act on those 24 recommendations as a matter of urgency. Surely this is a minimum requirement to expect from this Government if it is to be taken seriously when

it says it has a real commitment to taking action on toxic chemicals in the St. Clair River, in the Great Lakes, and in our environment generally.

This report shows that the industries are discharging into the St. Clair River higher levels of toxic chemicals than existing standards permit. The report also says that there are many toxic chemicals which are being discharged by companies into the St. Clair River for which standards do not yet exist. Surely immediate action should be taken on this. Certainly because of the lack of absolute certainty about what are safe standards for dioxin in drinking water, if they exist at all, the federal Government must act now, together with the provinces, to help municipalities like Windsor to have special filtration systems installed to remove dioxin from its drinking water, no matter how small the traces. The Minister certainly should not have rejected, as he did in the House, the utility of activated charcoal systems as an urgent response to the findings of dioxin in the drinking water of Windsor and three other area communities.

It is interesting that while the Minister says that activated charcoal filtration systems do not have to be made available to communities like Windsor at this time, only last week the Ontario Minister of the Environment was willing to say that he is working on setting up and installing, at the very least, some special experimental filtration systems in the area. I would strongly urge the Minister to consider the community of Windsor as one of the ideal and logical places for such a system.

I say that the burden of protecting Canadians from toxic chemicals in the water they drink should not have to fall primarily on the municipalities and municipal taxpayers. Surely, the real priority must be on stopping the discharge, the dumping of toxic chemicals by industry into the St. Clair River and other waterways. Our ultimate objective has to be zero discharge of contaminants by industry. Our real priority must be to stop these toxic chemicals from being discharged into our lakes and rivers. Governments must ensure that firms are in a position to have up-to-date equipment to ensure that there are no accidental spills. Governments might take steps to ensure that the amount of toxic chemicals that is above agreed on standards is not allowed to be dumped through sewer systems into our lakes and rivers.

Surely, Mr. Speaker, there are steps the federal Government can and must take now, steps of the kind outlined by the Hon. Member for Davenport (Mr. Caccia). The Government could reinstate the two-year accelerated write-offs under the Income Tax Act as an incentive to industry to get modern treatment equipment in place, to separate sewers, to put in modern monitoring systems, and to ensure that the highest standards of waste treatment are applied. This must be a step taken to buttress having in place an adequate and up-to-date system of control regulation. This is one of the key recommendations of the special task force of officials, federal and provincial, on the St. Clair River problem. They make clear that we do not have an adequate system of control regulation in place now, and this has to be an urgent priority. We must, as the report says:

> —develop control regulation for the industries and municipalities discharging to the St. Clair River. Through this control regulation, the Ministry of the Environment, with the scientific and technical support of the DOE, will establish effluent concentrations and loading levels for all parameters which, if exceeded, will trigger additional monitoring, remedial measures, abatement and prosecution.

The federal Government could well offer a special program for municipalities like Sarnia and Windsor and provide financial assistance for the installation of equipment facilities for the best possible treatment of residential, commercial and industrial waste waters that pass through municipal sewer systems. Also, as pointed out by the Hon. Member for Davenport and as I pointed out in the House last fall, the federal Government could create a super fund with interested provincial Governments to remove toxic waste from dumps, and therefore remove the source of future problems at leaking dumps. As I have said, this is something I called for in the House last fall, months ago, and at that time the Minister said he was interested in working to set up a super fund with the Province of Ontario. So far I have seen no progress by the Minister to carry out and put into reality the expression of interest he put forward in response to my question to the House last fall. This is something which has to be a priority of the Minister if we are to take him seriously and if we are to take the Government seriously.

We have to act now. We should not have to ask Canadians to even consider trade-offs between jobs in industries like those along the St. Clair River and their health and safety and the health and safety of their families and of the communities in which they live. The manufacturing and the installation of appropriate control technology is itself a form of job creating economic activity. The costs of control of toxic chemicals over time are surely less than the costs of the destruction of our environment, of our forests, of our waters, and of the loss of health of millions of Canadians through excess ingestion of toxic chemicals.

The report of the National Research Council and of the Canadian Royal Society points out the economical benefits of damage avoided, but it also deals with the terrible consequences of not dealing with toxic chemicals and the pollution they create right now. I raised this matter in the House on a number of occasions in the past and I am pleased to raise it in the House today to join in the cry for action by my colleagues in the Official Opposition, and hopefully other Members as well. I am speaking out for my constituents and my community, but also I am speaking out for all Canadians. We need more than the pious but unfortunately all too empty words of the Government and its representatives. So far we have seen nothing more. That is not enough for the people of my community and the people of Canada. Let us have action. Without that action, the Government stands justly condemned by present and future generations.

• (1640)

**Mr. Gurbin:** Mr. Speaker, I have two short questions. First, it should be very clear to the Hon. Member that neither the Minister of National Health and Welfare (Mr. Epp) nor the Minister of the Environment (Mr. McMillan) have underesti-

mated or tried in any way to suggest that the finding of dioxins in drinking water is unimportant or does not need to have serious attention paid to it. It is critical and is something worthy of further management in whatever way is necessary.

Is the Member aware that the Minister of National Health and Welfare has set forth, as of last week when this was first discovered, a joint federal-provincial task force to establish guidelines that were absent before? Is the Member aware that although we are talking about levels measured in parts per quadrillion, there have never been any levels established? The amounts actually found are 1/150,000. According to the interim level that has been established, which is perhaps not safe totally—maybe there is no safe level—we are now measuring this at 1/150,000 of that interim level.

I can only say that we are measuring quadrillions this year but next year we may be able to measure that very large difference the other way when we start adding zeros between what actually was accomplished when the Member was in Government and what he is saying now.

Second, did his Government not stop funding municipalities in 1980 for the major infrastructure problems they faced because of major costs? There was no intention and no effort, as far as I could see, to re-open those arrangements with the provinces. Is the Member for Windsor West (Mr. Gray) aware of ERDA under which provinces can indicate to what they want to allocate federal funds? Is he aware of the Pearse Report? And what about the question which the Minister of the Environment has asked all provincial Ministers? Thing like that will certainly be discussed in the future.

**Mr. Gray (Windsor West):** Mr. Speaker, we have to deal with the situation as it is today.

**Mr. Murta:** No.

**Mr. Gray (Windsor West):** We have new and troubling information about the extent of toxic chemicals in the St. Clair River. We have new and troubling information about dioxins being found in Windsor's drinking water and other communities in the lower Great Lakes area. As his Minister said last week, we are finding out about this because of new technology which did not exist two years ago.

**Mr. Shields:** Come on, Herb.

**Mr. Gray (Windsor West):** If, as the Minister said, the technology did not exist to show up these levels of dioxins, surely the answer is to deal with this new situation and be willing to put in place a new agreement to help municipalities like Windsor install, on an urgent basis, additional special filtration systems and, if necessary, to upgrade water filtration systems. I am not saying that one should be in a panic, but surely one has to take this information seriously.

The Hon. Member admitted that the standard in question is only an interim standard. It is a standard that is subject to change. Let us hope that further work will show that the standard might well be raised. There is a risk that it might have to be lowered. The lack of concern exhibited by the Hon. Member any turn out—and I hope it does not—to be misplaced. After all, there is other evidence. The Environmental Protection Agency of the United States said there is no safe level for dioxins.

While I recognize what was announced last week, I say that that is no reason for complancency. I say that that is no reason not to say that the situation of which we have become aware in the last few weeks is not grounds for a new program. That is no reason for the federal Government not to help municipalities install the necessary filtration equipment to remove dioxins and other chemicals that may turn up through new testing technology, until such time, at the very least, that further developments of that technology show the current concern of my constituents is not justified.

I do not think you can slough off that concern simply by talking about parts per million and further task forces. That is not good enough.

**Mr. Shields:** Mr. Speaker, I was interested in what the Hon. Member for Windsor West (Mr. Gray) had to say in the debate. I could not help but think to myself that if I had been a newspaper reporter and was reporting on today's debate, particularly on the comments made by the Member for Windsor West, my column would probably start out something like: "Where were you, Herb Gray, when I needed you ? Signed, former Minister of the Environment, the Member for Davenport".

No one doubts for a moment the sincerity and the genuine concern for the environment displayed in this House over the past four or five years by the former Minister of the Environment. No one doubts that sincerity, Mr. Speaker. No one doubts for the moment the effort he made on behalf of all Canadians to focus the attention of all Canadians and Members of this House on the problems facing the environment and what they will do in the future. I have a genuine feeling of concern for the effort the Member put forward because he put it forward at a time when he was Minister of the Environment. His effort, though, fell on deaf ears.

Would the Member for Windsor West not agree that the climate in Canada when he was in Cabinet was such that his Government could not even talk sensibly to the various provinces and get co-operative action to attack some of these very serious problems facing the environment? Co-operation was non-existent during the latter years of his Government, particularly during the years when the Hon. Member for Davenport was the Minister for the Environment. No agreement was reached and truly very little discussion was taking place.

Would the Member for Windsor West not agree that the climate has now changed to such an extent that a number of agreements have been concluded? Action is taking place. There have been agreements with the provinces. An announcement was made on May 15 concerning further restrictions on the use and release of PCBs. PCBs are not something new that new technology has discovered, all of a sudden in the past year and a half discovered. We knew PCBs existed and were a detriment to health and to the environment if not handled and

disposed of in a proper manner. We knew that three and four years ago. Where was the Member for Windsor West when the Member for Davenport was crying for assistance from his Cabinet colleague?

Our Government has, with co-operation of the provinces implemented tough new emission standards for cars and light duty trucks. These standards were announced on March 6.

**Mr. Gray (Windsor West):** What tough new emissions?

**Mr. Shields:** We know also that the Member for Davenport was trying to get these things implemented and had absolutely no co-operation from his Cabinet or his Cabinet colleague, the Member for Windsor West at that time.

Would the Member for Windsor West not agree that he is now speaking out of both sides of his mouth? One time when he—

**An Hon. Member:** This is a speech. Where is the question?

**Mr. Deputy Speaker:** I regret to interrupt the Hon. Member but we do not have much time left in the question and comment period. I would like to give the floor to the Hon. Member for Windsor West (Mr. Gray).

• (1650)

**Mr. Gray (Windsor West):** The Hon. Member's lengthy question can be handled with a very short reply.

**Mr. Shields:** On a point of order, Mr. Speaker.

**Mr. Deputy Speaker:** First, we will hear the point of order of the Hon. Member for Athabasca (Mr. Shields).

**Mr. Shields:** Mr. Speaker, I still have a number of examples in my question—

**Mr. Deputy Speaker:** The Hon. Member has taken so far more than three minutes so far in the ten which are allotted to questions and comments. Unfortunately, there is but one minute left. We will hear from the Hon. Member for Windsor West (Mr. Gray).

**Mr. Gray (Windsor West):** The Hon. Member for Davenport has a tremendous record of achievement as Minister.

**Some Hon. Members:** Hear, hear!

**Mr. Gray (Windsor West):** For example, he achieved not one but two agreements on acid rain with the provinces in March, 1984 and June, 1984. I am proud to say that he was able to achieve agreements such as this with the support of myself, other members of the Cabinet and the entire Liberal caucus.

The work in respect of emission standards on automobiles, about which Hon. Members opposite boast, had actually begun and was well under way at the time the Government changed. All Hon. Members opposite are doing is coasting on the momentun built up by the Hon. Member for Davenport when he was Minister.

When it comes to co-operation with the provinces, after experiences such as the provinces had with this Government in terms of the cut-backs on transfer payments and other programs, they are already starting to look back with sadness and nostalgia on what they now see were the golden days of co-operation with the previous Liberal Government. They are waiting for the moment which will come when the Canadian people will throw out this incompetent and untrustworthy Conservative Government so that they can get a better Government, a Liberal Government, in order to obtain real co-operation with respect to the environment and a great many other matters.

**Mr. Deputy Speaker:** Unfortunately, the time allotted for questions and comments is over. Resuming debate with the Hon. Member for Scarborough West (Mr. Stackhouse).

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, I am glad to be able to participate in this debate, particularly because the motion before us was moved by a former Minister of the Environment, the Hon. Member for Davenport (Mr. Caccia), the constituency in which I had the great pleasure to grow up. Those were happier days when Davenport was a Conservative riding.

**Some Hon. Members:** Hear, hear!

**Mr. Stackhouse:** Nonetheless, I am happy that the attention of the House today is focused upon the subject before us. There are few concerns of the Canadian people more vital than the concern for the environment. I welcome the Hon. Member's motion. However, when I read it, I have to think that the motion itself borders on the hypocritical. It condemns the Government for ignoring the concerns of the people with respect to the development of their environment. It ignores the types of constant achievement to which reference has been made and which should be reiterated. The Government has taken many steps in this regard.

For example, it found some $300 million to help cut sulphur dioxide emissions in half by the year 1994. It has imposed more stringent emission standards for motor vehicles, cars and trucks, which will cut hydrocarbons by 80 per cent and which will bring about significant reductions in the emissions of carbon monoxide, nitrogen oxides and evaporative emissions. All of this will contribute significantly to the well-being of the environment and its impact upon our water supply. These are steps which have been taken. These are actions which have been declared and which are to take effect in the near future. The Government has also imposed stricter requirements for the transportation of PCBs.

I regret the wording of the motion. Not only does it ignore the positive actions which have been taken by the Government, it ignores the reality that we have a problem now. We have a problem now for two reasons. The first reason is the limited action which the previous Government and the previous Minister of the Environment took, something which is not recognized at all in the motion or in the presentations of Hon. Members thus far. Second, it ignores the reality that there is

no quick fix available to anyone regardless of what Party is in office and regardless of who is the Minister. This is a problem of such enormormity and complexity that we are simply never going to have an immediate solution. However, we must take seriously the challenge and work progressively step by step and consistently toward keeping it under control and improving our environment.

If we look to some of the reports which are available to us, we will find one report entitled *Time Lost, A Demand for Action on Acid Rain*. This is a report put out by the Subcommittee on Acid Rain which was appointed during the years of the previous Government. On page 3 of that report we find a reference to the report of a previous committee of the House submitted in October of 1981 entitled *Still Waters*, which included 38 recommendations. Were they all enacted? Did they all become operative? Did they all transform the environment?

One reason for the debate today is that those 38 recommendations did not become fully part of the policies of the Government of the day. Thus, we find the committee of 1981 not having the satisfaction of seeing all its recommendations being put into effect. We find that its successor committee—there was need for another committee just a few years later—stated that the situation is so serious that:

—Canadians, including members of this Sub-committee, who have travelled to the United States to argue for more stringent controls on American polluters, Canadian government inaction and/or obstinacy with respect to domestic controls have been, quite frankly, an embarrasment.

That is how a committee of the House, with a majority of members from the Government of the day, reacted to the Government of which the Hon. Member who moved the motion and the Hon. Member who just gave his address were members. In the view of the committee the lack of inaction and the obstinacy of the previous Government was a cause of embarrasment. These were not simply critics from outside the House or members of the Opposition but Members who supported the Government.

I would like to turn to page 12 of the same report under the heading "Emission Control Standards". On that page there is a reference made to two recommendations which were put into the hands of the Government and of the Minister. It states:

Neither of these recommendations has been adopted by the Federal Government.

On page 13 it states:

The present Canadian regulatory position is therefore an enomaly, is environmentally harmful, and causes acute political embarrasment to Canadians in discussions with U.S. legislators and officials on the need for continental controls on acid rain.

That is the record of the previous Government and the several Ministers of the Environment which it appointed. That is the result—the embarrasment of Canadians generally in negotiating environmental policies with our neighbour to the south.

The report continues on page 41:

Clearly, the attack on acid rain, if it is to be successful, must be a joint Canada-United States effort. Unfortunately, the political will needed to tackle the problem is lacking in the United States.

That is a recognition of reality. We cannot solve the problem on our own, regardless of what Party forms the Government or what Member is the Minister. We need the co-operation of a neighbour with whom we must negotiate. There is no power that we have available to us by which we can compel them to act. We must pursue, as our predecessors did, a process of negotiation, anticipating in negotiation that we can persuade by information, by agreement and by bargaining that some action will be taken. However, let us recognize that if we are to have any sense of reality in the House of Commons at all, then there is no Government that can simply act unilaterally. No Government can simply take action which will not require the agreement of the United States if we are to deal adequately with the problem. So I have to ask why the Official Opposition Party affronts this House of Commons and the rationality of the Canadian people by condemning the Government for not making the environment a perfect situation which this resolution implies is within the scope of the Government, when that Party, having been 20 years in office, found itself incapable of achieving that kind of perfection.

● (1700)

I feel that anyone on this side of the House would border on the irrational if he or she were to say to the Opposition: "Well, you should have made it perfect. You should have achieved an environment in which there would not be a single pollutant in existence". We must have some common sense sometimes, and let us show it by recognizing the achievements which have become part of the Canadian scene in the past 15 months. We should respect as well those achievements which I gladly recognize as part of the record of the previous Government. But we must recognize that there are challenges we must take seriously and work hard at if we are going to carry forward that which we have begun since September, 1984.

Let me point out two difficulties which must be kept in mind in dealing with the environment. First, there is a sociological challenge, which receives all too little recognition in a debate such as we are having today. For this I cite the former United States Ambassador to Canada, the Honourable Adolph W. Schmidt. In addressing the Empire Club of Canada as far back as 1970, he pointed out the significance of two sociological developments. The first was unrestricted population growth which, we could add, escalated rapidly, which put a pressure upon the environmental outlets required for human existence. Coupled with that problem is the challenge of the congestion of population centres. Mr. Schmidt projected then that it was foreseeable that in a short time 90 per cent of the population of the United States would be living in five urban regions. Just conceive, Mr. Speaker, the pressure that would put upon the environment surrounding those regions.

Faced with the kind of population development we are experiencing on both sides of the border, and faced with the congestion of urban population, let us recognize that, yes, here

is a challenge we have to face, a challenge which must be given a priority over and over again year by year. Let us not be so foolhardy as to believe or imply that some Government is just going to wave a magic legislative or budgetary wand and put an end to pollution.

Let us also face the reality of the political challenge. I quote from a short article in the *New York Times* which was authored by Charles Phelps which points out that the eight top polluting industries, sources of high sulphur coal, are in states with major deposits of that coal. These eight states hold 105 votes in the House of Representatives, which takes them half way to a majority in that chamber. In contrast, three quarters of the low sulphur coal in the United States is in three states with only six votes in the House of Representatives. That means that when we endeavour to negotiate a correction to the acid rain situation, which affects us all so significantly in Canada, we are up against a major political challenge. There is no way in which we can resolve that challenge and overcome it in the short term and by some magic that we, or another Party in this Chamber, might possess. Let us recognize the foolishness of thinking that we in Ottawa or those in Washington are going to solve it as if sweet reason were enough. We are dealing with a political reality. We have to keep pressing as did our Prime Minister (Mr. Mulroney) in seeing that it was on the agenda of the Quebec Summit and as he did in seeing that there was a top level commission appointed to report to the President and the Prime Minister. It was composed of such distinguished Canadian citizens as the former Premier of Ontario, the Honourable William Davis. My reason for referring to that is simply to indicate that the kind of progress we are enjoying under this Government and the kind of progress we achieved under the previous Government is expressive of reality. There is no revolutionary solution. We must expect that evolution will be the way we will follow. We will have to move step by step towards achieving the kind of environment we could wish for ourselves and for those who come after.

However, let us not ignore the positive results which that process has achieved. For example, in another study report to which I will refer called *Water is a Mainstream Issue,* an interim report of an inquiry on federal water supply which was appointed by the previous Government, there is a reference to the kind of progress we have enjoyed by working together and seeking co-operation from the provincial Governments as well as Governments of certain States of the Union and the American Government itself. We should not ignore the kind of achievement to which this report refers, and I quote:

> Notable progress has been made with point sources, such as effluent flow from major industries like pulp and paper and petroleum refining, and from municipal sewage treatment plants.

The report does not ignore the lack of progress in other areas and in other connections, and we should not ignore it. But let us remember and recognize that certain things are being achieved and certain progress is being made. The report goes on to ask a question which this House should not ignore and which the report does not answer. It is this:

> Can governmental controls catch up with the number and variety of pollutants? Do we need control of chemicals from creation to disposal, as urged by many environmentalists?

If the answer is yes, then certainly that answer is not going to receive quick actualization by any government that will command a majority in this House. It is going to have to be a matter of steady, gradual, but not slow, progress, and to that end this Government is clearly committed.

We should also recognize the wisdom of the International Joint Commission which states in its most recent report:

> Significant achievements have been recorded in controlling certain types and sources of pollution, particularly in the areas of point source control of phosphorus and in the control of a number of other conventional pollutants.

That report was dated December 31, 1984. I think very seriously about the condition of the lake on which my city borders, and where I have spent all of my life. I have seen the lake lose the kind of purity which it enjoyed in my boyhood. I recognize the progress which has been achieved by both federal and provincial Governments of both Parties in each instance, and I would like to take a moment to draw to the attention of the House that one great day each year which shows what can happen when there is environmental action taken. That is the annual salmon hunt sponsored by the *Toronto Star.* A large supply of salmon was put into Lake Ontario to see, first, if the lake could provide a life-giving environment again, and to see as well if a lampreycide was effective. In 1979 each salmon caught in that great tournament showed the marks of lamprey upon it, each one. However, in 1985 only one in 75 caught had those marks. I cite that not to say we are doing wonders, let us rest on our laurels and be proud of our record. I say it to point out how positive accomplishments can be achieved. We must keep working at this cause. A solution is possible, but it is not going to be done tomorrow morning. We have to keep working at it. The only way to do that is by steady, progressive action.

• (1710)

I want to close my remarks by simply saying this. One of the great political leaders of this country was the Hon. Tommy Douglas. I had a great affection and respect for him. He was in this House when I first arrived here. He used to close almost every speech with these words: "I shall not sleep, nor shall my sword stay idle in my hands, till we have built Jerusalem in this green and pleasant land". He spoke those words so frequently that one might have thought they were part of the Regina Manifesto. Actually they were written by the English poet William Blake. He was referring not to the prospect of socialism but to the horror of the impact of the Industrial Revolution upon rural England. I recall those words now as indicating the direction in which this House should go, one of moving forward progressively, taking those actions we can to bring that day which is not tomorrow or next year, but a day nonetheless within our scope, a day when we can have once again a green and pleasant land.

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** Questions and comments.

**Mr. Baker:** Mr. Speaker, most Members were somewhat moved by those last sentences—

**Mr. Hicks:** We were moved by the whole speech.

**Mr. Baker:** —from the English poet and mystic, William Blake. The complete quotation is as follows:

Bring me my bow of burning gold!
Bring me my arrows of desire!
Bring me my spear, oh clouds unfold!
Bring me my chariot of fire!

Listen to the rest of the words:

I will not cease from mental fight,
Nor shall my sword sleep in my hand,
Till we have built Jerusalem
In England's green and pleasant land.

I would like to ask the Hon. Member a question arising from those words.

**Mr. Shields:** Be nice.

**Mr. Baker:** I will be nice in putting the question but I do not think the question is very nice. Keeping in mind those words of Mr. Blake, how does the Hon. Member rationalize the incredible cuts made by his Government in toxicology research along with several scientific projects examining the effect chemicals had on wildlife?

**Mr. Stackhouse:** Mr. Speaker, my response is very simple, as befits the question.

**Mr. Gauthier:** You are going to get it. Now, be careful.

**Mr. Stackhouse:** He is going to get it first. We have a budget item which his Government never had. Some $300 million was budgeted for a combined research and action program which was designed to bring greater control of acid rain. As well, we have the emission standards this Government has put forward. We also have to recognize that the reason some Departments have been cut, and they all have worthy programs, is the deficit his Government allowed to accrue over many years. That deficit had a polluting effect on the fiscal and economic environment of this country.

**Mr. Malone:** Mr. Speaker, one of the themes put forward by Liberal Members today is that the Government does not have the resolve to deal with environmental matters. This Government has increased the fines for poaching in national parks from $5,000 to $150,000. Does the Hon. Member agree that that is a great example of this Government's determination to clean up our environment and encourage respect for that environment?

**Mr. Stackhouse:** Mr. Speaker, I would respond in the affirmative to the question. That policy is in keeping with not only this Conservative Government but also that of the Right Hon. John George Diefenbaker himself. He convened the first federal provincial conference on ecology. He initiated the steps which were vital to any action being taken at all. Without that kind of co-operation between Ottawa and the provinces we cannot move forward. It is because of Mr. Diefenbaker's initiatives that we have been able to have such progress as we have enjoyed.

**Ms. Copps:** Given the Hon. Member's association with the Toronto area, which is obviously very concerned about the level of toxicity in the Great Lakes and in particular in Lake Ontario, does the Hon. Member support the Government's decision to abolish the berring-gull program? That program studied deformities in herring-gull eggs and the possible effect on human health in the future. Did he support the Government's cut-back of that program?

**Mr. Stackhouse:** Mr. Speaker, I certainly support the Government's reinstatement of the longitudinal studies and the care with which it is addressing the prospect of studies which will be required to make progress in this area.

**Ms. Copps:** Mr. Speaker, my question was specifically whether he supported the abolition of the herring-gull studies.

**Mr. Stackhouse:** Mr. Speaker, I may not have given the Hon. Member the answer she wanted but I think I gave her the answer that was apposite.

**Some Hon. Members:** Hear, hear!

**Ms. Copps:** I did not hear an answer. I may have gone "deef", as it were, but I did not hear an answer. Does he or does he not support the cut-back in that program?

**Mr. Stackhouse:** Mr. Speaker, I can only suggest that if she did not hear the answer, the Hon. Member should adjust her hearing-aid. I indicated that there has been a reinstatement of the program and we are moving ahead as a Government on that program.

**Ms. Copps:** Mr. Speaker, does the Hon. Member support the cut-back in government involvement in the Guelph Toxicology Centre?

**Mr. Stackhouse:** Mr. Speaker, the kind of support that the Government needs is that which is required for the positive programs it has initiated. One can regret the cut-back of any research effort and we can regret that with respect to many disciplines of thought and inquiry, including those which are part of our concern today. We regret the budget situation which we inherited, and which made it vital for us to do many things that we do not want to do. Two academic colleagues of mine from former times were in my office this morning, Mr. Speaker. They bring their just concerns about the future of scientific and scholarly research in the country. They recognize, as do all reasonable Canadians, that we are faced with a situation which is not of our devising and that we cannot excape that situation. We have to solve it. I invite the Hon. Member to support us in our attempts, through the next Budget, to solve it.

• (1720)

**Mr. Taylor:** Mr. Speaker, I would like to make a comment first. I would like to commend the Hon. Member for his very excellent address. I think he goes to the very root of all programs when he suggests that we have to cut our deficit and get our spending under control. If we do not get our spending under control, there will be no money to fight toxic wastes, no money for social programs, no money for old age pensions, and no money for child welfare. Consequently, the Hon. Member goes right to the very root of these issues.

A lot of the cuts that we have made were to do away with duplication. I met a group of scientists in Alberta who said that they are doing this research in their university and they asked why the Government is doing it elsewhere. When the Hon. Minister of the Environment (Mr. McMillan) made cuts in the environmental program it was to do away with duplication. There were no cuts of anything that is vital at this time. Research is always important, but it is most important, as well, that we get control of our finances or we will not have any money at all to carry out research or control of toxic wastes. Were most of the cuts that were made in the environmental area not due to extravagance or duplication?

**Mr. Stackhouse:** Mr. Speaker, I gladly concur in the reasoning which the Hon. Member has expressed. I add as well that it is an indication of the Government's interest in the subject of research in the environment that the needs of the Guelph research centre as a centre that can serve the well-being of Canada are undergoing reassessment. In this instance, as in so many, the Government is doing all that it can with the finances available to it. When we face the reality that most of the income tax revenue received by the Government is going to pay off interest on the debt, we see that there is very little surplus left for anything else.

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, if we can escape from some of the partisan gibes which are going back and forth, I think that this particular issue—

**Ms. Copps:** The NDP is totally non-partisan.

**Mr. Langdon:** Not when it comes to the Member for Hamilton East (Ms. Copps) I fear, but on issues we try to be. We have in front of us an immense challenge which, frankly, is a challenge at which the previous Government failed, and which the present Government, to its credit, is attempting to confront. The Minister has, I think, shown some concern and enthusiasm and, frankly, some very healthy skepticism with respect to the claims of industry with regard to the issue of toxic pollution of our waterways.

The challenge is extremely great and I must ask, at the start of a speech like this, whether it is a challenge that it is possible for this Minister ultimately to meet successfully. Basically what we as a people and a country are doing is using our earth and our surroundings as a garbage can. We are using it for garbage which is perhaps the most dangerous, hazardous and vicious that this planet has ever had to confront. We have to change our approach if we are going to succeed in creating a future for the generations that will come after us.

I think the challenge is particularly difficult for three reasons, Mr. Speaker. First, we have a scientific challenge which is very, very complicated. We can learn from this scientific challenge by looking at occupational health as an issue. We have discovered, for instance, that people who used asbestos to produce essential items during wartime found that the asbestos that they worked with, without thinking that it was dangerous, was in fact a time bomb. That time bomb did not hit days later, weeks later, or months later, but years later. Often that time bomb did not hit because of large amounts of asbestos, but because of extremely minute particles of that material which, in a cumulative way, over time, led to people developing the most horrendous possible diseases which debilitated them.

There has not been a single study done on the octadioxin which has just been identified in the drinking water of my community of Windsor, to determine its long-run, cumulative effect on people who imbibe it in a long-run, cumulative way.

Second, there is a lack of knowledge which, fortunately, we are starting to do something about. As an example of that lack of knowledge, Mr. Speaker, out of the 58 chemicals that make up the infamous blob in the St. Clair River, only three have standards which tell us how much can get into fish before those fish are dangerous to people. That lack of knowledge can only be seen as incredibly dangerous to the people who fish in Lake St. Clair in my constituency.

We have a challenge too, Mr. Speaker, to recognize that we as a country are committed to economic development and that our people have come to expect it. Yet, that economic development must recognize the environment as a central concern or else it is not an economic development that is counting the costs of economic growth. Those are intellectual and political challenges that are very, very tough for any Government, whether Conservative, Liberal, or Socialist. Those are very difficult intellectural challenges to face. Above all, however, they are challenges that must be faced with urgency and a passionate commitment to do something about them. Unfortunately, it is not yet possible to detect such action on the part of the Government.

• (1730)

Let me take Members of the House through the recent happenings on the St. Clair River. It is a drama which in fact turned out to be far more interesting, explosive and powerful to this country than the divers who first brought up the dioxin-laden globs in 1984 which set this struggle off first thought. In fact, it was one of those divers who came to my office a year after those tests were first conducted in 1984 and said that they discovered something but still have not heard from the various ministries, including Liberal and Conservative ministries, what that dangerous chemical was.

We began to ask questions about that discovery, what it was and how dangerous. It was only as those questions began to be asked in September, 1985—a year after those tests had been conducted—that the Ministries decided to begin retesting. It

was then that they discovered that indeed the great toxic blob had in fact not disappeared but, even worse, was now present in concentrations twice as high as had been true when it was discovered in 1984. Furthermore, it was not the easy form of octadioxin that the Minister talked about but the much more dangerous toxic and hazardous forms of tetradioxin, in heavier concentrations than had been true in 1984.

Yet, a whole year had passed without any action being taken to clean up that disaster. Finally, after a second test was conducted which showed these dangerous concentrations and after pushing and prodding, the federal Minister and Ontario Minister finally took action and a joint study was conducted. That joint study, unlike virtually any other study I have seen, did not come up with a set of conclusions. It came up with a set of questions. I strongly suggest to Members of the House that they read through the recommendations of this recent report on St. Clair River pollution investigations. They will find repeatedly that the recommendations do not give an answer to what needs to be done but recommend what should be investigated further. It states, for example, that we must investigate the Michigan site and the source of the dioxins and furons.

In short, the report in itself if not an answer but an action plan to find an answer. That is why the crucial question that faces the Government right now is what it will do about the 24 recommendations in this report. If it can tell the House of Commons today that it will follow up on every single recommendation as urgently, fully and comprehensively as necessary to find the answer, it will finally have taken the first step toward convincing those who care about the environment that it actually has that sense of urgency and commitment.

I want to talk briefly about the politics of this issue. Frankly, I have found it to be a political learning experience. It has been exciting to use information, sometimes gathered from unorthodox sources, and to pose questions effectively so that the Government will move to take an issue seriously, as I believe it has done with respect to the St. Clair River issue. My colleague says that the Government needed that kick in the butt to get at this concern.

However, there is another part of the politics of this issue that has also been fascinating, that is, to see the Conservative Members of Parliament who represent the areas which are sources of this pollution try to defend their localities. Surely it is possible, as indeed the Deputy Prime Minister (Mr. Nielsen) did today, for people to get up in the House and admit past mistakes. Surely it is possible for communities or companies to admit that they have not given the proper attention to pollution control.

Why was it necessary that the politics of this issue had to be raised by those Members who represent constituencies downriver from this pollution spill? It should have been Members of Parliament from the spill areas themselves who pushed this issue. Perhaps it is the nature of politics in our society that it is up to us in our communities downriver from these pollution crises to make the issue come alive and give it the drama which brings the attention that, in turn, builds the focus of Government on the issue as a crucial question which must be dealt with and corrected.

We have a new report. It is a report which carries with it the urgency of this issue. It is a report which tells us in the communities downriver from the St. Clair that we can expect some reassurance from the Government that it will take our problems seriously. It is a report which must be acted upon. I ask the Government, the Prime Minister (Mr. Mulroney) and the Ministers responsible to take this report with the seriousness that it deserves. I ask them to see to it, in respect of the 24 recommendations in the report, that the possibility of underground sources of pollution is probed completely, and to see to it that the problems of fish in Lake St. Clair are studied as they deserve to be studied for the people of my constituency. Also I ask them to see to it that a year from today, instead of three of the 58 chemicals having standards for fish quality, all 58 have full standards for fish quality and for water quality, and that we have a sense of the cumulative impact of these different chemicals mixing together.

• (1740)

I should like to refer to our fight in Windsor. The Clean Water Alliance has been formed and met yesterday with 300 people to raise concerns about this issue. It is not only a fight for our selfish interests in the St. Clair River basin. It is a fight for change across the country to make pollution the urgent issue which it has to be. As our environment critic, the Hon. Member for Winnipeg-Brids Hill (Mr. Blaikie), has made clear, it is a fight for a safe drinking water Act, for an environmental bill of rights, for speedy introduction of tough amendments to the Environmental Contaminants Act, and for a tough Canadian response to the refusal of the Environmental Protection Agency so far to act in the Niagara situation.

We must stop using our earth and our environment as a garbage can. We must, on a non-partisan basis throughout the House, make a commitment to our future and the future of our children. We must make this issue have the urgency it deserves as we head toward the end of the 20th century and the beginning of the 21st century.

**Mr. Gurbin:** Mr. Speaker, I assume the Hon. Member for Essex-Windsor (Mr. Langdon) was unable to hear the Minister's press conference in which he answered the specific questions that he asked. The report made 24 recommendations. The Minister in fact embraced the report and acted very specifically on three points which were made. In addition, he indicated a number of other specific Government actions.

Is the Hon. Member aware of the fact that the Department of the Environment has committed its full scientific and technical expertise to assist the Province of Ontario to implement the new limits on the effluents in order to control the toxic discharge? Second, the Department has already begun to improve water quality surveillance of the St. Clair River in order to get more accurate information on the amount of contaminant present in the river and to assess effectiveness of remedial action. Finally, the Department, under the Canada-United States upper Great Lakes connecting channels study,

has begun investigating the ground-water contamination in the St. Clair area. This effort will be stepped up and in the next few years will focus on the Sarnia area.

Did the Hon. Member understand from the Minister's speech, which I quoted this morning, that we intend to implement the environmental bill of rights and the stronger measures in the Environmental Contaminants Act which he suggests? We do take the matter seriously including, despite other comments, the question of dioxins. There is no question that there may be no safe level of anything. We learned this about radioactivity; it may well hold true for many chemicals. There is no question about that, but there is a question about the politicizing of it in the way that has been done by some members of the Opposition.

**Mr. Langdon:** Mr. Speaker, I should like to make two comments. Politicizing an issue, as it has turned out in this case, has the effect of making an issue come alive and making an issue ultimately lead to action. I certainly make no apologies for attempting to highlight this issue at each stage throughout the last six months. It has been important that such highlighting has taken place, not for my sake, but for the sake of the constituents whom I represent. They are the people who are downriver from this pollution; frankly they are the people I am here to protect.

In respect of the specifics of the Minister's comments at the press conference, yes, I have the press release. Frankly it is the press release which disturbs me because it simply makes reference to three points out of a total of 24 recommendations. If in accepting the report the Minister also accepts that he will attempt to implement, in conjunction with the Government of Ontario, each of the recommendations in the report, I do not have problems; I have a sense of security. However, there are detailed recommendations in the report, as I am certain the Parliamentary Secretary knows, which are in fact quite expensive. I refer to recommendation No. 8 on page 28 which reads as follows:

> To ascertain the extent of possible ground-water contamination in the Sarnia area, studies are required to
>
> (i) Define the ground-water flow pattern in the freshwater aquifer.
>
> (ii) Assess water quality in the freshwater aquifer and seepage discharge to the St. Clair River.
>
> (iii) Determine the hydraulic head relationships between the freshwater acquifer, the rock layers above the Detroit River Group, the deep well disposal zone and the caverns and the Salina formation.

To put a recommendation of that sort into effect is an expensive commitment. I recognize that, and I am sure the Parliamentary Secretary recognizes it as well. Nevertheless, it is a commitment which scientific experts at the meeting yesterday in Windsor said was absolutely crucial if we were to get to the bottom of the whole problem. Once more I make the point to the Parliamentary Secretary, and through him to the Minister, that we have so far had a sense of respect for the Minister, but that respect has to be earned continually. It is an unfortunate thing about politics. People are always asking: "What did you do for me today?" The Minister, the Parliamentary Secretary and the Government have to make a commitment to put financial resources behind the kinds of studies which will give us the answers. This voluminous and quite excellent report agreed that studies had to be set upon to give us answers.

• (1750)

**Mr. Gurbin:** I think if the Hon. Member for Windsor-Walkerville (Mr. McCurdy) will refer to the "blues" he will find that the hydrological studies were one of the three specific things I mentioned. I cannot tell him the full extent of that. I understand that they are extensive. We are committing ourselves for at least two years, most particularly, because of the material we found in the CN tunnel, and it can only come from the ground-water. Unquestionably, the Minister understands what he is talking about. He has committed our resources to that. I cannot tell him how much that is or what that means in total. In so far as possible the Minister has committed the Government to undertaking whatever recommendations are necessary to achieve a satisfactory end.

**Mr. Langdon:** I have just a final comment, Mr. Speaker. I am certainly very, very pleased to hear that. That, in fact, was the question which I asked yesterday at this session in Windsor at which Environment Canada people were present. But I think what the Minister should aim at doing, and what will certainly give a sense of security to people, not just in Windsor but in each of those communities that has experienced dioxins in their water, is for the Minister to get up and make a statement indicating in financial terms the kind of allocation that is being made, with what urgency that undertaking is being made and, therefore, how quickly we can expect to see comprehensive and effective results brought about in what for us, frankly, has been a pretty traumatic experience of continual new pieces of news that potentially affect our environment and our people potentially very greatly.

**Mr. Winegard:** Mr. Speaker, I want to congratulate the Member for Essex-Windsor (Mr. Langdon) because I think he has hit the nail on the head on many of the issues facing us today, because he is interested in research, and because the issue has been raised in this House on several occasions over the past few months. I would like to comment upon what the Canadian Centre for Toxicology can do in terms of this significant problem. When the Minister of National Health and Welfare (Mr. Epp) was here this morning he talked about the problems of identification and control measurement, which we know are very difficult, and which take us into areas of high technology in which we have not been before.

More important, the Minister talked about advice to groups, and the kind of information that is required, the kind of thing the Hon. Member has just been talking about. One of the best things that ever happened to the Canadian Centre for Toxicology was when this Government said no in November of 1984, because that centre then went to work, and instead of producing a centre that was going to be operated primarily by government, it went back to private industry and said, "You have to help even more than you had planned to do". I watched those plans grow over the years. When it moves off the ground, this is going to be a good, trim, hard-hitting

research centre which will deliver the kind of information that this country needs. It will be oriented more towards private enterprise than it would have been before this Government said, "Take it back, do something with it".

**Mr. Deputy Speaker:** May I please ask the Hon. Member for Essex-Windsor (Mr. Langdon) for a short answer or a short comment?

**Mr. Langdon:** A short answer from me is almost impossible. I will say two things; first, I disagree with the Hon. Member, despite his compliments, that the way to progress is to cut back some of our research centres. I would simply make the point that one of the crucial resources which we have had in the Windsor area in attempting to understand this whole problem and to get action on it has been the Great Lakes Research Institute with its excellent record of detailed research throughout the St. Clair River Basin itself. I hope that we in Windsor will not have to face the way of improving our Great Lakes Research Institute which the Member has suggested for Guelph.

I would like to finish with just one strong plea, and that is, that we keep in mind the urgency of this issue in the sense of not letting it become a choice between economics and environmental protection, but instead that we make it quite clear that our commitment—and I say this as an economist—can be to economic growth that is environmentally sound and environmentally committed to the future.

**Mr. Deputy Speaker:** Unfortunately, there is no more time.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I would like to begin by congratulating the Hon. Member for Davenport (Mr. Caccia) for introducing into the public forum an issue which is obviously of concern to every Canadian. That issue is specifically not only the particular problems which have been identified and are being examined in the St. Clair River, but also the general question of water quality and the concerns surrounding the level of toxic chemicals which are being found not only in the St. Clair River but also in other major bodies of water. As a Member of Parliament for Hamilton East I have in my riding an area known as the Windermere basin, which has been identified by the International Joint Commission as one of the most polluted bodies of water in North America. Naturally when we read daily accounts in the media about the difficulty facing the people in the St. Clair River area and those people who are concerned about their drinking water, we too, in the frontier of Lake Ontario have to be concerned in the same way because I think that there is a general feeling among the public that the whole story has yet to be revealed.

In fact, there are a lot of questions, and I have constituents who call my office and say, "Is the water safe to drink? We have seen in the City of Toronto on a number of occasions the beaches being closed and, in fact, even the water itself being examined for levels of toxicity which are absolutely unacceptable. I am sorry to say that even in my own community there is not a regular, systematic review done to measure the level of dioxin toxicity in the drinking water. It happens to be a piecemeal operation which does not address the very serious concerns which have forced many constituents into the private market to buy their water.

I would respectfully differ with the position of the Hon. Member for Guelph (Mr. Winegard) who has suggested that somehow we will solve this problem by turning over our research capacity to the private sector. It is pretty clear that the private sector will have to concern itself first and foremost with the bottom line and with more immediate results. One of the benefits which had been derived from programs like the herring-gull program, which was snuffed out by this Government, and snuffed out not only by the Minister of the Environment (Mr. McMillan) but aided and abetted by the President of the Treasury Board (Mr. de Cotret), and the slasher himself, the Deputy Prime Minister (Mr. Nielsen).

This particular program was prepared to take a long-term look and to develop the kind of data base necessary to attack the problem in Lake Ontario which services the drinking water of more than three million people in its direct vicinity. Instead, in a penny ante approach to long-term environmental solutions, the Minister decided to cut off that program and to say that even though we were seeing deformities being identified in herring gull eggs we were not prepared to carry on with this program because it did not meet the Deputy Prime Minister's bottom line, even though at the time that same Conservative Government promised that the environmental project and the research would not be cut.

• (1800)

We know, Mr. Speaker, that that is simply not the case. We also know, with the cut-backs and the decision by the Government of Canada not to fund to Guelph Toxicology Centre, that the Government is abdicating its responsibility to the private sector suggesting that the private sector will be there to pick up the pieces. The private sector has some immediate short-term concerns relating to productivity and the bottom line. The private sector is not prepared to look at an over-all question of water quality, for example, in the area of the Great Lakes.

Let us take a look at the question of food production and how toxic chemicals impinge upon the food production on a daily basis. We have seen more and more reports about irradiation and what is being allowed to be done to preserve the shelf life of our food in a way that could be extremely detrimental to the health of every Canadian.

I would suggest that private companies in the business of food production will not hold back on irradiation because the long term effects of that process may not be known for many years. We have a responsibility in government to provide leadership in these most difficult areas. I say they are difficult because they involve co-operation at the federal, provincial and municipal levels.

I heard Members on the government side of the House citing, chapter and verse, the shortcomings of the previous Liberal Government with respect to its environmental policy. I

would like to point out that one of the first and most effective actions of the new Liberal Government in Ontario has been to introduce a spills Bill which, for the first time, will allow companies, unions, workers and the public to have a handle on just what kind of toxic chemicals are being dealt with in industry across Ontario, information which was not only kept secret by the previous Conservative Government, but over which it chose to distribute its own products, its own toxic wines in our liquor stores.

The Liberal Government in Ontario has made it a number one priority not only to introduce the spills Bill but to act on legislation originally recommended by the then Leader of the Liberal Party, now Chairman of the Science Council, Stuart Smith. The Liberal Party has been on the record on this issue in Ontario for many years and finally has had an opportunity to put forth legislation which will make a change in the Province of Ontario.

At the same time, what has been the federal Government's response? Looking specifically at the question of acid rain, we see that the federal Government in its own intuitive nature has decided to appoint a dollar a year man, who is overpaid at that, in the person of the former Premier of Ontario. While this person was the Premier of the Province of Ontario—and I see the Hon. Member for Parry Sound-Muskoka (Mr. Darling) here, the issue crosses Party lines and concerns all Members—he was responsible for the sulphur dioxide emissions from Ontario Hydro, a Crown corporation. Ontario Hydro is one of the heaviest contributors to the acid rain problem in the Province of Ontario. The Premier chose to turn his back on the problem to protect Ontario Hydro and encouraged the belching of sulphur dioxide into the air by refusing to demand that stacks be properly equipped with scrubbers to prevent further emissions and further continuation of acid rain falling on the Ontario environment. But what does this person get as a reward for his decision to allow Ontario Hydro to pollute not only our air but also to create acid rain in the thousands of pounds? He is appointed the federal Government's envoy to the United States to deal with the American Government on the issue. He is to convince the Americans, in particular the President, who is reluctant to recognize that there is a problem that acid rain is an international problem demanding international solutions and a specific commitment on both sides of the Great Lakes.

I would suggest that his powers of persuasion will be rather muted in light of his own record when Premier of the Province of Ontario. He had an opportunity to do something but did nothing and sat aside without calling Ontario Hydro to task for polluting the air and for the acid rain problems which were directly the result of sulphur dioxide emissions from coal-fired generating stations which Ontario Hydro continues to use.

A number of questions have been raised by constituents, by mothers breast-feeding their children, by older men and women who feel they might be particularly vulnerable when the water quality is not as it could be. What we have seen from the Government, notwithstanding the rhetoric, the press conferences, the mutual meetings between Canada and the United States, which looked very positive at first blush, is a Government, a Minister of the Environment, and the Minister's predecessor, that have stood by and done nothing while the slasher in the person of the Deputy Prime Minister as well as the President of the Treasury Board have torn the guts out of the long-term environmental studies and long-term environmental programs which would have allowed us to come to grips with the problem.

If the current Minister were serious about his mandate, one of the first things he should do is to seek in the next Budget an immediate reinstatement of the herring-gull program. This would give the people on the Great Lakes an indication of just what is happening to the quality of water, something all of us hold very dear.

Without that assurance, Mr. Speaker, and with the Government's continual refusal to take its own responsibility when it comes to research, research that could be done by the Guelph Toxicology Centre, we are sacrificing the long-term interests and the long-term health of our citizens for short-term economic deficit slashing and short-term private sector gain.

We have only to look at the so-called advice that was given by the Deputy Prime Minister in his addendum to the Wilson Economic Statement of November 9, 1984, when he examined the kinds of research to be funded by the Government. He said that he wanted fewer researchers, and more specific, immediate results from that research.

If that were the mandate given to those involved in developing the Salk vaccine, it is possible we would never have had the vaccine simply because the bottom line did not show up in the first year, the second year, the third year or the fourth year.

The analogy could be made, albeit somewhat removed, in the context of the Government's decision to privatize and sell off to a foreign corporation the de Havilland corporation at all costs. Again, you see a sort of private sector mentality. "Let us give up our responsibility in the area of aerospace development". It is the same as the Government saying it is prepared to give up its leadership role in the examination of water quality in the Great Lakes. What about the question of toxicology which would have been a basis for investigation through the Guelph Toxicology Centre?

Unfortunately, I think the Government is falling behind the people in its consideration of what people are prepared to pay for. I believe, Mr. Speaker, that the people of Canada are prepared to fund, not only at current levels but more generously, programs which deal with the environment and research which can lead us to making this place liveable for our children.

The Member for Essex-Windsor (Mr. Langdon) called the environment a garbage dump. I think that analogy bears some study. Not only do we have municipalities across Canada that are not in a position to deal with their own solid waste other than to dump it directly into major rivers, but we also have toxic chemicals being disposed of illegally in many cases and in a fashion which can leech into the ground and affect directly

the water quality of many areas, like the riding of Hamilton East and the Windermere basin.

We know that some of the problems that arose from the Windermere basin were directly the result of the immoral activities of companies prepared to dump toxic waste without any bills of lading and without any proper and legal manifests simply because they wanted to get rid of what could be a highly toxic chemical. They were not prepared to spend the money they should have spent to dispose of it.

Unfortunately, if we as a Government say we will leave our environmental problems up to the private sector, then once again we are giving to them a role which should be a role taken by Government. The private sector is not in a position to develop the kind of research programs that will tell us 10 or 15 years down the road what action we must take to prevent the contamination of our water supply system.

● (1810)

With respect to the issue of the St. Clair River—the infamous blob as it has come to be known across the country—we have seen a number of factors which have impinged upon the situation to create a climate of fear and uncertainty for the area residents. We have also seen some concerns with respect to their very health and, indeed, the potential of carcinogenic materials as they directly relate to the constituents.

I think the people of Canada are prepared to see more funds set aside in the Budget and the adoption of more stringent regulations as they relate, for example, to automobile emissions. I say this because the people of Canada are ahead of our politicians when it comes to the development of a system of clean water and air supply. I say that coming from the most industrialized riding in Canada with such heavy industry as that which takes place at the Steel Company of Canada, Dofasco, and many of the minor, secondary industries which spin off and develop their products as a result of the primary industry. The residents of Hamilton East are prepared to say: "Yes, we want to see more budget money spent on the environment. We want to see more budget money devoted to the study of those herring gull eggs. We want to know what is happening to individuals and whether, in fact, unborn children will suffer potential birth defects as a result of the water we are drinking". People want to know, and they are prepared to pay the price for the knowledge.

The Minister involved said that the Government was faced with budget cuts and it had to deal with the past excesses of Liberal Governments. In fact, the long-term ramification of the decision to terminate or cut back government funding in these important areas is that 10 years hence we will not even be able to identify the problem, never mind seek solutions. In fact, most thinking people—and I believe most Canadians have given this particular matter serious consideration—will recognize that it is in the best economic interest of Hamilton East. It is in the best economic interest of Ontario and of Canada to begin to adopt strategies and approaches which will not only identify the problem through government-led research but which will also develop solutions. That means some tough legislation, such as the Ontario spills Bill which the Liberal Government of Ontario was prepared to introduce. It means some tough negotiations at the federal level. It means we have to appoint negotiators who are prepared to go in and fight for the rights of Canada, not simply appoint one-dollar-a-year people who are using the office as a camouflage for their own private activities and their own directorships. We know from statements which have been made by the Canadian Coalition on Acid Rain that there are some real concerns about the role the Canadian negotiator has played in the whole issue and whether or not he is really committed and fighting for Canada.

We must address some of the most difficult questions, for example, that of water quality. We know that water pollution is now costing us hundreds of millions of dollars a year in economic losses. This is because, in many areas, surface water will not be fit for household consumption, recreation or even industrial use until extensively treated. So there is the cost of treatment to be considered. Also, there is the fact that water quality in many areas appears to be declining. Unfortunately, I think many Canadians are of the belief that the St. Clair River situation is not an isolated case. I believe the Hon. Member for Davenport put the question well in this respect.

We can also look to the Niagara River near the great metropolis of Hamilton in the Niagara fruit belt in this regard. The Niagara River has become the receptacle for industrial chemical toxic substances which have, in fact, led to the discovery of more dioxins. A little more than a year ago in the riding of Hamilton East dioxin trace contaminants were found in the air emitting from one of our local sewage treatment facilities.

It seems to me that this is not simply a question of the St. Clair River and the blob. The blob is an example of what happens when a Government turns its back on research. That is what happens when a Government states, as this Government has stated: "We don't have time for research with respect to the herring gull program. We don't have the time to look at water quality from the public perspective. We will leave it to the private sector". The private sector has a role to play; but in this particular case it is the federal Government, in co-operation with provincial and municipal Governments, which should be taking the lead, in concert with companies which are prepared to share the burden. Frankly, with respect to an issue which concerns every Canadian, the leadership role should come from the federal Government.

[*Translation*]

**Mr. Deputy Speaker:** Questions or comments. The Hon. Member for Lévis (Mr. Fontaine).

**Mr. Fontaine:** Mr. Speaker, as you know, 20 million tons of sulphur dioxide are being released into the atmosphere, and I may add this did not start yesterday.

I want to ask the Members opposite what they were doing when they were in power about those millions of tons of sulphur dioxide. There were 4 million tons being released in eastern Canada.

Today, they are asking the questions, but what did you do about this during the last two decades? What did you do? There are thirteen salmon rivers in Nova Scotia that are now closed because you never did anything about the environment. In Ontario, 1,600 lakes are now dead, that is, they have no plant or animal life, because you did nothing for the last twenty years.

Today, I listened to the former Minister of the Environment making his speech. I would ask him to give the House some account of his past record and take his subject more seriously.

There are one million lakes in the province of Quebec that are going down the drain. Six hundred hunting and fishing camps will no longer be used, because of your neglect. Half of our Canadian forests have been getting acid rain for fifteen years, and you never lifted a finger. And today, you present motions in the House of Commons. And you expect us to take you seriously? With a record like that?

We, on the other hand, have opened negotiations, in fact, we now have ongoing negotiations with the United States in order to do something about the environment here in Canada.

So, I would urge you to be a little more serious and think about your motions. Think about your past record!

Mr. Speaker, thank you very much. I will not have time for further comments.

**Ms. Copps:** Mr. Speaker, I think if the Hon. Member had been able to speak a little longer, he might have learned something, since he is obviously rather new to the subject.

Personally, I have been talking about this for years. The Hon. Member might have known, if he had listened to what I said about acid rain, that in many areas there is a provincial responsibility, for instance, at Ontario Hydro and Hydro-Québec, and this is also true of sulphur dioxide emissions. The provinces determine how many tons of emissions may be released into the atmosphere.

The Hon. Member would have known that in March 1984, for the first time, the federal Liberal Government managed to have an agreement signed by all the provinces in which they promised a 50 per cent reduction in acid rain within ten years of signing the agreement.

And now, the federal Conservative Government claims nothing had been done at the federal level up to now. The Hon. Member may have heard about the recommendations made by the Committee on Acid Rain, consisting of Members of all parties, and whose excellent chairman, the former Member for Sault-Sainte-Marie, made a number of recommendations in this respect.

**Mr. Deputy Speaker:** I am sorry to interrupt the Hon. Member but unfortunately, our time is up.



It being 6:18 p.m., it is my duty to inform the House that in accordance with Standing Order 63(11), the proceedings on the motion have expired.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### PUBLIC SERVICE—SMOKING IN THE WORKPLACE. (B) REQUEST FOR LEGISLATION

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, on January 17 I asked extremely important questions of the President of the Treasury Board (Mr. de Cotret) and the Minister of National Health and Welfare (Mr. Epp) regarding the right of employees to have clean air at their place of work. The President of the Treasury Board replied as follows:

—we have indeed come to an agreement with the unions to ensure that all employees will be able to work in a healthy environment.

He thought that the tribunal which had ruled in favour of an employee, Peter Wilson, who had taken a grievance to it, had gone too far because this tribunal had ruled in favour of the employee and in favour of the right to have clean air at the place of work. However, the President of the Treasury Board said:

—this Government and the Treasury Board want all our employees to work in a healthy environment.

● (1820)

If that were true, I would indeed be happy. Since then I have received a letter from the Public Service Alliance of Canada which has been supporting this employee in his grievance. This is the devastating reply to the comments of these two Ministers, and I quote:

I must take this opportunity to correct the misconceptions that the President of the Treasury Board and the Minister of National Health and Welfare have left. It is correct that the Public Service Alliance of Canada and other public service unions negotiated "Smoking Guidelines". There is ample documentation and correspondence which passed between the unions and the employer to demonstrate that it was the employer who blocked at every step of the way any attempt to put in place significant controls on smoking in the work place. The guidelines which I have attached are watered down beyond recognition from what the public service unions, and particularly the Public Service Alliance, originally put forth as a smoking guideline. Unfortunately, this was the most we could extract from the employer.

I have the guidelines and it is very clear what the Government had to say and what those on the staff side wanted. The staff wanted a clean working environment and the government did not give a damn, being perfectly content in deciding that smokers have the right to pollute the working environment and non-smokers have the right to put a little sign up saying "bad air, please go away". Of course, we know all too well that

these kinds of regulations are totally ineffective. However, PSAC and other unions have vigorously put forward very sane and sensible proposals for decent air at the workplace and protection for all of their employees, and separate provisions for smoking employees in areas which are separately ventilated. This is what all of the experts tell us is absolutely essential if we are going to have a genuine safe place of work.

The report of the tribunal which ruled in favour of Peter Wilson is quite interesting. It is quite shameful when we see the stance the Government is taking, actually bringing in an expert to argue that lung cancer has not really killed all that many passive smokers. How many thousands of deaths does the Government want before it will take this problem seriously? We have plenty of evidence of its seriousness. There are 35,000 deaths in Canada a year from tobacco-related diseases, 5,000 of whom have been passive smokers. Is that not enough deaths for Treasury Board to take some action?

There have been all kinds of ridiculous discussions about what a dangerous substance is and it has been suggested that tobacco smoke has really not been proven to be dangerous. It sounds like the tobacco companies which, over the last 20 years, tried to argue that tobacco smoke does not cause lung cancer, heart disease or emphysema. It is an absolutely shameful exhibition on the part of the Government.

There was a very sad grievance by Mr. Tinpower of Air Canada, an employee who is trying to get clean air at his place of work. In fact, it was ruled that he was not in "imminent" danger. We know that lung cancer, emphysema and all kinds of bronchial ailments are not caused instantly. Therefore an employee cannot claim "imminent" danger. It is not as if there is some unsafe condition where some piece of equipment is going to fall apart and kill someone. However, we do know that tobacco smoke does cause death in very large numbers. To say that because it will not do so in the next 10 minutes somehow makes this danger any more acceptable is being very shortsighted indeed. I think this goes to show that what we need is adequate legislation which does not confine "dangers" to dangers which happen in the next 10 minutes but long-term dangers such as lung cancer, emphysema and heart disease.

The *Canadian Medical Association Journal* is very clear on this subject, and I quote:

> The sidestream smoke that both smokers and nonsmokers are forced to inhale from an "idling" cigarette may contain 40 times more of some potent carcinogens, such as N-nitrosodimethylamine, than the mainstream smoke that smokers willingly draw into their lungs. Indeed, smokers may be at even greater risk than nonsmokers from the carcinogens in sidestream smoke.

An article in the *Canadian Medical Association Journal* contains very clear recommendations as to what the Government should be doing in response to the seriousness of this problem, and I quote:

> The current patchwork legislation that aggregates smokers in public places and still allows them to pollute the common airspace must be superseded by a master plan for a smoke-free indoor environment. Legislation must oblige employers, merchants and transport companies to provide smoke-free environments for anyone who is not smoking.

This is only elementary common decency. Unfortunately, the Minister of National Health and Welfare has been loath to take any kind of action whatsoever. He talks about co-operation with the unions, but they have to push to get even the most insipid kind of guidelines passed. The Minister has been asked to take action here on the Hill because we have a very poor working environment. My own employees have complained to me that they are forced, in doing work for me, to work in places which are unsafe for their health. The Minister of National Health and Welfare has not been willing to take any action whatsoever. It is time that we had some action. Employees deserve the right to a smoke-free environment. We know that the dangers are, and these polite decisions on the part of Government—that it is a matter of cosy negotiations, and it does not come through when it is asked—is not enough.

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I am sure that Hon. Members are aware that the guidelines on minimizing the effects of tobacco smoke in federal workplaces have been approved by the Treasury Board and were issued to all Public Service departments and agencies one year ago, in February of 1985. These guidelines were initially developed by a joint committee of Treasury Board Secretariat and Health and Welfare Canada officials, and were subsequently submitted to the National Joint Council of Public Service Unions, which is the official forum for consultation between the employer and public service unions. It was agreed by officials of Treasury Board, Health and Welfare Canada and the National Joint Council that the application of these guidelines would be based, principally, upon courtesy and consideration between smokers and non-smokers.

Through these guidelines, Departments are directed to develop and publish their own detailed internal departmental policies on smoking in the workplace in consultation with their employees. This policy of consultation, rather than acting as a dictator, is an essential requirement for ensuring the development and successful application of an internal policy that will achieve the intent of minimizing the effects of tobacco smoke in the workplace.

Departmental policies must, however, include the designation of certain areas as non-smoking areas, such as elevators, stairwells, change rooms, computer rooms, clinics, health units, service wickets and counters, and any other locations where the public is served. Departments may also designate all or part of cafeterias, waiting rooms and lounges as non-smoking areas. Unless there is consensus among the participants, smoking is not to be permitted during meetings.

Other areas in the workplace may be designated as non-smoking or smoking areas through local consultation and agreement. "No Smoking" signs or symbols are to be made available for installation in all designated non-smoking areas. Employer and union participants in the National Joint Council recognize that these guidelines are an important first step in addressing this issue. However, it has been agreed by both parties that within a prescribed period of time, further joint consultation will take place to upgrade the guidelines to give effect to more stringent requirements. In fact, the National

Joint Council is beginning consultation on the present policy guidelines with the view to reviewing and upgrading the guidelines into a standard of smoking in the workplace.

These consultations will take place with the benefit of direct input of health experts of Health and Welfare Canada who are represented in the National Joint Council in the Standing Committee of that forum which reviews and makes recommendations concerning occupational safety and health and physical working conditions within the Public Service of Canada. I am sure that the joint input of health professionals, employee and departmental representatives will evolve in the development of an appropriate and practicable standard which, when implemented, will respond to this important issue.

## INSURANCE—INCREASE IN PREMIUMS

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, I would like to make a few comments about the property and casualty insurance business in Canada. On January 14, 1986, I asked the Minister of State for Finance (Mrs. McDougall) what the Government planned to do in conjunction with her provincial counterparts to help the crisis which has overtaken the insurance industry. I would hope that both levels of Government will go about analysing this situation in a calm and reasoned way.

When I spoke earlier on this topic, I mentioned the outlandishly high claims which are taking over this industry. Those claims, of course, result in soaring premium rates. I made the point that I hoped we did not become the California of the North. We have to work on this with other levels of Government because we have different responsibilities in this regard. The federal responsibility is to ensure that federally-regulated companies are solvent. I understand the Minister has some further steps to take in this regard.

● (1830)

I think the industry's problems can be summarized in three categories: availability; affordability; and solvency. I need not remind people that this industry is one of the most competitive in the country. As I understand it, no one company has as much as 10 per cent of market share. I think the largest has 8 per cent. I also think it is true to say that over the last number of years Canadians have been able to obtain insurance at some very reasonable rates, thanks to the aggressive tactics of hundreds and hundreds of general insurance agents. I have a couple of friends in this business in my own riding, Gordon Grant and Don Bell. They have been in the business for a number of years and share my concern that some steps have to be taken.

I would like to highlight some of the trends which have developed in this industry. As of the end of 1984 there were 243 regulated companies under federal jurisdiction in Canada. Another 77 companies are registered under various provincial jurisdictions. It is no secret this industry goes in cycles. It has had good times and not so good times. The industry's profits come from two sources. One is the underwriting profit, which is the difference between claims and earned premiums. The other is investment income. Between 1983 and 1984, while written and earned premiums increased $300 million, claims increased by $700 million.

The industry paid out $1.10 for every dollar of earned premium. However, in the liability section, which is where most of the problems have been, the industry paid out $1.38 for every dollar of premium earned. That has to have a dramatic and negative effect in several areas. One of those areas is the return on equity, or the return to the investor. That has gone from 9.4 per cent in 1982 to 10.9 per cent in 1983, and then a drastic drop to 1.2 per cent in 1984. We have not seen the 1985 results as yet but I am quite sure they will be just as bad as 1984.

Court claims are of particular concern to a number of people in the industry, as well as the average Canadian. A youngster in Brampton was awarded over $6 million just recently. There was a large award recently to a couple whose grandchild was the victim. In a good number of cases these claims are very valid, but when they are larger, two things happen. We all have to pay higher premiums to start with. In some cases the claims are so astronomical that the companies themselves cannot even begin to measure the risk inherent in a given type of coverage and therefore they back out of the whole market. Then no one can get insurance at any cost. We have seen that happen to a number of groups over the past few weeks, including our national ski team. There are also day care centres, school boards, municipalities and others who are running the risk of having no insurance at all. The Hon. Member for Mississauga South (Mr. Blenkarn) proposed that the federal Government put together a reinsurance package. That may be necessary, Mr. Speaker, because I gather that the world-wide capacity for reinsurance has dropped by a factor of about 75 per cent in just the last year or two.

● (1835)

Affordability is another key problem. People want insurance, but at what cost? The St. John's Ambulance group, which I mentioned in my previous remarks, saw its annual premium for liability go from $16,000 for $2 million of liability insurance coverage to $205,000 for $1 million of coverage.

Another specific example is that of a 20-year old trying to insure a 1979 Malibu for $250 deductible collision insurance and $500,000 liability insurance. He took the pro driving course and is a university student. In his case the insurance was going to cost $2,228. Something is out of control when we have premiums like this.

I would like to summarize, Mr. Speaker, by saying that this industry has had its cycles. The executives and leaders in that industry feel that they will work through it. The solvency aspect, which is the responsibility of the federal Government, is critical in this case. If people pay these premiums and have a claim, we must ensure that they are able to collect. I have confidence that this issue is getting a good amount of attention at all levels of Government. I do not believe we need strong

government intervention in this. We do not need a knee-jerk reaction. We do not need the Government to set rates. This is a very competitive area and I think the market-place will render the proper premiums. Therefore, while I encourage each level of Government to take on its responsibilities, let us do it in a calm and reasonable way for the benefit of all Canadians.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I would like to thank the Hon. Member for Don Valley East (Mr. Attewell) for his very informed comments. It is clear that this issue has touched individuals and groups and communities of Canadians across the country. It is becoming an increasing concern for both them and the Government.

The Member for Don Valley East has ascribed the main problem to the level of court awards. While this is one aspect of the issue, the Minister is aware that there are other aspects and other considerations, some of which the Member touched on. In addition to court awards, I think the situation is also caused by poor operating results in companies, fear on the part of the industry about the uncertainty of future liability awards, and by a significant tightening of the reinsurance market as the Member mentioned. Of course, all the factors are interrelated and the situation is not confined only to Canada but is evident in other countries as well.

The Hon. Member asks what the federal Government will do to limit the costs. He has also indicated his desire not to have the Government become too directly involved. At the same time, I think we should establish very clearly the levels of responsibility. Since reform of the law of tort is not under federal jurisdiction, we must leave this aspect to the province. On the other hand, we do have responsibility with regard to the solvency standards and regulatory requirements.

One thing which should be noted is that the Province of Ontario, which has the responsibility for any direct changes, has indicated that there will be a task force. We have indicated that the federal Minister will co-operate fully with that task force and is prepared to assist in any way possible. The Minister thought she could be particularly helpful in the areas of solvency standards, the area in which the federal Government has some jurisdiction. A considerable amount of work has already been done in this area.

In closing, Mr. Speaker, the Government will press ahead with legislation with regard to strengthening the solvency standards and regulatory requirements for insurance companies. The objective is to promote financial stability which, in turn, should encourage new capital and better availability of reinsurance which would ease capacity problems and stabilize the premiums paid by customers.

## ENVIRONMENTAL AFFAIRS—PROPOSED GUELPH TOXICOLOGY CENTRE. (B) MINISTER'S POSITION

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, on November 4 I asked the Minister of the Environment (Mr. McMillan) about the future of the Toxicology Centre in Guelph which had been scrapped by the Conservative Government in November of 1984. I inquired whether he would be willing to reverse that decision. As reported on page 8322 of *Hansard*, he indicated to the House: "I am not even sure it is true that the Government has cancelled the plan for the Toxicology Centre . . . That proposal still stands."

• (1840)

On December 14, when approached in Toronto by Christie MacLaren of *The Globe and Mail*, the same Minister is quoted as saying: "I am first of all subject to Government restraint and I have to work within that. I cannot expect the Department of the Environment to be totally exempted from such Government austerity". He was replying to a question related to the Toxicology Centre in Guelph and seemed to indicate that he was not sure whether such a centre would receive financing.

We in the Opposition would like to see the Government take a clear position. Where does that centre stand at the present time? Is it, as the Minister said on November 4, a proposal that still stands and, if so, when will an announcement be made and what will be the nature of that announcement? Is it a matter that the Minister put aside, as he did one month later, claiming that he has to be subject to the restraints of the Government?

It is very difficult to accept its reasoning on toxic chemicals and the necessity to put a centre aside on the basis of restraint because the first thought that comes to mind is whether the Government puts the health of Canadians in second place. I am sure the Parliamentary Secretary would be the last one who would want to assert that proposition. However, it is hard to believe that the Government would still vacillate on this matter in light of what has happened in recent months.

Let me draw the attention of the Parliamentary Secretary to the study that was published in December. It is a one-year report from the Royal Society of Canada and the United States National Research Council which concluded that the 37 million people living in the Great Lakes region ingest more toxic chemicals through their food and drinking water than anyone else on the continent. The scientists are reported as saying that they are concerned about the unknown long-term effects that minute amounts of many toxic chemicals may have on human health. The scientists are recorded as calling for an urgent clean-up of the many sources of air and water pollution, but also for research into the nature of the chemicals themselves and how they affect human health. However, when this report was announced in December, the recommendations for research came a year after the Government announced Budget cuts ending numerous studies on how pesticides and other toxic chemicals affected wildlife and after plans were scrapped to build the Guelph Toxicology Centre.

It seems that the Government does not know how to make up its mind and that we have a Minister who is giving vague answers just for the sake of keeping alive a hope, without really giving an indication as to what we might expect in the future. I find that kind of behaviour reprehensible because I

believe the Canadian public and the scientific community are entitled to have an answer now. This has been dragging for too long. If the decision on December 4, 1984, when the centre was scrapped still stands, say so. However, do not raise false hopes with a statement in the House on November 4, 1985, then make a statement in Toronto which seems to wipe out every hope. The subject matter is too important for this kind of political game. I am sure that the Parliamentary Secretary, in his straightforward manner, will want to remove the doubts and come clean with the Opposition on that matter on behalf of his Minister.

● (1845)

Evidently, the question behind all this is one which has been in our minds all day long—when will the Government come to its senses and realize that the economy is in danger when environmental research is cut, dropped or given up? Research and better knowledge and information on toxic chemicals in this part of the industrialized world in North America mean in practical terms the protection of our water and the protection of our health because we all depend upon water. In the long term it also means the protection of the viability of our economy because water is obviously an essential element. If the substances in water are not understood, and if we cannot take remedial action because we do not understand clearly what is going on, in the long term we will certainly pay.

I am sure the Parliamentary Secretary has a very clear reply on the Guelph Toxicology Centre.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, there is no question that in the long run we will all pay for our sins, whatever they are. I have not read the comment which the Hon. Mmember quoted from a Toronto newspaper, so I am not sure whether that newspaper report is precisely true. I certainly see no confusion in what I understand compared with what the Minsiter said in the House. To make it very clear for the Hon. Member, he knows full well that the funds for the toxicology centre were cancelled in the November 8 statement. He has already been told enough times the rationale for that. Quite clearly it was to take a look in a comprehensive fashion at our research policy.

We have four toxicology research centres in Canada—Laval, Sherbrooke, Saskatoon and Vancouver. We have had three assessments of our research activities in Canada. One was conducted through Environment Canada, one through the National Research Council, and one through the Science Council of Canada. Those reports have in fact been completed. However, for the purposes of clarification—and I do not know whether the Hon. Member will be satisfied—the proposal as such has never gone away. There are people who continue to be very interested and there are people who have been actively working on that proposal and have made representations which the Government is seriously considering and looking at, in light of the modification of the representations and in light of the assessments which have been made on toxicology research right across the country. It is an example of a comprehensive look at a situation which we in government consider to be of utmost importance and which we intend to satisfy with a national water policy. In many areas of Government we have taken an active role and have displayed active leadership. We intend to continue.

**Mr. Deputy Speaker:** It being six o'clock p.m., this House stands adjourned until tomorrow at 11 o'clock a.m.

The House adjourned at 6.48 p.m.

# HOUSE OF COMMONS

**Tuesday, February 4, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—PRICE OF GASOLINE

**Mr. Ian Waddell (Vancouver-Kingsway)** moved:

That this House demands that the Government instruct Petro-Canada and its retail outlets to reduce their prices at the pump by six cents a litre, a move which would enable Petro-Canada to fulfil one of its basic purposes which is to provide Canada with reasonable energy prices.

He said: Thank you very much, Mr. Speaker, for allowing me to lead off in this very important debate, which at the moment is a major issue in the country. It is an issue which the Government is going to hear more and more about as there is a tax and consumer revolt out there in the country. Members will soon, if not already, be inundated with letters, telegrams saying, "Enough is enough", and that "the price of gasoline in Canada has gone too high".

Canadians are paying too much for gasoline at the pumps and for their home heating oil. The world price of oil is dramatically declining, but Canadians are being hosed at the pump. This Government, led by the present Energy Minister, is doing absolutely nothing about it. It is simply the friend of the big oil companies. It has forgotten the Canadian consumer. I say to the Government it forgets the Canadian consumer at its peril. Oil prices have come down 30 per cent since December 6, 1985; from $29 U.S. a barrel to $20 U.S. a barrel on January 28. Prices are even lower than that and still falling, and Canadians know that. Those who live close to the border can drive across and see that prices on the American side are dramatically lower. Contrary to what the Minister of Energy told me and this House last March, they can see that world oil prices are not being passed on. The decline is not being passed on to Canadian consumers.

In the Halifax *Chronicle-Herald*, January 28, Jim Meek, a very good energy reporter in the country, wrote about an application that was made to the Public Utilities Board there; it is the only jurisdiction in Canada where oil companies have to apply to increase their gasoline prices. I will quote what he says:

Milton Veniot, lawyer for the provincial Government, told the PUB that world oil prices have declined 35 to 40 per cent ($15 per barrel) in the past few weeks. A figure he said was equivalent to 9.4 cents a litre at the pumps.

A Shell Canada official, however, said outside the hearing that the actual figure is closer to 8 cents a litre.

Shell Canada is saying there is a decline in world oil prices which equals at least 8 cents a litre. We are saying in our motion today there should be a 20 per cent drop in pump prices. This is done by lowering the wholesale price by about 20 per cent. Right now the wholesale price of a litre of gas is about 30 cents. Therefore, it should be lowered by 6 cents a litre, and that is the figure in our motion.

The Minister of Energy has said, "Yes, it will take time to pass through the system". There have been cartoons to that effect in *The Toronto Sun*. "It will take time for it to pass through the system as we have a market system, and it will take time for these dramatic declines to pass through the system". This is tremendously naive on the part of the Minister of Energy. She just does not understand. In my submission that is not the way the industry works. The Government should know this.

There is a very famous report called the "Bertrand Report" done by the Director of Investigation and Research of the Combines Investigation Branch. It is entitled "The State of Competition in the Canadian Petroleum Industry". It was published about four or five years ago. Mr. Bertrand says, and I quote at page 19 of the first volume, right at the beginning:

In the 1958 to 1973 period, the majors—

Meaning the major oil companies.

—consistently used monopolistic practices to restrict competition from the independent sector and to impose the billions of dollars in excess costs on Canadians.

If you look at the way our oil industry works and at the Government's own studies you will see that this is what is called a classic oligopoly, it is non-competitive.

• (1110)

The pump does not immediately reflect declines in the market. I think the Minister is naive, at best, and at worst she is misleading us on this matter. Prices will not go down dramatically right away for two reasons. First, the Government is piling taxes onto the consumer at the pump and second there is an uncompetitive industry.

I looked at the price of gasoline in the Minister's own riding of Vancouver Centre, which is adjacent to my riding of Vancouver-Kingsway. When the Conservative Government took power in September, 1984 the price of gasoline was about 50 cents per litre. In January, 1986 the price was 56.2 cents per litre. Of that increase, about 2.4 cents was in taxes and about 3.8 cents went to the oil companies. We are faced with a combination of the Government increasing taxes and the oil companies increasing profits. The consumer is being hosed at the pump.

To be more specific regarding taxes, since the Conservatives took power, the Government first increased the federal sales tax on gasoline from 9 per cent to 10 per cent in October, 1984, a carryover from the Liberal Government. Then the Government raised the excise tax on gasoline by 2 cents per litre in its May 1985 Budget and this took effect in September, 1985. The Government then increased the federal sales tax again from 10 per cent to 11 per cent on January 1, 1986, and it has scheduled another increase for the excise tax to take effect January 1, 1987. At that time, there will be another increase of 1 cent per litre, also as a result of the Finance Minister's May Budget. The Government keeps piling on taxes at the pump and the provinces enter the picture after that. They tack on an *ad valorem* tax to the federal tax.

Motorists are saying that enough is enough. I and many of my colleagues have received hundreds and indeed even thousands of coupons from the Canadian Automobile Association saying that the cost of gasoline is discouraging both Canadian and U.S. tourism and damaging our economy, and that the high price is unfair to those who must use their cars to drive to work. They say that motorists are prepared to pay their share of the costs to help build and maintain the highways, but they think it has now become an inequitable tax burden. I agree with the Canadian Automobile Association. We must stop raising taxes at the pump.

In her defence, the Minister says that she needs the money because of the deficit and to pay for social services. There is some truth to that. Yes, the Government does need money to pay for social services. However, I would point to what happened last week in the House of Commons. The House passed Bill C-82 which phased out the petroleum and gas revenue tax to the tune of $5.3 billion up to 1990. The Government gave the oil industry $5.3 billion while telling the motorists at the pump that it needs their money to pay for social services. Why did the Government give all that money to a very rich and fat industry? When the Minister says that we need money for social services, I ask why she passed Bill C-82 which phased out the tax and gave such a great lump sum to the oil industry.

The Government says that we have to give money to the oil industry because it will create 300,000 new jobs. I took a good look at that figure. This is a capital-intensive industry which spends most of its money on equipment, much of it on foreign equipment, and not on job creation. Sure it creates some jobs, but that figure came right out of the brief of the Canadian Petroleum Association, the lobby group for big oil companies which makes submissions to the energy committees of the Senate and the House of Commons.

The Government and the Minister are patsies for the oil companies. It is very simple to be popular, as the Minister has been for the past 10 months, by giving money to the oil companies. However, we finally see that the result is that she is taking money out of the pockets of the motorists.

How poor is this poor oil industry? Imperial Oil just declared year-end profits last year of $680 million. For the last quarter of 1985 when oil prices were going down, its profit was $250 million, a record, up by $50 million for the last quarter. This is outrageous because at the same time the consumer is being milked at the pump.

There is no guarantee that prices will go down at the pump as they drop dramatically at the world level. I would like to indicate why that is so. Yesterday, I phoned Mrs. Cora McAra. She and her husband operate what was once a Gulf station, now a Petro-Canada station at Gravenhurst. I will refer to the notes I made while I was talking to her over the phone. She said that Petro-Canada wanted to have a difference of four-tenths of a litre in price between self-serve and full-service. The McAras wanted two-tenths of a cent a litre because the station down the road had that price and they wanted to compete with it. They even offered to pay the difference out of their own pockets. Petro-Canada refused. The McAras have a contract on consignment so Petro-Canada can dictate prices. However, the contract also indicated that they should be competitive.

A few days later, Imperial Oil, the other station to which I referred, put its price down to 47.9 cents per litre, so the McAras said to hell with it and decided to follow that move since they had to remain competitive. What did Petro-Canada, the instrument of Canadian oil policy, or so we thought, do? It closed the pumps on these poor people.

**Mr. Orlikow:** That's the free enterprise system.

**Mr. Waddell:** Yes, that's their system. There was a meeting between the McAras and Petro-Canada. Petro-Canada's representatives said that they were there to chastise and intimidate her. Petro-Canada said it was in the business of making money. If they lowered the price two-tenths of a cent here, the price would have to be lowered in other places and Petro-Canada did not want to do that. It said that this is the way it is going to be so the contract was terminated. The McAras will lose $50,000 because the contract was to go until May 1987. Mrs. McAra told me that lots of Petro-Canada dealers are in the same position. They are not happy because the price is staying high. That is the way Petro-Canada deals with ordinary Canadians and small business people.

The Conservative Government has directed Petro-Canada to act like a private-sector company. The Government is on the way to destroying Petro-Canada with its national policy. This is a perversion of what Petro-Canada was set up to do. Petro-Canada was set up to be a price leader. That is why I have put this motion before the House today. Petro-Canada should be taking the lead in getting prices down but that is not happening, and it could be happening.

I said earlier that this is not a competitive industry. I do not have time to go into detail, but let me say a few things about it. Government Members can refer to various restrictive trade practices hearings that have been going on for the last 10 years to learn why the industry is not competitive. There is the consignment sales trick, the example that occurred with Petro-Canada and the McAras. There is the fighting brands trick. That is simple. That is when the big oil companies form another oil company, pretend it is a small oil company and force small companies out of business or discipline independent

dealers. Third, there is the matter of special allowances which control how much gasoline the dealers receive. Finally, there are contracts that restrict sales and purchases. All of this appears in the Bertrand Report.

I looked at the situation in the United States and found that what Mr. Bertrand said in his report was true. He said that one of the problems we have in Canada is that those who refine and wholesale the gas and sell it to the retailers are all the same people because 80 per cent of the industry is controlled by four or five companies. These companies can squeeze out the independents and create an uncompetitive industry. In three states of the United States prices are lower. In those states, there is a law providing that the retailer, the wholesaler and the refiner must be different parties. That is called divestment. California is another state where there are low prices. The reason is that there is lots of refinery capacity there.

● (1120)

What does our Government do in Canada? I note that the Hon. Member from the Montreal area, the Minister of State for Mines (Mr. Layton), is following my speech. Let him tell me why the Government can close those refineries.

[*Translation*]

Why did the Government of Canada close the refinery in the Montreal area? Because it would lead to higher gas prices, another increase, and again the consumer is the scapegoat of Conservative policies.

[*English*]

I just say that we in the NDP are fighting for those people in the east end of Montreal in order that their refinery will not be closed, and so that they will have some refinery capacity. We are doing this so that the prices will not be restricted again and put up by the big oil companies. That is exactly what the Conservative back-benchers were saying; and I am reminded of the words of the Hon. Member for Duvernay (Mr. Della Noce) who understands this.

The Government does not have to go as far as I suggest. It could just look at the report of the Restrictive Trade Practices Commission. The Director of Investigation and Research in his report to the Commission last fall made a number of recommendations. He said, first, that we should end consignment sales and special allowances. Second, he said that we should end restrictive covenants; and, third, that we should end exclusive dealings. That would work. I ask Hon. Members to consider the McAra situation in this regard. Instead of just having to deal with Petro-Canada, the Government could deal with other oil companies as well and they would not be locked into a contract. That is one way the Government could go, but it is not doing that.

There is another option the Government has, and my Leader, the Hon. Member for Oshawa (Mr. Broadbent) has said this in the House. Under Section 7(2) of the Petro-Canada Act, the Government could order Petro-Canada to reduce prices and be a leader, not a follower, as the Minister of Energy, Mines and Resources (Miss Carney) has said. It could be a leader in terms of getting prices down for motorists. I heard the Minister of Energy say that this may be illegal. I cannot see that. The Government is a majority shareholder in Petro-Canada. In fact, it is the only shareholder. Surely, even the majority shareholders of Imperial Oil could order Imperial Oil to do certain things. It is clear that the Government has the power under Section 7(2) of the Petro-Canada Act.

Also, in this regard, I would ask, since when is reducing prices a form of price fixing? I do not think that follows. In fact, I think it is a red herring and a cop-out. The Government could do certain things.

I wish to conclude by saying that we have to be fair in the country. We have to look at the broad view as well. There is a big slump in world oil prices—in fact, a dramatic slump. What we are arguing is that the Canadian consumer should benefit from that slump. Of course, there will be a problem on the other side. People will ask: "What about the Canadian producer?" We in the NDP have never argued for a market price for oil. We do not think there is a real free market in oil when there is OPEC and a few large American multinational oil companies which basically control world market. One or the other group controls the world market.

What has happened by going to world market prices is that the Minister of Energy has taken an enormous gamble by deregulating the industry. That is to say if the price drops dramatically below $20 a barrel, and it goes down into the teens or low teens, then that will create a problem for the western producers. There may be a point where the price becomes too low, and I acknowledge that. I am not advocating that the consumer always receive benefits and that the price go down to the lowest possible price at the pump. We have to keep Canadian industry—and I underline the word Canadian—and small producers alive. We have to watch that situation, and I draw that to the attention of the House. The point is that right now the price of oil is inflated by at least six cents a litre and something has to happen. It is only fair that the consumer receive some benefit because the consumer has not been receiving any benefit from the Government at all.

The Minister of Energy looked weak last week in the House. The Government's energy policy was exposed for what it is. The Minister was great when she was giving money away to the oil companies, but neither she nor her Government has the guts to get in there and protect the Canadian consumer. The Government can do this by using Section 7(2) of the Petro-Canada Act. In fact, it can be a leader instead of a follower.

I say to the Government: This consumer revolt will force action later if no action is taken now. Do not wait for 60 or 90 days in an uncompetitive oil system. Use Petro-Canada now as a leader and force those prices down in order to give the consumer a benefit. In this way all Canadians, through lower interest rates, increased purchasing power, and so on, will benefit. That is the intent of my motion today.

Therefore, to summarize, my motion reads as follows:

That this House demands that the government instruct Petro-Canada and its retail outlets to reduce their prices at the pump by six cents a litre, a move which

would enable Petro-Canada to fulfil one of its basic purposes which is to provide Canada with reasonable energy prices.

**The Acting Speaker (Mr. Charest):** Are there questions or comments? The Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid).

**Mr. McDermid:** Mr. Speaker, I have a couple of questions I would like to ask of my hon. friend from Vancouver-Kingsway. First, how did he arrive at the six cents a litre figure? Second, his leader, once he came back from a visit to Calgary where he supported some provincial NDP candidate, advocated a floor price for oil. All of a sudden he said that we have to help the oil companies now that the price of oil is dropping so fast. Can the Hon. Member tell us what that floor price should be set at? How will he explain to consumers, if the oil price were to drop below that, that they would not benefit from that drop?

**Mr. Waddell:** Mr. Speaker, I thought I answered both of those questions in my speech. At the beginning of my remarks I cited the Shell lawyer who said that the price was actually about nine cents a litre too high. I said that there should be a 20 per cent drop in pump prices. I also said that this should be done by lowering the wholesale price by about 20 per cent. I said that right now I think the wholesale price is about 30 cents a litre. Therefore, I advocated that the price be lowered by about six cents a litre.

The association of petroleum marketers is somewhat of an authority on selling gas at the pump, and on refining. This group markets 15 per cent of the gas in Canada and it has said that gasoline is from five cents to six cents a litre too high at the moment for consumers. I invite the Hon. Member to drop across the American border and see what the prices are there.

With respect to the fairness doctrine, I said in my speech that it has always been the position of the NDP that we have not advocated a market price. The Minister of Energy and the Premier of Alberta have hoisted themselves with their own petard. They have been so keen on deregulating, which the Western Accord did, that they have exposed the industry, if the price falls through the floor. The price has not fallen through the floor yet, but it has gone down dramatically.

What I am advocating at this point in time, as I said in my speech, is that there should be a break for the consumers. The consumers have not received any break and they deserve one. It is only equitable and fair that they receive one. If we do not do something then those oil companies will just keep the price high. They are not going to put the price down. There will have to be pressure brought to bear on them. I did not advocate a floor price.

**Mr. McDermid:** But your Leader did.

**Mr. Waddell:** The Hon. Member recognizes that there will be a problem if the price goes through the floor. The Canadian industry will be in real trouble. We have not reached that point yet. That is what I was saying in my speech.

I remind the Hon. Member that he should read the Western Accord, which was written by his own Government. I do not have a copy here in front of me. However, if he were to look at it he would find that it contains a clause which states something along those lines; it gives the Government the power to intervene if prices do get into real difficulty. I am simply saying that it is time to give the consumer a break. I have warned that to be fair in the future, if we see dramatically low prices, then we have to look at whether or not at that time the producer should be given a break.

**Mr. McDermid:** The Hon. Member has been the energy critic for his Party for a fairly long period of time. One would think by now that would understand the industry a little. In his speech he mentioned that the prices started to come down in mid-December after the OPEC meeting on December 9, but they did not really fall dramatically until—in his words—January 28. He knows as well as anyone else—and he is being mischievous in saying that prices can drop immediately—that it takes time for that oil to come out of the ground, to be pumped to the refineries, to be refined and to get to the pumps. He knows that takes from six weeks to eight weeks, at least. With the dramatic drop in late January, those prices will not hit the pumps until late March. The Hon. Member knows that.

● (1130)

What the Hon. Member would like to see is the national oil company, Petro-Canada, drop its price and lose money. The Government then has to come along and subsidize it, meaning the taxpayer has to subsidize gas prices at the pumps. That is completely unrealistic.

**Mr. Orlikow:** That's nonsense, and you know it.

**Mr. McDermid:** The Hon. Member knows that. He is just being mischievous in his presentation.

**Mr. Waddell:** Mr. Speaker, the Hon. Member says I am being mischievous. That is an insult to all those thousands of Canadian consumers who are protesting these prices. I am making their argument today. The Hon. Member is saying they are being mischievous and is putting down ordinary Canadians, and they will not be put down like that. There is rebellion going on; there is a consumers' revolt. I do not know that prices are going to come down. I do not expect that the prices will necessarily come down in 60 days. That is no magic number. I put it to you, Mr. Speaker, that the Minister of Energy, Mines and Resources the boss of the Parliamentary Secretary, is not quite so sure either. Why else did she send a Telex—after a lot of prodding—to the industries? It is because she, too, is a little worried that they are not going to lower the prices. Their past history is to scoop up as much profit as they can. Unless we put the pressure on them, they are not going to lower the prices. It is not a competitive system.

The petroleum marketers told me that Mr. Conrad, whom I mentioned, has said that if prices were to be reflected, we could buy refined oil in New York which would be six cents to ten cents a litre lower. It is only a hope and a prayer that those prices are going to come down. The only way they will come

down is if we keep the pressure on this Government and on the oil companies to get those prices down.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, I would suggest that the Hon. Member for Vancouver-Kingsway (Mr. Waddell) ought to be concerned about the fate of consumers of petroleum products.

I wonder whether the Government should have forced the company to price its products without consideration for the market place and whether the company should be subsidized to a degree.

In short, the suggestion of the Hon. Member for Vancouver-Kingsway is that we ought to levy additional taxes to subsidize people who buy petroleum products.

How can he reconcile his call for a six-cent a litre decrease with higher taxes, because in fact he is recommending that the Government make up the difference? Does the Government not represent all consumers? Should the Government not fill its coffers before redistributing the wealth? Higher expenditures mean a higher deficit, and I should think the Hon. Member knows full well we simply have to get a handle on that deficit if only because it is the only way to economic recovery.

So why would the Hon. Member not try to explain his theory on the basis of general economics rather than specific cases? How can the Hon. Member advocate unrestricted redistribution of wealth without asking taxpayers to ante up? I wish he would explain that.

**The Acting Speaker (Mr. Charest):** A short answer from the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

**Mr. Waddell:** It is not a matter of rates, Mr. Speaker. For instance, does the Hon. Member for Lévis want Imperial Oil to make more money after posting a $688 million profit in 1985? It is not a matter of subsidies, it is a matter of justice for consumers. There is no question of allowing Petro-Canada to boost prices. I am saying that Petro-Canada must be consumer-oriented, and there is a lot of money for Petro-Canada as well as for Imperial Oil and the other major oil companies.

[*English*]

Even with the price at six cents a litre lower, I think there is money there.

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

**Hon. Bob Layton (Minister of State (Mines)):** Mr. Speaker, I rise to inform the House that I cannot support the motion put forward by the Hon. Member for Vancouver-Kingsway (Mr. Waddell). I think the motion is well meant. All of us would like to see the consumers get a break at the gas pumps. But it is also misguided because it proposes a disastrous means of achieving that end. In fact, the motion reflects a basic misconception on the part of both Opposition Parties that the Government of Canada should play the leading role in determining oil prices. The previous Government has a well documented history of interventionist policies.

The belief that Canadians can be sheltered from the effects of fluctuating oil prices was one of the cornerstones of the infamous National Energy Program. The NEP was hailed by the Liberal Party as the answer to all of Canada's energy problems. It was promoted as being fair to all Canadians. We were told that it would create opportunity in the industry and that it would ensure security of supply. But the reality did not live up to the promise. The NEP turned out to be one of the most damaging programs ever instituted by a Canadian Government. Under the National Energy Program, from October 1980 to this past year—less than five years—the prices consumers paid for oil and gas and oil products rose by 80 per cent. Let me remind Hon. Members that it was the Liberal Government of that day which was setting the prices.

**Mr. Towers:** Aided by the NDP.

**Mr. Layton:** Quite apart from the impact on consumers, the NEP spelled disaster for the industry. Under its interventionist policies and excessive tax regimes, the oil and gas industry stagnated. Foreign investment left the country. The industry lost its confidence and energy became an arena for federal-provincial bickering. Indeed, it divided our country.

It is not the policy of this Government to interfere with the marketplace. We believe that markets operate most effectively when they operate free of the whims of politicians and the machinations of bureaucrats. We have taken steps to free up the oil and gas markets and we are not about to reverse that process by acceding to this ill-conceived motion which is before the House today. The Government of Canada would no more order Petro-Canada to reduce its retail prices than it would tell General Motors what to charge for its cars or tell IGA what to charge for its bread.

One of the very first things we did as a new Government was to give Petro-Canada a new mandate. We told it to operate in a commercial, private sector fashion. We told it, if it wanted money, to raise it itself, because the taxpayers' purse is closed. The corporation has since shown it can compete as a private sector entity. It took the initiative in purchasing Gulf's downstream assets from Olympia and York using its own funds and borrowings.

We believe that Petro-Canada is and will continue to be an important player in Canada's energy industry. In many respects, it will be the leader, but it will be subject to the natural forces of the marketplace, as are private firms. This does not mean that we do not want lower prices for consumers. Indeed, we expect lower prices in the weeks and months ahead if the current world oil price slump endures.

The opposition does not have a monopoly on concern for the consumer. The Minister of Energy, Mines and Resources (Miss Carney) has written to the Chief Executive Officers of the oil refinery companies underscoring the expectation that

consumers will see the benefits of lower prices. However, we are not in the business of ordering price reductions by Petro-Canada or any other firm. The prices that consumers paid under the National Energy Program have increased by over 80 per cent. Our policies are designed to strike a best balance between the interests of producers and those of consumers. We would not be benefiting consumers in the long run by taking a role in setting prices. We would only be disturbing the otherwise smooth workings of the marketplace. By taking a hands-off approach we are ensuring that prices will drop in an orderly and realistic fashion. Prices in the coming weeks will reflect supply and demand, local competition, and the depletion of the existing stocks of higher-priced crude.

● (1140)

To fully appreciate why domestic gasoline prices have not declined with world oil prices, Mr. Speaker, you must understand a basic operating principle of the oil industry. Retailing oil and gas is not like retailing bread. You do not move it through your store in a matter of hours or days. Much of our crude oil is purchased months in advance. I believe that the industry standard is to have one to two months of crude oil and product in reserve. As a result, Canada's oil companies have large inventories that were purchased in November and December before world prices began to drop sharply. This gasoline has to be sold before the cheaper crude now being purchased can work its way through the system.

Even Hon. Members across the floor cannot expect oil companies to sell gasoline at a loss. If they do, they should expect all other industries with feed stock and product inventories to pass through the news, and I emphasize "news", of price cuts on raw material instantly. This would apply to many of our industries including farming. Canadians can expect to see lower prices at the pumps, Mr. Speaker. Exactly when will depend largely on how quickly they deplete existing stock of more expensive crude.

I assure Hon. Members that the oil companies are well aware of the Government's stand on pricing. On January 28 my colleague, the Minister of Energy, Mines and Resources sent telexes to the oil industry leaders telling them that the Government expects that consumers will benefit from crude oil price reductions. We are looking to industry to ensure that those reductions are passed on as soon as possible and we have no reason to believe that they will not be passed on.

I was surprised to read in press reports last week that the federal energy policy would have to be completely rewritten in the face of declining world prices. This would have been a typical response of the previous Government. With no confidence in ordinary Canadians, it would believe that the Government and the bureaucrats knew better than buyers and sellers. Quite to the contrary, our policies were developed to be flexible to the movements of the marketplace.

Price reductions have been anticipated for more than a year. We also anticipate that prices will begin to rise again in the early 1990s, about the time when many of Canada's megaprojects will come on stream. This is called long-term planning and it is something that there was all too little of under the previous Government.

I said earlier that our policies were designed to benefit both producers and consumers. They are, in fact, benefitting all Canadians. The Atlantic Accord was our first important energy agreement. It set the tone for everything that was to follow. As Hon. Members know, the Atlantic Accord ended years of protracted federal-provincial disputes over offshore resources. In establishing joint management in the offshore it made Newfoundland an equal partner in Confederation and paved the way for the development of the promising Hibernia field. While the most immediate benefits will be in eastern Canada, Mr. Speaker, all Canadians will benefit from the Atlantic Accord. It was an important step in establishing security of future oil and gas supplies.

I have already discussed the positive aspects of deregulation of crude oil prices which we achieved in the Western Accord. These prices are now determined by the market and increases will work their way through the production, transportation, and refining system to the gas pumps. But the Western Accord also removed inordinate taxation and regulation of the oil industry, and substantially improved its investment prospects. Investment means jobs and job creation benefits all Canadians.

A report for BP Canada and Petro-Canada Resources by the Canadian Energy Resource Institute illustrates the significant impact of just one project that will expand, given the environment created by the Western Accord. The Wolf Lake oil sands project northeast of Edmonton is expected to produce 61 million barrels of oil at a rate of 7,000 barrels a day. Preproduction costs are $115 million and operating costs are estimated at $1.1 billion over the 25 year life of the project. Wolf Lake will generate approximately $2.2 billion in income for those 25 years. Seventy-one per cent of this will occur in Alberta and 15 per cent will occur in Ontario and Quebec. The project could create 22,000 person years of employment, 5 per cent in Alberta and 34 per cent in Ontario and Quebec. Most of those jobs would be created through the life of the operating phase of the project. For every dollar spent on the Wolf Lake project during construction and operation, another $1.25 will be generated and spent throughout the economy. Those are the facts and they prove that producers are not the only ones benefitting from the new federal energy policy.

Our new natural gas markets and pricing agreement also reflects the all-important balance between benefits for consumers as well as producers. As the Minister of Energy has said, it is an agreement under which all parties win. In keeping with our policy that Government has no role in determining prices, the natural gas agreement provides for price deregulation as of November 1, 1986. After that all sales will be negotiated directly between buyers and sellers. This is already happening in some cases.

Producers benefit from this approach because it widens their markets and enables them to compete free of Government constraints. Relaxed rules for exporting natural gas also open up the U.S. market to Canada's industry. Consumers are also big winners, Mr. Speaker. Today they are paying less for

natural gas as a direct result of this new agreement than they would have under the old regime. They can expect to benefit from a market characterized by competitive pricing and new suppliers.

Finally, Mr. Speaker, our new frontier energy policy promises long-term benefits for all Canadians. It frees industry from excessive taxation and regulation and establishes realistic and internationally competitive incentives for frontier exploration and development. This activity will trigger a new round of job creation and social and industrial benefits, and will eventually contribute to Canada's security of supply.

None of these benefits can be realized without investment from both foreign and domestic sources. Canada's oil and gas industry is regarded as an excellent investment, even in these days of declining prices. In fact, oil and gas investment intentions were up about $2 billion in 1985, more than 25 per cent over the previous year. The Petroleum Services Association of Canada has estimated that this investment has created more than 10,000 jobs in the energy sector alone.

A study done earlier this year for the Independent Petroleum Association of Canada illustrates the benefits of a $1 billion investment in upstream conventional oil and gas projects. According to the study by Woods Gordon, this investment generates secondary effects of up to $1.4 billion in the Gross National Product. It creates 30,000 person years of employment. These are jobs for Canadians, jobs for people who were hurt by the interventionist policies of the previous Government.

• (1150)

While 80 per cent of the direct spending would be in Alberta and Saskatchewan, 30 per cent of the total income generated and 33 per cent of the employment spin-offs will be in Ontario and Quebec.

Oil and gas development is only one component, albeit an important one, of the Government's over-all economic strategy. It is this strategy that has contributed 6.6 per cent in growth to Canada's GNP during the third quarter of 1985. In the 17 months since the Government was elected, more than 450,000 new jobs have been created. As our Prime Minister (Mr. Mulroney) has said, that accounts for nearly 1,000 jobs per day since September 4, 1984.

Productivity surged by 4.9 per cent in 1985. The Organization for Economic Co-operation and Development predicts that Canada's growth in GNP in 1986 will be second only to Japan and that its traditional first-place ranking in job creation will resume in 1986. Inflation is being held at the 4 per cent range. Business investment was up by an annual rate of 11 per cent in the third quarter of 1985. These facts illustrate very clearly how our policies are helping the average Canadian.

To those who criticize our energy policy as being weighted in favour of the producers, I can only say that all Canadians are benefiting now from our initiatives of the past months and they can expect to benefit a great deal more in the future.

**Mr. Althouse:** Mr. Speaker, the Hon. Minister said that it was not the policy of his Party and his Government to condone floor prices. One of the examples he gave was that his Government would not tell IGA what to charge for bread. Does that mean that his Government will abandon the floor price that it has offered to wheat producers over these past 50 years?

**Mr. Layton:** Mr. Speaker, there was no reference to floor prices in my remarks. We want the market-place to determine the price of commodities and services. I think this is the characteristic of our Government which is encouraging the development of our country.

**Mr. Althouse:** If the Minister is making it quite clear that the market-place will determine price, why does he continue to portray the previous Government as being the one which increased the price to consumers by 80 per cent when the price would have increased by 100 per cent if it was allowed to be at the market price? Why does he not point that out?

**Mr. Layton:** Mr. Speaker, the Hon. Member has cited a hypothesis about what may have been the results.

**Mr. Althouse:** Would have been.

**Mr. Layton:** The facts are that the price increased 80 per cent under the National Energy Program when it was regulated and decided upon by the previous Government.

**Mr. Waddell:** The Hon. Member said that we should follow the market system and that ultimately the drop in world oil prices will be passed on to Canadian consumers as it filters through the system into the market. He also said that this reduction would depend on how quickly the oil companies deplete their existing supplies for which they paid more. Who will determine when the oil companies have depleted their supply of higher priced oil and commence refining the lower priced oil?

**Mr. Layton:** Mr. Speaker, I believe in the market-place. The Government believes that there will be a competitive element in the distribution and sales of petroleum products that will achieve those reductions in price. We can expect those prices to reflect exactly what the Hon. Member is looking for.

**Mr. Waddell:** Mr. Speaker, I think the Hon. Member believes in Tinker Bell and if he wishes hard enough for something it will become reality. He will be led by the oligopolistic oil companies that will make all kinds of money from this.

When the Government removed the Canadian special ownership charge of .7 cents a litre some companies dropped their price by .6 cents a litre and kept the remainder. It was finally up to Petro-Canada to put an advertisement in *The Globe and Mail* saying that the price should have gone down by .6 cents a litre. In some parts of the country the price went up in spite of the tax being removed last June.

Why will the Minister not make Petro-Canada a leader, as set out in the Act? Why does the Government not use Petro-

Canada as a price leader rather than a follower of the other oil companies? As I pointed out in my speech, in the case of the McAra family, it is even acting like a restrictive oil company.

**Mr. Layton:** Mr. Speaker, the Hon. Member represents the philosophy that bureaucrats and Government always have a better answer than the private sector. Our Government was elected by a mass of Canadians who were tired of that kind of Government and wanted a change from that kind of attitude.

With regard to price reductions, I am confident that the companies which are in competition for the market-place, including Petro-Canada, will look for every opportunity to bring their price down according to their costs. The prices will drop as a result of that pressure. That is how the market-place has always worked.

With respect to the contractual relationship between Petro-Canada or any of the companies and their dealers, those are the conditions of the contract.

**Mr. Boudria:** Mr. Speaker, I want to ask the Minister if he recalls the Atlantic caucus of the Conservative Party held on August 2, 1984.

**An Hon. Member:** Were you listening?

**Mr. Boudria:** I am reading from a press release—I do not like that accusation very much. I do not think any Liberal has to take those kinds of disparaging remarks from a Conservative when one of his own colleagues admitted being guilty to listening to opposition Members. Now he is accusing opposition Members of listening to Tory caucus meetings and I suggest that he apologize to the House.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Burnaby.

**Mr. Robinson:** Mr. Speaker, the Minister has indicated his great faith in competition in the market-place. In light of that profound faith, does he support the decision of Petro-Canada to refuse to allow an independent operator in Ontario to maintain their prices at a lower level than some of their competitors? Does he support that policy?

**Mr. Layton:** Mr. Speaker, I hear the same question posed to the Minister and the Parliamentary Secretary to the Minister. It is my understanding that there were contractual arrangements in this instance. I am sure all parties to the contract knew what they were signing at the time.

• (1200)

**The Acting Speaker (Mr. Charest):** Resuming debate.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, if Canadians were nervous about the energy policies of this Government before the Minister's speech, they are now petrified. The Minister has given absolutely no comfort to energy consumers but he has caused them to be further alarmed.

This is a very serious issue. People are very upset with this Government and its policy of increasing taxes on energy. Look at the difference between the cost of gasoline here compared with the U.S. It is remarkable. In Washington, D.C., gasoline costs 43.55 cents a litre. In Ottawa it is 56.3 cents. In Seattle, Washington, it is only 39.5 cents, but in Vancouver it is almost 20 cents more at 59 cents a litre.

[*Translation*]

In the Province of Quebec the price gap between the City of Baie-Comeau and the City of Portland, Maine, is unbelievable—61.9 cents a litre in Baie-Comeau, 45.43 cents in Portland, Maine, an unbelievable difference! It is not fair! But it is always the same story with Conservative Governments: the major oil companies are winners and the consumers are losers.

[*English*]

In October of 1984 a litre of gasoline cost 42.9 cents in Toronto. One year later that same litre had jumped to 49.4 cents, an increase of 15.2 per cent, even though the world price of crude oil had declined. The Minister of Energy, Mines and Resources (Miss Carney) talks about the Government not wanting interventionist policies. She says the Liberal Government's inverventionist policies were bad. In fact, the Liberal Government's policies put the consumer first and foremost. Those policies kept the price of our crude oil below the world price. That was a benefit to the consumer.

The policies of this Conservative Government are having a detrimental effect, not only on the consumer at the pump but on our economy as a whole. My heaven's, if this Government is such a boom to the business community, why is the Canadian dollar in a free fall on world money markets? This morning *The Globe and Mail* referred to this Government as a nervous Government, and that is one of the reasons why confidence in the Canadian dollar has fallen. Who can have confidence in this Government? The Minister said the former Liberal Government increased the price of gasoline by 80 per cent, from 32 cents a litre to 50 cents a litre. How can you have confidence in a Government whose arithmetic is wrong? Going from 32 cents to 50 cents a litre is not an 80 per cent increase. How in the name of heaven can the consumer trust the policies of a Government that cannot even divide?

**An Hon. Member:** How much is it?

**Mr. MacLellan:** It's 60 something per cent.

**Some Hon. Members:** Oh, oh!

**Mr. MacLellan:** But it's not 80 per cent. That increase would have been much higher had it not been for the policies of the Liberal Government. The one thing the Conservative Government does do well is squeeze every last cent out of the consumer at the pumps. They are paying more now even though the world price of crude has declined. The Minister says we are paying more because we are getting more than just gasoline. Sure we are. We are getting a lot more federal taxes. This Government has increased federal taxes on a litre of

gasoline by 60 per cent. We are paying the federal Government 3.09 cents more for a litre of gasoline now than we were.

The Minister says we need the tax dollars to pay for social services which Canadians want and need. Why then does the Government raise taxes on gasoline when it is cutting back on social programs? If we need these increased taxes to increase social programs why is the Government at the same time decreasing indexation of family allowances? Why did the Government try to roll back indexation of old age pensions? Then, when the Government reversed its position, it said it was doing so because pensioners should not really be subject to partial indexation. This was the position after having said the opposite. And how is the Government going to pay for it? Once again by increasing the cost of a litre of gasoline in 1987 by one cent. This is incredible. The Government backed down on the deindexation of old age pensioners and said because it was doing the pensioners a favour it had to charge more for gasoline.

What is this doing to our economy? What is the Government trying to have the people of Canada believe, that increasing the price of gasoline is a favour to Canadians? This was not the story the Government gave us last spring when it brought in the Western Accord and did away with the Petroleum Gas Revenue Tax. Members opposite said by doing away with the PGRT we would be able to develop the energy sector, that it means up to 300,000 jobs for Canadians. This money we are not charging the oil companies will flow through the system to the benefit of Canadians by creating employment. That is what we were told. Yet the Government is now saying we need higher taxes to create this activity in the energy sector.

The Government says the industry will save $5 billion. That is a phenomenally large sum to place on the backs of Canadian consumers, but it is even more than that. Analysts have said that the federal Government will lose as much as $12.2 billion by 1990 as a result of doing away with the PGRT. We know who is going to have to pick up the tab for that. The Canadian consumer is being scalded for this amount through increased taxation at the pumps.

According to analysts the oil companies will see their profits rise as much as 160 per cent by 1990. The Government assures us that all this will flow through to the energy sector and industry. If the Government is so sure of that why is it scalding the Canadian consumer at the pumps? In 1984 the industry's profits were $3.1 billion. Energy analysts predict they could go as high as $8.1 billion by 1990. What do Canadian consumers do when they are being dangled from a 12-storey window by this Government? Who can they rely on? The former Liberal Government said they could rely on Petro-Canada. However, what has this Government done with Petro-Canada. It has told it to go out and scalp and scald the consumer. In fact, lead the way with price increases. That is what the Government said. As well, that company will become at least partially privatized. The Canadian people are being asked to pay for Petro-Canada yet a third time. Canadians have already paid through tax dollars to the extent of $4.3 billion. If you count the equity of Canada, which would be less the retained earnings to the end of 1983, including money from the Canadian ownership account, the amount would be over $8 billion that Canadians have paid for Petro-Canada. The people have paid for Petro-Canada already. They are paying again with Petro-Canada's usury and excessive charges at the pumps, Mr. Speaker. Now the people will have to pay a third time when buying the shares on the private market.

• (1210)

**Mr. Boudria:** The people are being gouged.

**Mr. MacLellan:** The Minister says it takes time for the cheaper crude to work its way through the system, so why did the price not fall in December? The price has been going down, albeit not that much, since October. Why did we not have a price decrease at least by December if the words of the Minister are correct, that it takes one to two months to work through the system? Not only have we not seen a decrease but we have seen an increase. The increase was led by Petro-Canada; it increased its prices twice in that same period of November and December. What kind of responsibility is that on the part of the Government?

What could be a nicer scenario for the multinational oil companies than to have Canada's own Crown corporation increase the price? The multinationals tuck in behind and increase their prices by the same amount. How can any Government say anything to them if the Crown corporation is leading the way and the multinationals are following? How can any Government say anything to them in that regard? This is incredible deceit. Petro-Canada is being asked to lead the increases running contrary to the welfare of the people.

The Minister told us that she created a market-sensitive regime, a system that allows prices to fall as world prices fall. Why is that system not working? Why is the wholesale price that Petro-Canada charges for a litre of gasoline 7 cents higher than the New York harbour wholesale price? Even when the cost of transportation is added on, the price is still at least 5 cents higher in Canada than it is in New York harbour.

If the Minister believes in her market-sensitive system, why did she feel the need to telex the major oil companies to let them know that the public is supposed to receive automatic price decreases? If they are automatic, why the reminder? The reminder was made because price decreases are not automatic. We still do not know the wording of that telex, Mr. Speaker. We do not know if any kind of burden was placed on the oil companies to bring down oil prices.

The situation with respect to consumers is just getting out of hand. It is a travesty that Canadian consumers are being asked to pay the prices they are paying for gasoline. One reason for this is to drive up the profits of Petro-Canada so the Government can present a share issue in the private sector to make the share issue as attractive as possible. It is great for the Government because of lot of its friends on Bay Street will look after the placement, and a placement of this size could mean as much as $30 million. It is great politics indeed.

**Mr. McDermid:** The Liberals spent that before breakfast.

**Mr. MacLellan:** We were told by the Minister that there were five different taxes which the multinationals have to pay. The Minister got rid of all five. What happened? The consumer got new taxes as a result. The industry got five taxes taken away. Consumers had 3.09 cents a litre added on to the price of gasoline, which we were told was supposed to look after our social programs and create jobs in the sector.

The Minister told us before, that by letting the money flow through to the industry there would be as many as 300,000 new jobs created. She told us that energy was to be an engine for growth. Those are the words of the Government. The Government's engine is a lot like the Government itself. It has a screw loose.

The Minister of State for Mines (Mr. Layton) has told us that jobs are being created in the private sector. The Minister of Energy is one step ahead of him. She is now preparing Canadians for the cancellation of projects. The Minister of State for Mines does not have his new doctrine yet. The old doctrine was to tell Canadians how many jobs the Government had created. The new doctrine is to soften the blow for all the projects which the Government said would be created but which will be cancelled. This is what the Minister of Energy, Mines and Resources is doing at present by saying that these large projects may not go ahead. Canadians will not believe that at all.

The Minister said that by creating a market environment prices will continue to decline. That obviously provides the market for gasoline prices to decline. They are not going to increase in a declining market, she said. Those were her words last spring. But what happened, Mr. Speaker. Prices kept going up because of larger margins for the companies and because of greater taxes imposed by the Government. The Minister's own words less than a year later are not only hollow but they are misleading.

What is the Government doing about the situation? It is doing nothing. The Minister sent a telex, the content of which does not tell us anything. It tells us only that she does not believe in her own market-sensitive regime. The Minister of Energy has said that she is doing something about the situation and that the price decline will go through the system. But we were told that prices were going to go down last spring. People will not believe that prices will go down again unless they see something concrete from the Government, and the people are seeing nothing to indicate any good faith on the part of the Government with respect to consumers.

The situation is very serious. Consumers are having to pay a great deal of money which they cannot afford. The Government is losing on both sides. The Government is causing greater hardships to consumers. The Government is charging more for gasoline while at the same time it is preparing the way for decreased activity in the energy sector. Canadians are getting the worst of both worlds by the policies of the Government. It is indeed a very serious situation.

Does the Minister really expect us to believe that those nice oil companies will pass along savings to us because she sent them a telex? Does she honestly want us to accept the argument that the oil companies will not try and recoup lost revenues from falling crude oil prices by keeping the prices at the pumps high? Personally, I do not. I do not believe that price decreases will be passed on to consumers, certainly not to the degree consumers deserve. And I just realized something else this Government does well, it is called "conning the consumer".

• (1220)

**Mr. McDermid:** I always enjoy listening to my hon. friend. There were a couple of inaccuracies in his speech which I think should be corrected. He made the statement that the cost of a barrel of oil went down in October and November, when in fact it went up, quite to the surprise of the market-place, as a matter of fact. They expected it to go down in October and November, but it went up. The cost of a barrel of oil went up at that time, I think, because of the anticipation of winter coming on and the heavy use of oil. Of course, there has been a mild winter generally throughout the world. The amount of oil that was consumed was not as great and prices started to drop after the December 9 meeting of OPEC. I think if he checks his facts, and he may wish to comment on this, the price did go up for a barrel of oil in October and November, not down, as he said. Prices went up at the pump.

That is exactly the point we have been trying to make, there is a lag time. If he remembers, in 1979 under the then Prime Minister, the Right Hon. Joe Clark, and the present House Leader, the Hon. Ray Hnatyshyn, the Government stopped the prices from increasing for a sixty day period. We are going to see the same thing when prices come down as when you see them go up. If the Hon. Member wanted to be honest and fair with the Canadian people in his remarks today I think he would like to correct that statement.

**Mr. MacLellan:** Mr. Speaker, I would like to go back and look at the figures. I certainly am prepared to consider the position of the Hon. Parliamentary Secretary. However, we are not prepared to consider that prices did go up. I know they did fluctuate in that period, and exactly what they were at any given time I am not really sure. It does not explain the reason why prices did go up in that October to December period, and why those price increases were led by Petro-Canada, which increased its prices on two occasions.

I am aware of what the Parliamentary Secretary says with respect to the former Minister of Energy controlling the lag price for 60 days. That is just exactly what I am saying; the energy sector is prepared to put the price increase on right away, but the Government stepped in on a former occasion to hold that back for 60 days so Canadians would not be scalded right away. This same energy sector waited until the absolute maximum period of time until it passed along the savings to the Canadian public, if at all. On the one hand the Government wants to take the price increase right away, and on the other hand it does not want to pass the saving on to the

consumer at all. This is why Canadians are concerned about the market sensitive regime that the Minister talked about.

**Mr. McDermid:** I want to comment on a couple of remarks he made, especially the one that the Government of Canada paid billions of dollars to Petro-Canada to acquire Petro-Canada and that it should be competing out there in the market-place and should be leading.

He should talk to some of the private entrepreneurs, the business people in his community that, for example, have a Shell station, and who provide employment for Canadians. Or the Sunoco station, although Sunoco is not the greatest example, as it lost $10 million last year. I say this to let my friend from the NDP know about these billions of dollars that all these oil companies are making, including one that is 25 per cent owned by the Ontario Government.

I want to get back to Petro-Canada because these people complained to me that it is unfair competition. As a matter of fact I had a complaint from his province the other day about Petro-Canada offering discounts to teachers, and "how can I compete with that, because that is the national oil company and it is being treated unfairly out in the market-place"? You cannot have it both ways. What this Government is saying to Petro-Canada is, "Yes, you are owned by the Government; yes, you are a Crown corporation, but you get out there and you compete fairly with all those other Canadians that are out there working in the market-place".

**Mr. MacLellan:** Mr. Speaker, the idea of the former Liberal Government was that Petro-Canada be a window on the market-place, and try to give the Canadian a fair supply of gasoline at the pumps, while at the same time giving them a fair price. This is not the philosophy of Petro-Canada at the present time. Certainly Petro-Canada was expensive to put together, but it was not the policy of the former Liberal Government that Petro-Canada buy up the whole private sector, as it seems to be at the present time.

The Government says that it wants Petro-Canada to be part of the private sector. The policy of the Government changed dramatically from the time of the election when Petro-Canada was going to be reviewed, to the time when Petro-Canada purchased the downstream assets of Gulf Canada from Olympia and York. In fact, during that period of time the Government changed its mind twice. First of all, they were going to purchase all of Gulf Canada, all of the downstream assets from Olympia and York. Then the Government was not going to purchase any from Olympia and York, and then, finally, it said it would purchase the downstream assets in Ontario and western Canada from Olympia and York.

The Government does not have any policy at all, which is damaging for the country and for the energy sector.

We used to have great public confidence in Petro-Canada in this country. Public confidence is eroding because of the policies of the Government. People do not look upon Petro-Canada as their asset in the market-place any more. They look upon Petro-Canada as just another oil company that is trying to gauge them. This was not the intention of the legislation, of the former Liberal Government but it seems to be the intention of the present Government.

**Mr. Waddell:** With respect to oil prices going up I want to ask the Member, and maybe he will deal with it in his speech as Parliamentary Secretary, why is it that when world prices go down it takes a time period for that to be reflected, but when prices go up that seems to be reflected instantly.

Sharon Olsen at 6639 St. Catharine Street, a single parent in my riding, with a very understanding boss who does not pay her very much, she got oil on October 18 from Petro-Canada to heat her house and had to pay $928 to fill her tank.

**Mr. McDermid:** How much a litre?

**Mr. Waddell:** 37.8 cents a litre.

**Mr. McDermid:** What is it in the United States?

**Mr. Waddell:** Plus added tax. The price increase in October was passed along to people right away. You do not get a long wait. It works to the advantage of the oil companies, but it does not work for the consumer the other way around. That is what we object to.

I want to make a brief comment about the National Energy Program. That program failed because of a number of reasons. One reason was—and the Member from Cape Breton alluded to it—that the program was projected on very high gasoline prices, and the gasoline prices did not go as high as expected. The other reason was the world recession at the time. Third, the program was flawed.

I am tired to hearing Conservative Members stand up in this House and tell lies about the fact that the NDP supported the National Energy Program. If the word "lie" is unparliamentary, I withdraw it, but you know what I mean. The fact is, and I can tell my friend, that the NDP did not support the National Energy Program, and I have all the votes to prove it. I wish the Members would stop saying that because they know it is untrue.

The flaw with the National Energy Program—I will tell the Hon. Member for Red Deer (Mr. Towers) this because he was yelling about us supporting it—was that by means of PIP grants, all those rich grants, it took the exploration away from the Western Sedimentary Basin, from Alberta and Saskatchewan and put it into the frontiers and the offshore. I criticized that at the time, and I think the Alberta Members understand that. That was a big flaw in the National Energy Program. I wish the Conservatives would do our Party the justice of not repeating this untruth. The fact is that there were between eight and 10 votes on the National Energy Program legislation and we voted with the Conservatives on seven out of eight votes. I think we are dealing with elementary honesty. We can differ on a lot of things but we should not be hearing those mistruths spoken again and again in the House of Commons.

• (1230)

I will sit down in a moment, Mr. Speaker. The Government has its own problems just like the National Energy Program

had. The Government made a deal for deregulation. Suddenly prices began dropping dramatically; the Government has no policy to deal with that.

**Mr. Boudria:** Mr. Speaker, first I would like to congratulate my colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) for the excellent speech he made. Does the Hon. Member recall what was said by the Conservative Party during one of its orgies of campaign promises of the summer of 1984? On August 2, 1984, after the Altantic caucus of that day, the Conservative Party said that since the National Energy Program, gasoline prices have doubled largely as a result of increases in federal taxes, and that in contrast, prices in the United States have fallen sharply.

I wonder what the Hon. Member thinks of the logic of the Tories who at that time criticized the fact that prices were not going down as rapidly in Canada as they were in the United States. If it was wrong then, why is it right now that the prices in Canada are actually increasing at the same time as prices in the United States are decreasing?

**Mr. MacLellan:** Mr. Speaker, the National Energy Program meant that there would be a certain scale at which prices would come down in relation to world prices, and that scale was met. There was an assurance for the consumers that prices would come down because there was a formula that was put into effect to guarantee that.

It seems that the Government has been more concerned with getting rid of anything that had anything to do with the National Energy Program than it has been with providing solid policies for the country. As such, in many cases, it has thrown the baby out with the bath water. That is very unfortunate. The Government has created a situation that is of concern both to the consumers and to the energy sector itself.

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, it is my privilege to address this motion today, a motion which calls for the Government to direct Petro-Canada to institute a decrease of 6 cents per litre in the price at the pumps for retail gasoline. In doing so, I would like to address a myth that has been circulating in the House in recent days. I believe it is very important for us as members of the Opposition to expound on the reasons why gasoline prices should come down.

It was very evident from the speech made by the Hon. Minister of State for Mines (Mr. Layton) that the Government does not accept the fact that there are substantive economic reasons for the price of gasoline to fall. I am referring to the amazing statement made by the Minister of State for Tourism (Mr. Murta) to the effect that tourism in Canada is not affected by the price of automobile gasoline. Of course, it would be unparliamentary to attribute to the Minister improper motives for making that statement, and I cannot say that the statement is a variance with the truth because it is only, after all, a hypothesis. However, what I will say is that the statement was inaccurate, misleading and was totally at variance with the opinion of not only the best industry sources but the industry unanimously. It was at strong variance with the opinions of the former Minister of State for Tourism and it has aroused an outcry in the tourism industry about the insensitivity of the Government to industry in general and to the tourism industry in particular. It has shown the Government's evident lack of attention and concern to the opinions of that industry and to the possible fate of those in that industry when confronted by this sort of intransigence and blinkered attitude on the part of the Government.

The Minister of State for Tourism said in the House that gasoline prices do not affect the intentions of U.S. tourists to travel to Canada. I might say that that is manifest nonsense. I have not heard one person in the industry tell me that gasoline prices do not affect the intentions of U.S. tourists to travel to Canada. Moreover, I have not heard the same Minister say in the House that the price of gasoline did not affect the intentions of Canadians to travel. We must remember that the majority of tourists within Canada are, after all, Canadians. While American vacationers make a very great contribution to our tourist industry, it is, after all, to Canadians who Canadian tourist attractions and operators must first appeal.

The statement made by the Minister of State for Tourism ran contrary to the opinions of the industry as sampled by his own Ministry. I would like to quote from an impressively titled paper prepared for the National Tourism Tomorrow Conference entitled *Prices: Perception, Reality and Value for Money*. This is the result of what the Progressive Conservative Government has termed its consultation. These are the numbers that were produced by the consultative process of which the Government speaks so highly when questioned. On page 6 of the report, under the heading Consultation Results, the following is noted:

> There were 180 respondents to the consultation process who mentioned prices as the major problem. As well, comments about prices were often raised under another topic cited as the major problem.
>
> Comments about high prices as a problem were distributed as:
>
| | |
|---|---|
| Gasoline | 37.2% |
| Alcoholic Beverages | 29.4% |
| All Prices | 27.8% |
| Accommodation | 17.8% |
| Food | 13.3%— |

It is the opinion of the Canadian tourism industry as consulted by the Government, that the high price of gasoline is more of a problem for the industry than the prices of accommodation and food put together.

The tourism industry does itself credit by the fact that it has not been slow in raising this problem with the Government and in attempting to convince the Government that the industry does indeed know the factors in its economic equation that will affect the future of their industry. It would appear that the Government believes it knows better and that the industry itself has no business telling the Government what affects the industry's potential for success.

Pride of place in this effort must go to the Canadian Automobile Association which started a nationwide publicity campaign to condemn high gasoline prices and the very evident effort that the Government is making to keep gasoline prices

high. The Executive Vice President of the Canadian Automobile Association has said that the Government has ignored recommendations from groups such as his which have pointed out the very negative effects that high gasoline prices have on the tourism industry, the transportation sector and the economy as a whole. He went on to say that this self-inflicted uncompetitive positioning is costing Canadians billions of dollars in tourism revenues, tens of thousands of jobs, something of which a Government that talks of job creation should take note, and millions of dollars in investment opportunities.

The Canadian Automobile Association is not alone in raising this problem and pointing out that Canadian gasoline prices are about 30 per cent higher than U.S. gasoline prices at the pumps. If the Government does not take some action now, that margin will increase further, unless, of course, it lets the dollar drop clear through the floor.

● (1240)

This is causing serious damage to our auto tourism industry and many other transportation-dependent industries, said the President of the Canadian Automobile Association.

On the very day that the Minister responsible for Tourism—and I wish he were here to listen—rose in the House to say that gasoline prices were not a problem, he and I received a telegram from the Tourism Industry Association of Canada, which states in part:

The cost of gasoline and jet fuel has for the past few years placed Canada at a serious competitive disadvantage relative to the U.S.A. The current drop in the world price of oil will further reduce the pump price in the U.S.A. in 1986.

The telex goes on to state, and I will just quote portions of it:

It is essential that Canada's Federal Government take the leadership in conjunction with the provinces and oil companies in initiating action to bring the price of transportation fuels in this country into a more competitive position.

That is the very clear position being taken by the Tourism Industry Association of Canada, which is the prime umbrella organization for the industry in the country. It is signalling the Government exactly what is needed.

Leadership is something we have not seen from the Government with respect to gasoline pricing. We finally managed to drag out of the Minister of Energy, after a few days of her habitual stonewalling, that she would indeed at least make the effort to send a telex to the gas companies saying that she expected that they would do something about the price of gasoline. We have not seen the telex, so we can only assume that, of course, it was phrased in such polite and diplomatic terms—

**Mr. Della Noce:** How do you know?

**Mr. Parry:** As if the Minister expected that they would do this entirely at their own convenience and, naturally, only after their profit motives have been met.

I hear an Hon. Member opposite asking how I know. The answer is, when the Minister tables the text of the telex in the House I will know for sure. Until then I have, as I am sure he has, the right to speculate on just what was and was not in that particular telex.

I am glad to say that it is not only the national organizations in the tourism industry, such as TIAC, the Canadian Food Association and the Canadian Restaurant Association which have raised this question. I also received a telex from an organization in my own riding, the North West Ontario Travel Association. It is a brief telex so I would like to take the time to read it in its entirety. It states:

The North West Ontario Travel Association feels that one of the greatest negatives to tourism in this area is the high cost of automobile fuel. Our members travel to sports shows in the U.S. and talk to large numbers of U.S. tourists and this high cost is continually questioned. It is noteworthy that in the "Tourism Tomorrow" paper—

That is a paper which was produced by the Minister of State for Tourism.

—that international tour operators and wholesalers were surveyed showing that over fifty per cent felt that gas prices were noncompetitive.

That is a telex from the North West Ontario Travel Association which is headquartered in the community of Fort Frances. The community of Fort Frances, for those who are perhaps ignorant of the geography of northwestern Ontario, is right across the Rainy River from the community of International Falls. I would like to quote the price of gasoline in International Falls, which is an American community. The price in International Falls was $1.24 U.S. per gallon for regular gasoline. That translates into 44.9 cents Canadian per litre for regular gasoline. In Fort Frances the price was 56.3 cents Canadian per litre. The retailers in International Falls told us that the wholesale price to them had been falling at the rate of approximately half a cent a day since the beginning of January when the price started to slide. It is not surprising that fully one-third of the business in International Falls is Canadian. After all, Canadians can obtain their gas 20 per cent cheaper across the river than they can in Fort Frances.

I would really like to hear the Minister of State for Tourism speak in this debate. I would llike to see him come here and let the House know what he plans to say when he goes to the food and restaurant associations' annual reception tonight. I would like to ask him how he will be able to look anyone there in the face and tell them that they are wrong and he is right and that, indeed, as is his stated belief in this House, gasoline prices do not make a difference to tourism in Canada.

I would like to know what he will say when he delivers his address to the members of the Tourism Industry Association of Canada's annual general meeting, which is to start in Winnipeg on February 17. I would like to know what he plans to tell them. Will he tell them in open session that they are all mistaken? Or will he get them aside one at a time in a corner and tell them that he is very sorry that they are mistaken, that he is right and gas prices do not make a difference?

I would like to know what the Minister will say to the Hon. Member for Halton (Mr. Jelinek) who, by some strange aberration, is now a cabinet Minister, and who said on March 22, 1984, and I quote:

When the Conservative Party forms the Government, I can assure you that its first priority in this regard is going to be to call a federal-provincial conference to deal with the problems of over-taxation and to set an example to the provinces by reducing or freezing taxation wherever possible in the tourist industry.

The Hon. Member for Halton went on to say that we must try to find ways and means of reducing them in certain areas. He also stated:

Further steps will be taken to upgrade the status of tourism within the federal bureaucracy in order to protect the entrepreneur from potentially damaging government programs and legislation.

If the Government's program to continue high gasoline prices is not damaging, I would like to know what is damaging to the tourism industry, which has said unanimously that higher gasoline prices are damaging.

The Hon. Member for Northumberland (Mr. Hees) had the figures right approximately two years ago on February 8, 1984 when he said in this House:

If the money had been used to reduce the cost of gasoline at the pumps, it would have made Canada a far more attractive place for tourists to visit. Eighty-five per cent of our dollars from foreign tourists comes from Americans visiting Canada. Of these, 74 per cent travel by automobile.

How sad that the present Minister of State for Tourism does not have the obvious command over figures which the now Minister of Veterans Affairs has.

I could go on in this regard. I could ask the Minister, were he here, what he plans to say to the Prime Minister (Mr. Mulroney), who, during the election campaign, said that gasoline taxes were reducing the competitiveness of Canada's tourism industry. After all, I could even ask the Minister of State for Tourism what he would say to his colleague, the present Minister of the Environment (Mr. McMillan), the former Minister of State for Tourism, who did a reasonably good job and who even earned a promotion. The present Minister of the Environment stood in this House and said that in order to help the tourist industry the two cents a litre tax on gasoline would not be introduced during the summer, during the prime tourist season, but would be postponed until September of 1985. At least he had the common sense to acknowledge that that was a significant factor in tourism in Canada.

The Government has given us an increase in the gas tax on three separate occasions, and there is another increase to come in January of next year. It seems that the deregulated environment cuts but one way. I would say that whether it be regulation or deregulation it should cut both ways.

I would like to offer a couple of quotations from this morning's newspaper. They happen to be from *The Globe and Mail*, which is an excellent Toronto newspaper. The headline is: "Oil prices tumble below $18 a barrel". The article states:

Meanwhile, Britain's Brent grade oil breached the $17 mark in Europe, trading down $1 at $16.90 a barrel.

On the inside of the newspaper—and I memorized this so I would not have to hunt for it—it is reported that the North Sea oil producers would still pump gas if the price fell to $5 a barrel. It reported that with oil prices going down to $18 a barrel and below—in U.S. dollars, of course—that that means the Saudis can now basically set the market where they want to and that they are inclined to set it lower rather than higher.

What does this tell us? It tells us that we have a situation of falling crude oil prices, a situation of which this country can take some advantage. It is a situation that the Government will apparently not address other than to send a telex to the major oil companies which, after all, anyone can do.

I would now like to move to the role of Petro-Canada. We have been hearing statements by members of the Government which, frankly, fly in the face of the original idea for which Petro-Canada was established. If that is the Government's opinion then it should do the honest thing and dispose of Petro-Canada. Let the Government be frank with the Canadian people. Let it tell them it is not going to do anything about oil prices, it is not going to exercise any form of judgment, policy setting, discretion or direction or any form of what it so negatively calls "intervention" in the marketplace because it does not believe in it. Instead of that, the Government is "tipsy-toeing" around this issue. It is letting the president of Petro-Canada sound off in ways which are obviously in conflict with the mandate he has been given. And, of course, the Government is ignoring its own history in this matter.

● (1250)

[*Translation*]

In connection with this matter, Mr. Speaker, I would like to emphasize the role played by various interest groups and residents of the City of Montreal. It would seem that last week in Montreal they set up a committee called the Canadian National Committee for the Reduction of Gas Prices.

[*English*]

That is something, of course, that were he not in this House, the Hon. Member for Duvernay (Mr. Della Noce) would be rushing to lead. It is by way of recognition of the organization that we have mentioned in our motion the reduction of six cents a litre—

[*Translation*]

—because, Mr. Speaker, we know very well that the lower prices announced for gas and crude oil could be translated into a nine- or ten-cent reduction at the pump, as the Hon. Member for Vancouver-Kingsway (Mr. Waddell) pointed out, more than the six-cent a litre drop we advocate in our motion.

We listened to the speech of the Minister of State for Mines (Mr. Layton)—which he read from beginning to end. Mr. Speaker, it would seem that he is not quite familiar enough with the subject and, as I just said, he cannot make a speech in the House without reading it word for word.

It looks like they drafted a nice little political speech which is not even remotely related to the matter under consideration.

[*English*]

I would like to conclude by saying that this is not simply a question of the price of gasoline staying at 56 cents a litre, instead of going down to 50 cents a litre. In my riding, even in communities which are situated on the highway, consumers

are paying 65 cents a litre for gas. When one gets off the highway, there is the ratcheting effect of gasoline being used to transport gasoline, and the price goes up into the stratospheric range of $1 up to $1.80 a litre.

**Mr. McDermid:** Where?

**Mr. Parry:** Let me say that a reduction such as is foreseen in our motion would have the same exponential and ratcheting effect of bringing those prices down. I believe we should have a national supply regime and a national pricing regime which would ensure that people in remote communities do not have to pay these exorbitant prices for gasoline. However, I have to say with deep regret that I do not believe the Government will give that to us, but I would like to have some commitment from this Government for at least the 6 cents per litre reduction which this motion proposes.

**Mr. McDermid:** Mr. Speaker, I enjoyed listening to the remarks of my friend, the Hon. Member for Kenora-Rainy River (Mr. Parry). He comes from probably one of the most beautiful parts of the province of Ontario and is vitally interested in the tourism business, as I understand it. Being a former chief-of-staff to a Minister of tourism, I understand his concerns. However, I think when he stresses the cost of gasoline and its effect on tourism he is being a little inaccurate. I can tell you, Mr. Speaker, that Tourism Canada did a study in 1984. Its analysis, by the way, covered a very long period of time. The conclusion was that gasoline is a minor item in the total expenditure of most automobile tourists. Not only was that report published in 1984, it has been generally accepted by the tourist industry. In fact, a study was undertaken by the Tourist Industry Association of Canada—which is an independent organization, if the Hon. Member wants to question the validity of the report of Tourism Canada—covering the same period and it reported the same findings.

Gasoline prices are relatively low on a list of factors effecting the choice of U.S. tourists of a vacation destination.

**Mr. Waddell:** When was that? What year?

**Mr. McDermid:** The report was released in 1984 and it covered a period from 1972 to 1983, which is a very long period of time in which we saw dramatic increases in the price of gasoline. The Tourism Industry Association of Canada agreed with the findings of the report that gasoline prices are not high on the list of reasons why a person does or does not travel to a certain destination. The Hon. Member may wish to comment on that.

**Mr. Parry:** Mr. Speaker, I have to state that I regret to hear the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) using information that, while not completely obsolete, has at least had its value significantly deteriorated, not simply by the passage of time but by the change of circumstances. I would have to state that my recollection of the history of gasoline pricing in Canada and the United States indicates to me that there were times in 1972 to 1983 when it was cheaper to buy gasoline in Canada than it was to buy it in the United States. I can remember that on one occasion I myself noted that difference between Windsor and Detroit. I should like to say that it is only since around 1982, I believe—perhaps slightly earlier—that the divergence between the price of gasoline at the pumps in the United States and in Canada has become significantly large.

At the risk of reiterating my previous points, I would like to point out to the Hon. Parliamentary Secretary that the Tourism Industry Association of Canada is now, on January 22, stating that this is a major problem. If I could quote again, Canada's international trade deficit on the tourism account exceeded $2 billion in 1984 and 1985. Many Americans will visit Canada for Expo '86 and visiting tourists can contribute to the reduction of Canada's deficit. We must not leave them with the impression of overcharging.

I would have to say that while I do not doubt the validity of the conclusion presented by the Parliamentary Secretary for at least a portion of the period from 1972 to 1983, the fact is that in 1986 the perception has changed and the people who are even now coming back from United States sports shows tell me that the constant litany they hear from American tourists is that the price of gasoline is too high in Canada and they may not come this year. The price of gasoline is a significant factor in their decision-making process.

**Mr. Boudria:** Mr. Speaker, I listened very attentively to the speech made by the Hon. Member. I know he is very concerned with the tourism industry, as he should be, in respresenting his own constituency. I just wanted him to be aware, to strenghthen the point he raised, that the brief presented to members of the Liberal caucus last summer by the Canadian Automobile Association stated, and I quote:

> The resulting high gasoline prices, in a country with its own oil resources, have put our transportation dependent industries at an economic disadvantage. Tourism in particular has suffered a serious loss of business—

Reading further, it states:

> Presently, an American visitor is paying approximately 25 per cent more for motor fuel after taking into account the difference between the Canadian and American dollar and the Imperial and American gallon. This has engendered a perception by Americans that Canada is an expensive vacation destination.

I wanted to offer the Hon. Member that constructive comment.

**Mr. Parry:** Mr. Speaker, I would like to thank the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) for that constructive comment. And I would like to say that I believe the key element is that of perception. This is perhaps where the Parliamentary Secretary is coming unstuck because, of course, perception and reality do sometimes differ. The fact is that, although gasoline is not the major component in the cost of running an automobile, once you have paid the cost of the automobile and got it on the road gasoline is a very significant component.

• (1300)

The other thing, of course, is that our American friends often underestimate the benefit they are getting from our

sagging dollar and therefore do not realize that the difference is not as large as they imagine.

**Mr. Deputy Speaker:** It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

## TOURISM

IMPACT OF HIGH GASOLINE PRICES

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, federal taxes on gasoline in Canada have increased drastically over the past year and a half. Gasoline in this country costs from 25 to 30 per cent more than in the United States.

I fail to understand why the Minister of State for Tourism (Mr. Murta) insists on saying that high gas prices do not deter Americans from coming to Canada. The Canadian tourist industry can only conclude that high gas prices mean fewer tourists, lower sales and reduced employment opportunities.

According to a Travel Industry Association of Canada survey, 400,000 more American tourists decide to bypass Canada every time the gas tax goes up 1 per cent. In the last year and a half we have lost more than 3 million American tourists, close to $500 million and thousands of jobs.

Just as I did, the Prime Minister and the Minister of State for Tourism have received many telegrams from major tourist associations such as TIAC, CAA, ACTA and CRFA. These are dedicated associations that have shown leadership in the tourism sector, and as such they deserve our respect and attention.

It certainly is not a coincidence that, as gas prices went up, so did our tourist deficit. And it certainly is not a coincidence either if—

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

[*English*]

## HUMAN RIGHTS

CHILE—ABUSES OF FUNDAMENTAL FREEDOMS

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, Chile seems far away from Canada. We hear about it very little in our media, and a plane ride to Chile takes 18 hours. However, Chile is really our neighbour by virtue of a growing consciousness of global human rights and by virtue of our own actions in trade. Chile has a brutal regime which is based on fear and arbitrary authority. The press is censored and banned. Political parties are illegal. Freedom does not exist as we know it here in Canada. People are jailed, tortured, and killed.

What has been our response to the situation in Chile? What has been our response to our neighbour who has been mugged and robbed and left lying in the street? Well, Mr. Speaker, the people have reached out a hand to Chile, but our Government has passed by and kicked dirt in the face of the Chilean people. It has recently announced aid through a $19 million contract with Chile in the mining industry, and a $5 million line of credit for transactions with Chile.

We have a choice of whether to support Pinochet with our tax dollars or to provide leadership in the international community for a return to democracy in Chile. We can choose whether to support Pinochet or the Catholic church in Chile, the Human Rights Commission, and the unions. We need one standard with regard to international human rights. The Government has threatened full sanctions—

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

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## NATIONAL PARKS

STANLEY PARK—SUGGESTED TRANSFER OF OWNERSHIP TO VANCOUVER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in April of this year Canada will join the citizens of Vancouver in celebrating the centennial of that great city. Along with Expo itself, a major focus of Vancouver's celebrations will be Stanley Park, the largest urban park in the country.

From time immemorial Vancouverites have claimed the park as their own. Our native peoples have lived and hunted in the park, and generations of British Columbians and visitors from all over the world have enjoyed its trees, its water, and the beautiful view of the snow-capped mountains. Perhaps no park in Canada evokes such civic pride and such a feeling of identity as Stanley Park. The part belongs to Vancouver in all but name. In fact, it belongs to the federal Government.

As a symbolic gesture to the city I am asking the Prime Minister (Mr. Mulroney) to recognize the historic association of the people of Vancouver with Stanley Park, and to dedicate

the property over to the citizens of Vancouver in its centennial year.

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## ENERGY

### HEAVY OIL UPGRADER PROJECT—NEED FOR GOVERNMENT ASSISTANCE

**Mr. Jack Shields (Athabasca):** Mr. Speaker, conventional supplies of light crude oil from western Canada are gradually declining as the older oil fields such as Leduc and Redwater run out. To remain self-sufficient in oil supply we must encourage the exploration and upgrading of our oil sands and heavy oils. If we do not, we will be turning the clock back and will become increasingly dependent on foreign crude oil.

● (1405)

The proven reserves of oil in the oil sands and heavy oil areas of north eastern Alberta stagger the imagination. There are enough reserves to supply Canada's needs for 200 to 300 years. We have the technology to produce this heavy oil and bitumen but the oil must be upgraded to light crude to meet Canada's refining requirements.

Husky has proposed a heavy oil upgrader at Lloydminster and has requested assistance in the form of loan guarantees. The Government of Alberta and the Government of Saskatchewan have agreed to assist. The federal Government has yet to make a final decision.

May I remind my colleagues that without Government help the Syncrude project would have failed. Without Government help, the Alsands project did fail.

We must recognize that special incentives are essential for most large energy projects to proceed in today's uncertain world. The Husky upgrader is vital to our nation's security. We must not and cannot allow ourselves to become dependent on foreign oil and thereby be hostage to a foreign power.

I urge all Members of the House to support federal Government assistance for the construction of the Husky heavy oil upgrader.

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## CANADA POST CORPORATION

### TASKS FACING NEW PRESIDENT

**Mr. Lee Clark (Brandon-Souris):** Mr. Speaker, when the new president of Canada Post is appointed, he or she will have the monumental task of addressing a number of very serious problems. For example, the new president must make the corporation fiscally responsible by reducing the annual deficit of some $300 million. The president must also alleviate the labour unrest which is a major problem in some larger urban centres.



Furthermore, he or she must address some severe inequities which currently exist. For example, in my riding of Brandon-Souris some rural mail delivery routes are being dismantled, while other rural and town residents continue to pay an annual fee for the rental of their mail boxes at the local post office. This is a practice which they, understandably, believe to be discriminatory.

There are inequities as well in the cities, where thousands of mobile homeowners and new homeowners are not receiving home delivery even though some of the new homeowners reside on streets which already receive service.

It is imperative that these inequities be rectified. The new president must make the corporation one which is responsible and fair to all Canadians, both financially and service-wise, whether they live in rural or urban Canada and whether they live in older or newer sections of our cities.

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## EXTERNAL AID

### HAITI—PROVISION OF ASSISTANCE THROUGH CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, in spite of Haiti's shocking record of Government by murder, Canadians must surely approve our decision to continue aiding that tyrannized country. As the Minister for External Relations (Mrs. Vézina) has said:

[*Translation*]

"We are not supporting a regime, we are helping a people".

[*English*]

Some people ask, however, if we are sure our aid is reaching the people and not the Government. For example, it has been alleged that most of the foreign aid to Haiti has stuck to the hands of its small elite. CIDA, however, claims that it has prevented that by dealing directly with Canadian businesses and Canadian non-governmental organizations that are working directly with the people of Haiti. The Government, therefore, should be supported in its decision to aid a people but not a government.

For that reason I also draw the attention of the House to the desire of that Duvalier corrupt regime for foreign investment and financing, and say that this should give our Government an opportunity to say to Duvalier: "Respect human rights first, then talk to us about investment".

* * *

## APARTHEID

### SOUTH AFRICA—REJECTION OF COLOURED PARLIAMENTARIANS BY RESTAURANT

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, the words "rhetoric" and "reality" both begin with the letter "r". However, in the case of South Africa, that is all that

they have in common. This past Friday we got a heavy dose of rhetoric from the President of South Africa. He said, among other things, that "apartheid was outdated". He said that he accepted one citizenship for all South Africans, implying equal treatment and opportunities. He expressed his belief that human dignity, life, liberty, and property must be protected, regardless of colour, race, creed or religion. That was rhetoric.

Yesterday we got a glimpse of the reality in South Africa. News reports tell us that a group of what are euphemistically referred to as "mixed-race" members of the South African Parliament were turned away from a "whites only" parliamentary restaurant. Two of those expelled were Government Ministers in charge of coloured affairs. So much for the rhetoric. That is the reality.

As an editorial in a Johannesburg newspaper put it today: "In a single action, Government has succeeded in making a mockery within a matter of hours of its grand reform moves".

The Prime Minister's (Mr. Mulroney) six month deadline for reform in South Africa will soon be upon us. However, it is already crystal clear that in South Africa reform is just another word that begins with "r".

* * *

● (1410)

## THE ECONOMY

### EXCHANGE VALUE OF DOLLAR

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, there is widespread concern about the Canadian dollar falling below 70 cents. There is much speculation as to the root causes. Clearly the sharp decrease in oil prices has a negative impact on producing countries such as Canada.

However, I would submit that the past decade of wild and irresponsible spending by the former Liberal Government is the root cause of our falling dollar.

The Right Hon. Leader of the Official Opposition (Mr. Turner) rants and raves about the falling dollar and rising interest rates, yet he was the father of the deficit.

It took Canada 100 years to create a national debt of $20 billion. It took the Liberals a mere 10 years, starting in 1974, to increase the national debt to almost $200 billion.

In the mid 1970s the annual deficit was $2 billion. In 10 years the Liberals had increased this to $36 billion.

Our new Conservative Government is acting in a responsible manner to reduce the deficit, and thereby to reduce the crushing impact of interest charges on that debt which now absorb one-third of our revenues. Further tough measures are needed over the next several years to reduce the deficit and to restore financial stability and confidence.

What we do not need is the self-righteous, hypocritical, political posturing by the Opposition. The situation is too serious for that.

## FORESTRY

### SUMMIT CONFERENCE—ABSENCE OF MINISTER

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, why does the Government create a Minister of State for Forestry (Mr. Merrithew) and then hide him in the closet? Despite its professed concern with acid rain, the Government will have a delegation of only two officials plus a Parliamentary Secretary at the opening in Paris tomorrow of the first Summit Conference on the future of the world's forests.

The three day meeting is convened by President Mitterand and is being attended by representatives from 60 countries. Heads of State attending include Chancellor Kohl, the Prime Minister of Ireland, President Diouf of Senegal, Jacques Delors, President of the European Community, and Edourd Saouma, Director-General of the UN Food and Agricultural Organization.

Considering the significance of acid rain effects on Canadian forests and our vast forest resources, would it not be incumbent on Canada to have, as a minimum, the Minister of State for Forestry in attendance?

This is yet another indication of the priorities of the Government—if it has any—and its level of commitment to anything which does not relate to the deficit using archaic Tory bookkeeping mentality. Yet the state of our forests will very much affect the deficit about which the Government is so worried. Without healthy forests, we will see the deterioration and demise of one of Canada's major industries and a significant source of employment for many Canadians.

With these risks in mind, many people are asking why the Government showed so little interest, as demonstrated by the token representation Canada is sending to Paris.

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

* * *

## THE ECONOMY

### IMPROVEMENTS IN PERFORMANCE

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, nobody said that it would be easy. Nobody said that it wouldn't take time, but Canadians have responded to the new climate of confidence generated by their Government. They have rolled up their sleeves and are putting Canada back to work.

Since the election of September, 1984, 450,000 new jobs have been created, inflation has been reduced to 4 per cent, and interest rates have been reduced by 1.5 percentage points.

Canadians have refused to be misled by the doomers and gloomers in the Liberal Party and the NDP which have a vested interest in undermining Canadian achievement.

Consumer confidence is at an all-time high; manufacturers orders are up 15 per cent since the election; the value of

building permits was up 25 per cent for 1985, representing over $3.5 billion of new construction.

Yes, Mr. Speaker, the Conservative Government has confidence in Canadians and Canandians have confidence in their Government. Together we are clearing away the rubble of Liberal-Socialist failure and building a new future for the nation.

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF EDUCATION AND MINISTER RESPONSIBLE FOR THE STATUS OF WOMEN FOR BARBADOS

**Mr. Speaker:** May I advise Members of the presence in our gallery today of the Hon. Billie Miller, Minister of Education and Minister responsible for the Status of Women, of Barbados.

**Some Hon. Members:** Hear, hear!

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR

**Right Hon. John N. Turner (Leader of the Opposition):** My question is for the Minister of Finance. At 1.45 this afternoon the Canadian dollar slid to $69.50, and it is sliding at a faster rate than at any time in the history of the country. The Minister of Finance is clearly not in control of the situation. The financial markets of this country and around the world are voting non-confidence in the Government. I am asking the Minister of Finance when he is going to get matters under control.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the same question that the Hon. Member has given to me now, I have answered on a number of occasions. I ask him, before he makes any outrageous statements such as he has just made, to check the facts and then come back to the House.

[*Translation*]

**Mr. Turner (Vancouver Quadra):** I did check the facts, Mr. Speaker, and I suggest that the Minister of Finance should begin to do his homework.

THE DOLLAR—MINISTER ASKED WHETHER HE WILL MAKE STATEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Here is my supplementary question, Mr. Speaker. Canadians are now captive passengers aboard a rudderless ship—there is nobody at the helm. Will the Minister assume his responsibilities and make a statement before the House to clear up the situation and attempt to stabilize the Canadian dollar market?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have made the policy of the Government very clear. First of all, we have addressed the fundamentals of the economic policy of this Government, and changed significantly the direction that this country has been going.

We set out, first, to change the direction of foreign investments by changing FIRA into Investment Canada. Second, we changed the national energy policy that would change the direction of foreign investments as it related to the energy industry in the country. Third, we have taken massive steps to get the deficit under control. Fourth, we have encouraged investment, both foreign and domestic, to get the competitive position of the country back in shape by encouraging investment in new plant equipment, in new technology. Those four things have been wisely regarded as the right things to do to get the fundamentals of the country back in shape, and they have been widely approved, particularly by the OECD in its report last year.

EFFECT ON PRICE OF IMPORTED FOODS

**Right Hon. John N. Turner (Leader of the Opposition):** That is all very well, Mr. Speaker, but the markets, the financial community, and the international situation don't believe the Minister. The dollar continues to go down. There will be no confidence in this Government. The Minister knows that as a result of the falling dollar Canadians, at this time of year particularly, have to import fruit and vegetables and other foodstuffs that are part of their regular food basket. What is he going to do to prevent the price of that food basket going up now that the dollar is going down?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have answered that question as clearly as I can with my response to his previous question. If he wants to go back and check the facts of what went on during his term of office when he set—

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** —when he set in place the slide in the Canadian dollar, it started at 105 when he was the Minister of Finance. It was those policies—

**Mr. Speaker:** Order, please. The Minister may want to complete his answer and I think the House, please, should understand our obligations.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, let me make one point of contrast. During the term of office this Member was Minister of Finance—government spending was increasing by—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, order, order! Next question.

● (1420)

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker—

**Mr. Speaker:** Order, please. Order. I am going to proceed to the next question. It seems to me that the Parties that ask questions should at least allow Ministers the quietness in which to answer them.

[*Translation*]

VALUE OF DOLLAR—MINISTER'S ALLEGED STATEMENT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, someone in the House has to check the facts, and I think it should be the Minister of Finance. I must remind him that after the present Leader of the Opposition left the political scene in 1976 the Canadian dollar was trading at a premium against the American dollar. My question is very simple. The Minister told the Canadian Press that interest rates and the pressure on the dollar will go down as we get closer to the Budget date. Would the Minister explain why he made that statement to the Canadian Press?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, when the Leader of the Opposition left public life, he ran from the problems that he created himself during his term of office.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Public spending during his time in office as Minister of Finance increased at a rate of 20 per cent. Both Hon. Members can check those facts. Yesterday I referred to the last year of the Right Hon. Member's term of office in which public spending increased by 29 per cent. It was the cumulative impact—

**Mr. Turner (Vancouver Quadra):** How about a couple of surpluses?

**Mr. Wilson (Etobicoke Centre):** He does not like the facts. He talks about surpluses. He started off with a surplus. When he left office the deficit had gone up to $4.5 billion, from a surplus. He was the man who had the last surplus. That occurred in his first year in office.

**Some Hon. Members:** Hear, hear!

REQUEST FOR MINISTERIAL STATEMENT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, may I remind the Minister of Finance that it is now February, 1986, and at this time—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. Ministers should have the quietness in which to answer, and so should questioners have the quietness in which to put questions.

**Mr. Garneau:** It is now 1986 and the Canadian dollar is at 69 cents U.S. If the Minister of Finance is confident about the statement he made to the Canadian press yesterday, why does he not clear the air and make a statement today or tomorrow telling the Canadian people that somebody, somewhere in the Government, is in charge?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the point that I made in my first response today demonstrates clearly that we are in charge. We have clearly changed the direction of economic policy in Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** When we came into office the debt of the country had grown in the previous 15 years from $18 billion to $190 billion. We have taken steps to demonstrate that we are bound and determined to turn that around and to get the debt of the country under control, because no country can go on with debt increasing as it has for the last 10 years at a rate of 20 per cent per annum. In the last three years before we took office—

**Mr. Garneau:** What about this year?

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member would give me a chance to answer his question, I would give him the answer. In those last three years the debt was growing at 25 per cent annum. That cannot continue. We have turned that one around and that will be made very clear in the Budget that will be out in a few weeks' time.

**Some Hon. Members:** Hear, hear!

PRESENTATION OF BUDGET—DATE INQUIRY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Minister of Finance. The Minister just said that he has moved the country in new directions. The clearest direction that Canadians have seen is the downward drop of the dollar.

Since the Minister himself has said, both as Minister of Finance and when he was in the Opposition, that the perception of Government stability is crucial for the international community's judgment of the currency, will he do something to establish some confidence in the Government by telling not only Canadians but the international community right now the date of the next Budget?

● (1425)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member has referred to one statistic—the level of the Canadian dollar. I am going to ask him to consider the other statistics, which demonstrate very clearly that the economic

track that this country is on has improved considerably over the last 18 months.

**Mr. Deans:** How about interest rates?

**Mr. Wilson (Etobicoke Centre):** Some 450,000 jobs have been created. Inflation is stable. Productivity last year saw its best improvement in a number of years. The competitive position as measured by unit labour costs has improved considerably. The balance of trade is still strong. In response to the Hon. Member, interest rates are still a good deal lower than they were on September 4, 1984.

**Mr. Deans:** And the dollar is too!

**Mr. Wilson (Etobicoke Centre):** I say to the Hon. Member that we are on the right track. We are not going to be knocked off that track by the irresponsible criticism of members of the Opposition.

**Some Hon. Members:** Hear, hear!

INTEREST RATE LEVELS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister knows, because he follows this every day, that the interest rate structure has gone nowhere but up in the past month. He also knows that the interest rate being charged is about 3.5 per cent higher than that in the United States. Will he give his assurances, when Thursday comes around again, that he will not compound the problem of a falling dollar with another increase in interest rates? Will he assure us now that the interest rate structure will not go any higher?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, in the simplest possible way—because I have explained this to the Hon. Member on a number of occasions before—let me explain to him and Members of the House why what he is asking is not possible and, in view of the understanding which he has, it is irresponsible even to ask.

It is not possible, when the Government of Canada has to borrow $3 billion week in and week out as a result of the huge cash requirement that we have because of the size of the deficit, to set interest rates—fix them—as he would have us do. We are trying to stabilize the market-place. We are trying to moderate the pressures, both upward and downward, on exchange rates and interest rates.

**Mr. Rodriguez:** He sounds like John Turner.

**Mr. Orlikow:** He sounds like Marc Lalonde.

**Mr. Wilson (Etobicoke Centre):** That continues to be our policy. It is not possible for the Minister of Finance, or the Governor of the Bank of Canada, to say: "That is where interest rates will be and they will go no further". That is just not possible, simply because of the magnitude of the fiscal problem with which we were presented on September 4, 1984.

**Some Hon. Members:** Hear, hear!

GOVERNMENT RESPONSIBILITY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I wish to ask the Minister the following question and I begin with the words of the Right Hon. Member for Yellowhead when he was Leader of the Opposition—

**Some Hon. Members:** Who?

**Mr. Broadbent:** —after he had just described the position of the then Minister of Finance as pretending the Government can do nothing about interest rates and as passing the buck away from the Government, which has the responsibility for setting interest rate policy. I want to ask the Minister if what the Hon. Member for Yellowhead said when he was on this side of the House was true then, why is it not true now. Why will he not assure the people of Canada that he will keep interest rates down? That is the question to answer.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member likes to refer back to things said by the Right Hon. Member for Yellowhead and things which I have said. I would like to draw the Hon. Member's attention to this. I am quoting, and I will do it quickly, from what I said on June 15, 1982:

> Why is there no confidence in the Canadian dollar? I have said this before and I will say it again, again and again. Why is the Canadian dollar weak? First, there is the National Energy Program; second, the attitude toward foreign investment;—

**Some Hon. Members:** Order, order!

**Mr. Wilson (Etobicoke Centre):**

> —third, the budgetary proposals of last year; fourth, the high federal government deficit; and fifth, the federal-provincial squabbles.

In each of those five areas we are dealing with the problem in order to improve the economy as well as federal-provincial relationships, to stabilize the dollar—get it back up again—and get interest rates down.

**Some Hon. Members:** Hear, hear!

MINISTER'S VIEWS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I think we all have sympathy for the Minister who is somewhat exercised today. I do not think any of us would like to be known as the father of a 69 cent dollar.

**Some Hon. Members:** Oh, oh!

**Mr. Johnston:** The Minister will recall that in September of 1984 when he assumed his portfolio the dollar was at 77 cents. He has told us at some length about all of the things he has done to strengthen confidence in the economy, and today the

dollar stands at 69 cents. Would the Minister share with us, within these four walls, his own view of why the dollar has slid from 77 cents to 69 cents, notwithstanding all of the actions he says he has taken?

• (1430)

**An Hon. Member:** Right on.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member forgets the fact that when there are problems which have been building up for 15 and 20 years—

**Some Hon. Members:** Oh, oh!

**Mr. Chrétien:** The problem is over there.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Saint-Maurice was a major part of those problems and I am glad he is acknowledging it.

**Mr. Chrétien:** Sixty-nine cents now.

**Mr. Wilson (Etobicoke Centre):** The problems are like a 100-car freight train which keeps moving—

**Mr. Deans:** Without someone in the caboose.

**Mr. Wilson (Etobicoke Centre):** —and it is slow to stop it and turn it around. But we have made tremendous progress in slowing that freight train down, and we are turning it around because, as I indicated—

**Mr. Turner (Vancouver Quadra):** Box-car financing.

**Mr. Speaker:** Order. Questions and answers will please become shorter.

**Mr. Johnston:** I think the Minister should be cautious in using analogies.

**Some Hon. Members:** Why?

**Mr. Kaplan:** Because of the open window.

**Mr. Johnston:** For many reasons. I'll work on them.

**Mr. Turner (Vancouver Quadra):** You're in the siding, shunted in the siding.

MINISTER'S POSITION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Will the Minister tell us—

**Mr. Kaplan:** A fast moving train past the open window.

**Mr. Turner (Vancouver Quadra):** Box-car finances.

**Mr. Speaker:** Order, please. Could the Hon. Member please just put a question.

**Mr. Johnston:** Will the Minister tell us whether he believes what he stated in July of 1984, that increasing interest rates were killing the economy and that a weakened dollar would be better for the economy than increasing interest rates? If he believes that, why is he today following both tracks at the same time—

**Mr. Deans:** Now you're following both.

**Mr. Johnston:** —on his freight train?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I did say that.

**Mr. Broadbent:** Because you're following Liberal precedent.

**Mr. Wilson (Etobicoke Centre):** And that is the exact response I gave to the Leader of the New Democratic Party. It is true that just to increase interest rates, having no regard to other policies, is wrong. That is why I was so critical through the years of the policies of the Hon. Member's Party. That is what I set out in *Hansard* on June 15, 1982, that we do not just increase interest rates. We must have the fundamental policies in place, and it is those fundamental policies we have been working on right from the start of this Government which are going to work. They have been working because of the jobs which have been created; 1,000 jobs a day—

**An Hon. Member:** And interest rates are lower.

**Mr. Chrétien:** Sixty-eight cents, sixty-nine cents, sixty-seven cents, bingo! Here you go.

**Mr. Wilson (Etobicoke Centre):** Stability in inflation, housing starts up 25 per cent, these are the things which create the jobs and are the things people are going to reward us for by saying: "You are on the right track. You are doing the right thing".

MINISTER'S STATEMENT IN 1982

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance who, on June 16, 1982, had this to say when the dollar had fallen to 78 cents American, and I quote from page 18513 of *Hansard*:

> Surely the minister understands this. Does he not realize that every time the level of the dollar reaches a record low, his credibility also reaches a record low?

**Some Hon. Members:** Oh, oh!

**Mr. Riis:** Does the Minister stand by his analysis of the credibility of the former Minister of Finance as it is tied to the value of the Canadian dollar?

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, and I will tell you why.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** There are 450,000 people who have jobs today—

**Some Hon. Members:** Yeah, yeah, yeah!

**Mr. Wilson (Etobicoke Centre):** —who didn't have them at that time who are saying: "Michael Wilson, thank you very much for everything you've done because you are on the right track. Keep at it".

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** I suspect, Mr. Speaker, that the only thing falling faster than the Canadian dollar is the credibility of the Minister of Finance.

**Some Hon. Members:** Right on.

INTEREST RATE LEVELS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** A few weeks ago I asked the Minister of Finance whether or not he felt that increasing interest rates would add considerably to the debt. At that time he said it was a temporary phenomenon. Has he changed his mind?

**Mr. Speaker:** Order, please. I am sorry, I have not heard the question because we are getting another preamble.

**Mr. Benjamin:** You've got to listen for it.

**Mr. Broadbent:** He asked it.

**Mr. Speaker:** Does the Hon. Member have a question?

**Mr. Broadbent:** Yes.

**Mr. Deans:** Yes.

**Mr. Speaker:** I am sorry. I rose in the middle of a preamble and did not hear a question. Is there a question?

**An Hon. Member:** It was finished.

**Mr. Riis:** Mr. Speaker, my question was simply this.

**Mr. Hnatyshyn:** Talk about simple.

**Mr. Clark (Yellowhead):** You are better at reading them.

**Mr. Riis:** Has the Minister of Finance changed his mind from saying that the increase in interest rates was a temporary phenomenon and, therefore, he had made no effort to calculate the impact on the increasing debt of the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I can quote a number of economists who would agree with the statement I made a little while ago.

**Mr. Deans:** You haven't calculated the cost.

**Mr. Wilson (Etobicoke Centre):** I still stand by that statement. I say to the Hon. Member that words are cheap.

**Mr. Deans:** They certainly are.

**Mr. Wilson (Etobicoke Centre):** Action is important, and it is the action of this Government which is important in that it is instilling confidence in what we are doing. I say to the Hon. Member it is very easy for him to rise in his place and make irresponsible statements—

**Mr. Riis:** Like what?

**Mr. Wilson (Etobicoke Centre):** —because no one is going to listen to him.

**Mr. Broadbent:** The problem is they are listening to you.

**Mr. Deans:** Just remember, action is expensive.

**An Hon. Member:** Words, too.

* * *

[*Translation*]

## JUSTICE

REQUEST FOR EXPLANATION OF APPOINTMENT OF JUDGES

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I would like to ask a question to the Minister of Justice who recently sent New Brunswick Acadians a judge who happens to be a unilingual Anglophone from Saint John.

When the only Francophone judge of the Court of Appeal of Ontario retired last month, why did the Minister not appoint a Francophone to replace him, given the great number of francophone lawyers and judges in the Province of Ontario? Why this backward step?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the appointment of a judge to the Ontario Court of Appeal was done after extensive consultation with, among others, the Attorney General of Ontario, the Chief Justice, and other members of the Court. There is a full panel to hear appeals in the French language in the Ontario Court of Appeal, including the supernumerary judge. I was advised by those with whom I consulted that the essential thing was to appoint a first-class person, and that person was appointed in the person of Mr. Justice Krever.

There is no problem with hearing appeals in French in the Ontario Court of Appeal. I am sorry that my hon. friend tries to raise an issue like this for political purposes instead of speaking to me privately about the matter.

[*Translation*]

INQUIRY WHY ANGLOPHONE APPOINTED INSTEAD OF AVAILABLE FRANCOPHONE

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, Section 135 of the Judiciary Act of Ontario reads, and I quote:

The official languages of the courts of Ontario are English and French.

Why does the federal Government refuse to co-operate with Ontario, considering that the province gives to all Canadians

in Ontario the right to appear before a court of appeal or elsewhere and be heard by a judge who speaks his or her language? Why did it appoint an Anglophone judge when a Francophone judge was available?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I find this really incredible.

**An Hon. Member:** Why?

**Mr. Clark (Yellowhead):** That's typical.

**Mr. Crosbie:** The Ontario Court of Appeal has a full panel which can hear any appeals in the French language, in that language, and this Government is doing more to advance the cause of bilingualism in this country in every way—or just as much, certainly, as our predecessors—and we certainly did not attempt to harrass with cheap shots on this particular issue in this House.

**Mr. Gauthier:** That's not true, and you know it.

* * *

## PETRO-CANADA

CLOSURE OF SERVICE STATION AT GRAVENHURST, ONT.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Prime Minister. Mrs. Cora McAra, who is being squeezed out of her gas station business in Gravenhurst, Ontario, told me on the phone last night that Petro-Canada would not let her lower her price two-tenths of a cent per litre because, in Petro-Canada's words, "other dealers would do this". What is the matter with precisely that, given that world oil prices are falling dramatically? Why doesn't the Government care about the McAras of this country?

• (1440)

**Mr. Speaker:** Order, please. I think the Hon. Member is raising a question which is the subject of today's debate. He knows it is our practice not to allow questions in Question Period on a matter which is on the floor. I am also reminded that it is the Hon. Member's motion which the House is debating.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order. I am prepared to hear the Hon. Member's supplementary on a subject other than what is before the House for debate.

**Mr. Waddell:** Mr. Speaker, I think it is on a specific family.

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** But I—well, Members may think it is funny but the McAras do not.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. Next question. The Hon. Member for Notre-Dame—order, please. I recognized the Hon. Member and he did not put a question. The Hon. Member for Notre-Dame—

**Mr. Waddell:** Mr. Speaker—

**Mr. Speaker:** Order, please. The Hon. Member will please resume his seat.

**Mr. Waddell:** You said I could put a general question.

**Mr. Speaker:** The Hon. Member will please resume his seat.

**Mr. Waddell:** Mr. Speaker, point of order.

**Some Hon. Members:** Sit down!

**Mr. Speaker:** The Hon. Member will please resume his seat.

**Mr. Waddell:** They're shouting me down and I'm trying to defend a family in Canada.

**Mr. Speaker:** The Hon. Member will please resume his seat.

**Mr. Waddell:** No, I will not sit down, Mr. Speaker. The point—

**Mr. Speaker:** The Hon. Member will please resume his seat.

**Mr. Waddell:** I will not. You want to kick me out of the House, kick me out. I will not sit down.

**Mr. Clark (Yellowhead):** Typical NDP contempt for Parliament.

**Mr. Speaker:** Order, please. The Hon. Member will resume his seat. I recognized the Hon. Member on a supplementary question. He rose, made a statement, and did not put a supplementary question. I am therefore going to the next Member.

**Mr. Waddell:** I was shouted down, that's why I couldn't—

**Mr. Speaker:** Order, please. The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

**Mr. Waddell:** Mr. Speaker, I am not sitting down and I will leave the House.

**Some Hon. Members:** Hear, hear!

**Mr. Waddell:** That's unfair.

**Mr. Speaker:** The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

## CROWN CORPORATIONS

### CANADAIR—MANDATE TO SELL CORPORATION

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday some of us had the opportunity to visit Canadair in Montreal and meet with its President, Pierre Desmarais. Mr. Desmarais confirmed he had a mandate to sell Canadair without any restrictions or conditions. Since Canadair is now the only Canadian producer of aircraft, would the Minister give instructions to Mr. Desmarais not to sell Canadair unless majority control remains in Canada?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I can only give the Hon. Member the assurance that I have given several times before in connection with similar questions. As he indicated, Canadair is, hopefully, to be privatized but to date we have not been able to find a possible buyer who has indicated a positive interest in taking over Canadair. So his question really deals with a hypothetical situation.

### REQUEST FOR RETENTION OF CONTROL IN CANADA

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, the President of Canadair has a mandate to sell the company without any conditions or restrictions. Will the Minister revise his instructions to Mr. Desmarais and make sure that they include that the company cannot be sold unless majority control remains in Canada? Will he tell him that those are his instructions and he does not have a wide open mandate?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, obviously the Hon. Member has been misinformed. Not just the President but also the Board of Canadair know it is our desire to privatize that company. The controlling shareholder, CDIC, knows it is our desire to privatize that company. However, the conditions under which we feel it should be privatized have been made abundantly clear. There are very strict parameters which we are interested in, when entertaining possible bids for Canadair.

**Mr. Broadbent:** What are they?

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## APARTHEID

### SOUTH AFRICA—GOVERNMENT'S REACTION TO RECENT STATEMENT BY PRESIDENT BOTHA

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs concerning new events in South Africa. The recent speech by South African President Botha has received a mixed response from all sides of the issue. I would like to know the Government's reaction to these proposals, in particular the creation of a multi-racial council to advise President Botha of black demands in South Africa.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the recent speech by the President of South Africa touched upon some of the points raised in the Nassau Accord negotiated by the Prime Minister of Canada and other Commonwealth Prime Ministers this past fall. It has a long way to go before it meets other fundamental elements of the Nassau Accord. Our view is that we should continue to give encouragement to the Commonwealth group of experts who will be visiting South Africa and reporting back to representative Prime Ministers sometime in June or July.

**Mr. Turner (Ottawa-Carleton):** A supplementary—

**Mr. Speaker:** The Hon. Member for Humboldt-Lake Centre.

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## AGRICULTURE

### SUGAR-BEET INDUSTRY—GOVERNMENT POLICY

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, my question is directed to the Minister of Agriculture and concerns the Government's sugar policy. He will know that no sugar-beets were planted in Alberta last year due to the failure of his Government to restrict the dumping of cheap sugar on the Canadian market. Is it his Government's intention to follow the lead of virtually every sugar-producing country in the world by maintaining a floor price and imposing a surtax on imports, to protect beet and corn producers as well as the sugar refineries in Alberta, Manitoba, Ontario and Quebec?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, this is very similar to the question posed last week or perhaps the week before. My answer today would have to be the same as my answer then. The Minister responsible for the Canadian Wheat Board has consulted far and wide. We are looking at a number of options. However, up to this point in time no final decision has been made.

### ONTARIO AND QUEBEC CORN PRODUCERS

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, do those options include a look at the high fructose corn syrup industry as well? Is he looking out for the interests of Ontario and Quebec corn producers who stand to lose 20 cents a bushel if those refineries are shut down?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I thought the information contained in my first answer to the Hon. Member's question, where I indicated the Minister responsible for the Canadian Wheat Board had consulted far and wide, should be sufficient to answer his supplementary.

*Oral Questions*

## CANADIAN ARMED FORCES

DISCOVERY OF AIDS DISEASE

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, my question is directed to the Associate Minister of National Defence. The disease called AIDS is now an epidemic in Canada. It has infected at least 2 members of the Armed Forces, one of whom has died. What extraordinary measures is the Department of National Defence proposing or taking to combat this deadly disease?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, the Hon. Member is correct the Canadian Armed Forces, as members of our society, are not immune to this disease. The Surgeon-General is closely monitoring the circumstances and is in close touch with officials of the Department of National Health and Welfare to ensure we are up to date on all the technological developments and further knowledge being made available daily on this disease. At this point in time it does not seem warranted that we take extraordinary measures in view of the uncertainty, I guess. However, the Hon. Member can be sure that we view it seriously and the Surgeon-General is closely monitoring the situation.

* * *

## AGRICULTURE

INTRODUCTION OF FARMER-CREDITOR LEGISLATION

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Minister of Agriculture. On July 10 last he promised to bring in farmer/creditor arrangements legislation to assist in the farm debt crisis which is certainly the most serious since the 1930s. Land values are dropping by 25 per cent to 50 per cent. Is the Minister going to keep his promise to the many farm organizations which have been demanding action in this regard, and to the farmers who have been forced off their land and out of their homes?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I cannot help but notice that questions from the Opposition become very repetitive. I know this question was posed a couple of weeks ago as well. I indicated to the Hon. Member, who I am sure posed the question at that time, that we were looking at a number of options. However, to this point in time no final decision has been made.

MINISTER'S POSITION

**Mr. Maurice Foster (Algoma):** Mr. Speaker, the Minister is simply waffling on his promise. He said a couple of days ago he was listening to the silent majority. Will he admit that that silent majority is really the big banks of this country? Why does he not listen to the elected representatives of the farm organizations of the country, and bring in legislation?

• (1450)

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I reject completely and totally the Hon. Member's observation that the Government is waffling. Indeed, if there are any experts in waffling, he should look around him because that is where he will see them. The Government has not waffled since it assumed office. We have passed more agricultural legislation than any Government in history.

**Some Hon. Members:** Oh, oh!

**Mr. Wise:** Check the record. Indeed we have taken over 170 initiatives supplying well over $3 billion to the agri-food industry. That is action. That is commitment. That is not waffling.

**Some Hon. Members:** Hear, hear!

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## CRIMINAL CODE

BOMB THREAT HOAXES—REQUEST FOR STIFFER PENALTIES

**Mr. Alan Redway (York East):** Mr. Speaker, my question is for the Minister of Justice. The recent bomb threat hoax at the airports has cost Canadian taxpayers approximately $1 million through extra security costs. Apparently the only charge that can be laid in this situation is one of public mischief. Will the Minister consider introducing legislation in the House to provide new offences, new penalties, and perhaps restitution provisions, so that this type of situation can be dealt with more effectively in the future?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, that is a very good suggestion. As the Hon. Member points out, a problem exists. We are considering that situation in the context of the legal review which is now under way with reference to the Criminal Code. I will certainly be glad to consider the Hon. Member's suggestion.

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## TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF PROVINCES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, I would like to congratulate the Secretary of State for External Affairs for bringing the provinces into unanimity on free trade. They are all agreed that Ottawa's promises of full participation have turned out to be meaningless.

Why will the Minister not accept the suggestion of all four western provinces that the provinces be equal partners in these free trade talks and have representatives in the negotiating room with the federal Government?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Hon. Member reads too many

newspapers. He should have learned long ago that they cannot always be counted on.

**Mr. Benjamin:** You had better read the want ads.

**Mr. Langdon:** Mr. Speaker, this comes not from newspapers but from one of those western Ministers himself.

**Some Hon. Members:** Name him.

ACCESS TO FREE TRADE STUDIES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, how can the Minister expect Canadians to have confidence in his handling of free trade talks when even the provinces have had to request public information about the free trade studies of the Government? Why is it that the Government keeps these studies secret from the people—

**Mr. Speaker:** Order, please. That is a second question and it is long.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I was afraid Question Period would be over before the question got out. For the first time in Canadian history there has been an attempt made by a national Government to bring the provinces into full participation in a very important trade negotiation. There has already been agreement reached between both levels of Government as to how we, together, agree on data and on the facts that we want to bring into any negotiation. There are negotiations proceeding now between the federal and provincial Governments. We believe that they will be successful.

I want to make it clear, Mr. Speaker, that while the Government believes in ensuring—

**Mr. Hovdebo:** Question Period is over.

**Mr. Orlikow:** Time.

**Mr. Clark (Yellowhead):** —that there will be full participation by all of the affected provinces, it should also be abundantly clear to everyone that the Government has the mandate and the will to speak for all of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** The answer should be no longer than the question.

PROVINCIAL FRESH WATER RIGHTS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question, too, is for the Secretary of State for External Affairs. Simon Reisman is meeting with provincial government representatives today. Knowing his personal commitment to the sale of Canadian water to the United States, will the Government at least allow provincial veto over any agreement on fresh water rights within their own boundaries?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, that question has been raised before and has been answered before.

GRAND CANAL COMPANY PROPOSAL

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the question has not been answered. Contrary to the position taken by the Minister of the Environment, two months ago the National Research Council secretly approved—

**Mr. Speaker:** Order, please. Just a supplementary question, please.

**Ms. Copps:** Is the Minister aware that the National Research Council secretly approved a grant to the Grand Canal Company which is studying a proposal to divert Arctic waters through the Great Lakes? How can the Government expect provincial Ministers and provincial Governments to accept this "trust us" attitude on this very important issue in light of the confusing federal signals about whether or not our water is up for sale?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the question has been posed several times and has been answered several times. The question of Canada's water is not involved in the trade negotiations. That has been made clear a number of times. I think the Hon. Member would do the House and the country a service if, once the facts are known, she would not lend the stature of her office to sowing confusion in the country.

**Some Hon. Members:** Hear, hear!

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## SOCIAL SECURITY

PROCESSING OF APPLICATIONS FOR GUARANTEED INCOME SUPPLEMENT

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, my question is for the Minister of National Health and Welfare. There are approximately 67,500 Guaranteed Income Supplement applications to be processed by the regional office in Regina. Last year 27 temporary staff were hired to do that job. This year it appears that only two are being hired, which seems inadequate for the job. Is this the same situation all across Canada? Is there not a danger that the applications will not be processed in time for April?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, before April 1 of every year those old age pensioners who are eligible, on the basis of income, for a part of or for the entire Guaranteed Income Supplement have to make application for it. I have again approved an insert to indicate to both eligible old age pensioners and family members that applications may be made well in advance, that they do not have to wait until the end of March to do it, and that they will be processed in due time.

The Member should also note that each year there are some eligible senior citizens who do not apply, either because they forget or are not aware of it. That is the reason for the insert. We have always put into place a system whereby these people can be taken care of.

REQUEST FOR MINISTERIAL GUARANTEE

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, the incomes of some senior citizens will be dropped from $612 to $385 if the applications are not processed—

**Mr. Speaker:** Order, please. This is again a preamble. Is there a question?

**Mr. Hovdebo:** Will the Minister ensure that seniors who depend on the $612 GIS get it even if the applications are not processed on time?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Member makes a totally misleading point. I just answered that. I said that these people are eligible for the OAS and the GIS and that there is not a drop. Other than if application is not made, it has always been paid on time and we will pay it on time again. There is no question about it. I wish he would not sow that kind of fear for senior citizens who are relying on that money, and that he would not use it for political purposes.

**Some Hon. Members:** Hear, hear!

* * *

## EDUCATION

FINANCING OF POST-SECONDARY EDUCATION

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, my question is for the Hon. Secretary of State. After all the lofty rhetoric and the promises that his Government has made that it would consult, work, and co-operate with the provinces, why has the Secretary of State for External Affairs now further antagonized the provinces by refusing, as recently as last week, to consult with and reveal to them the contents of the Government's report which, in fact, is about the provinces themselves and what they are going to do to finance post-secondary education? Why is he making a unilateral, one-sided report and keeping the provinces—

**Mr. Speaker:** Order, please. Order, please!

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, if only my colleague were a bit more patient, we will be tabling that report in the House tomorrow. He will also have all necessary information about the provinces.

I must point out that the provinces were consulted about the figures in the report, and I think we will have every opportunity to comment on the report since it will be tabled tomorrow afternoon.

**Mr. Speaker:** A short supplementary.

• (1500)

[*English*]

FUNDING OF TRAINING PROGRAMS

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, that is not what the provinces say. I do not think that answer is good enough because we are taking away from the provinces on every front. My supplementary—

**Mr. Speaker:** Quickly, please.

**Mr. de Corneille:** Will the Secretary of State stop the Minister of Employment and Immigration from reducing by 40 per cent the funds for training programs which are so vital to the survival of community colleges? Will he stop her from doing it?

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, there is no connection between the report and the question raised by the Hon. Member, in the sense that the employment policies advocated by my colleague the Minister of Employment and Immigration include some which relate to the report mentioned. These are figures concerning funds allocated by the federal Government for provincial education last year. Again I say there is no connection, and the Hon. Member will have an opportunity to ask questions once the report has been tabled in the House.

* * *

[*English*]

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Monday, February 3, 1986, meet the requirements of the Standing Orders as to form.

* * *

## POINTS OF ORDER

DISALLOWANCE OF QUESTION—SUBJECT MATTER BEFORE THE HOUSE

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I rise on a point of order to ask first, if you can hear me—

**Mr. Speaker:** Hardly.

**Mr. Deans:** I do not doubt it. That may be part of my point of order.

I am sure you will recall that during the Question Period a question put by my colleague from Vancouver-Kingsway (Mr.

Waddell) was disallowed. Would you be kind enough to review the question within the context of the much more general motion put down in his name on behalf of this Party for the debate today. The noise level is sometimes high and, therefore, obscures the actual words of an hon. Member.

Perhaps you can determine whether it is indeed inappropriate for a Member to seek the answer to a specific question affecting a specific area, notwithstanding the fact that a much more general debate, which may encompass that but not specifically deal with it, is already under way. It is vitally important for the purposes of future Question Periods.

**Mr. Gray (Windsor West):** Mr. Speaker, we all realize that the occupant of the chair during the Question Period has a very difficult job, and we understand the challenges that involve the necessity for making very quick decisions.

Therefore, I want to draw your attention to what is clearly on the record of the House of Commons. There are many occasions, including a number under your distinguished Speakership, when questions were allowed on specific matters but which related to subjects that were then under debate in the House during Government Orders or on Opposition Days. For example, we regularly have questions during Question Period on matters pertaining to the Budget while the Budget debate is taking place. Let me give another example. After second reading debate on the Investment Canada Bill began in the House in the morning, questions were accepted during that day's Question Period on matters pertaining to that very piece of legislation.

I respectfully draw these precedents, and many others which I could give, to your attention for your consideration of the request made by my hon. colleague.

**Mr. Speaker:** The Chair thanks the distinguished Members for Hamilton Mountain (Mr. Deans) and Windsor West (Mr. Gray) for the quality and tone of their presentations. I think both Members know that the Chair is confronted with the citation stating that a question during Question Period should not anticipate the Order of the Day. It was on that basis only that I made my interjection. During that interjection I tried to signal that I was prepared to give a supplementary on a general policy question, separate from the one that is in the general motion.

The Hon. Member for Hamilton Mountain raises the Chair's dilemma when he talks about a matter which is specific for Question Period but flows within the general matter of debate. That is very difficult for the Chair to contemplate.

With regard to the matter raised by the Hon. Member for Windsor West, I will be happy to consider the matter. However, the distinction is usually made when the matter is broader than the specific question that is before the House for debate, such as the motion before the House today. However, I will consider the matter and return to the House. The Hon. Member for Ottawa-Carleton (Mr. Turner) on the same point of order.

*Point of Order—Mr. Turner (Ottawa-Carleton)*

REFUSAL OF SUPPLEMENTARY QUESTION—REQUEST FOR RULING ON QUESTION OF PRIVILEGE—JANUARY 15, 1986

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, perhaps this is also related to the fact there was a fair amount of noise during Question Period, but I attempted to rise for a supplementary question. You either did not hear me or perhaps did not see me.

You will recall that I rose on a question of privilege on January 15 and Your Honour said that at some point in the not too distant future you would be making a ruling on this issue that is frustrating us during Question Period. Are we getting close to that point in the future?

**Mr. Speaker:** The Hon. Member is confusing two matters. I made a ruling with regard to the matter he raises.

I subsequently had been asked by the Hon. Member for Hamilton Mountain (Mr. Deans) to deal with Question Period in general terms. I intend to do so at the earliest possible moment. Hon. Members will understand that the Chair has been rather occupied.

I might say to the Hon. Member for Ottawa-Carleton that I did see him rise today and heard his claim for a supplementary question. He knows the Chair's practice in that regard. There is no bar on a supplementary question but I think he knows that it is the Chair's intention to allow as many Government questions on a given day as possible, within our normal practices.

**Mr. Lewis:** Mr. Speaker, I rise on a point of order in relation to your comments about Question Period. I hope there will be an opportunity for certain Members from each Party to make brief suggestions to you with respect to Question Period at an appropriate time, if that is in order.

**Mr. Speaker:** With great respect, one of the reasons I have been waiting to deliver the ruling is that when the Hon. Member for Hamilton Mountain (Mr. Deans) asked me to review the matter, the Parliamentary Secretary asked if I would wait for representations from him. I have yet to receive any.

**Mr. Lewis:** Does it matter if I invite you or you invite me? Surely we can get together.

**Mr. Speaker:** Order, please. If the Parliamentary Secretary wishes to make submissions to me on this matter, I am perfectly happy to receive them. I hope that he will do so. I do have an obligation to come back to the House as quickly as possible, and it has now been eight or nine days.

*Petitions*

# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

POSTAL SERVICE

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I have a petition signed by 150 residents of the riding of Glengarry-Prescott-Russell, living in the vicinity of Orleans, Ontario. They demand justice from Canada Post when this organization refuses to provide these residents with door-to-door postal service they way most other urban communities in Canada are served. They are protesting the very unfair action by Canada Post and the Government of Canada relating to this issue.

[*Translation*]

POSSIBLE CLOSURE OF CN SHOPS AT MONCTON

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, again today I have the duty to present to the House a petition from residents of the riding of Moncton and Westmorland-Kent. Those people are still concerned about the situation at the CN Moncton shops and, by presenting this petition, they want to make sure that the House is fully aware of the importance of those jobs to the Moncton region.

[*English*]

POSITION OF POSTMISTRESS WITH CANADA POST

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I rise to present a petition signed by approximately 1,100 residents from Reserve Mines in the constituency of Cape Breton-East Richmond. Their petition is on behalf of a lady by the name of Evelyn Syms, a resident of Reserve Mines and an employee of Canada Post for the past 16 years who has proven to be an efficient and conscientious public servant. She attempted to seek a job with Canada Post for a position as postmistress and has been denied. The community wishes me to lay this petition before the House in order to register their complaint on behalf of Evelyn Syms.

● (1510)

ASSESSMENT OF MAINTENANCE FACILITIES—CN SHOPS, MONCTON

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I rise once again, and I appreciate the Speaker's indulgence in this regard, to present petitions signed by residents of the federal constituency of Moncton and Westmorland-Kent expressing their concern with regard to the Canadian National's assessment of the maintenance capacity of the shop facilities.

TAX INCREASES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is my pleasure to rise and present a petition on behalf of a number of residents of Halifax indicating their concern about the unfair tax increases of the last budget.

INDEXATION OF FAMILY ALLOWANCES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** I have another petition from Saskatchewan. People are still holding up some hope that the Government will come to its senses and reinstate full indexation of family allowances.

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**Mr. Speaker:** The Hon. Minister of State for Finance (Mrs. McDougall) is seeking the floor to move a motion?

**Mrs. McDougall:** Mr. Speaker, I am sorry but I am still finding this Chamber very noisy. I have a notice of a Ways and Means Motion. I have not heard any of the things you have been saying.

**Mr. Speaker:** Order, please. The Chair has enormous difficulty with the commotion going on. It is not surprising that other Members have difficulty hearing.

The Hon. Minister of State for Finance intends to move now a Ways and Means motion?

**Mrs. McDougall:** Yes, Mr. Speaker.

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## WAYS AND MEANS

TABLING OF NOTICE OF MOTION

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I wish to table in both official languages copies of a Ways and Means motion concerning the Atlantic Accord pursuant to Standing Order 65(1). Pursuant to Standing Order 65(2), I ask that an Order of the Day be designated for its consideration.

**Mr. Speaker:** The Minister is in fact operating under Government Notices of Motions.

**Mrs. McDougall:** Is it not in order, Mr. Speaker?

**Mr. Speaker:** It is perfectly in order. The tabling of that notice can be done at anytime.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Marchi:** Mr. Speaker, I rise on a point of order. I have put several questions on the Order Paper dating back a year ago. I have risen a number of times to ask the Parliamentary Secretary about them. He has assured me that he would use

his kind office to facilitate the answering of those questions. Can the Parliamentary Secretary tell me whether he has made any headway on those several matters outstanding?

**Mr. Lewis:** Mr. Speaker, I am pleased to announce that I am making great progress, but I do not have any progress to report.

**Mr. Boudria:** Mr. Speaker, this is a very serious matter. The Government is refusing, obviously deliberately, to answer questions from the Opposition.

Can the Parliamentary Secretary give a date to this House now when he will table the cost of the Shamrock Summit of March 17 last year, a question I have had on the Order Paper for almost a year? I know this is terribly embarrassing, but on what date will the Parliamentary Secretary table that information in the House?

**Mr. Lewis:** Mr. Speaker, I do not see why the Hon. Member should be embarrassed about that question. He asked it in good faith. I will look into it.

**Mr. Gagnon:** Mr. Speaker, it is not only the Opposition that needs some questions answered. I posed a question on December 14, 1984. Can the Parliamentary Secretary tell me when I could expect an answer?

**Mr. Lewis:** Mr. Speaker, I just want to indicate that we are treating everybody the same.

**Mr. Speaker:** Order, please. The Hon. Member for York South-Weston (Mr. Nunziata) is rising on a point of order under questions.

**Mr. Nunziata:** Mr. Speaker, I have a question for the Parliamentary Secretary. With respect to Questions on the Order Paper, I understand that the Special Committee looking into Parliamentary Reform has made certain recommendations relating to questions on the Order Paper. Could the Parliamentary Secretary tell me what the status of those recommendations are and whether he supports the recommendations?

**Mr. Speaker:** Order, please. The question is out of order at this time.

Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

*Supply*

## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—PRICE OF GASOLINE

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

That this House demands that the Government instruct Petro-Canada and its retail outlets to reduce their prices at the pump by six cents a litre, a move which would enable Petro-Canada to fulfil one of its basic purposes which is to provide Canada with reasonable energy prices.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I am pleased to join in the debate today on the motion proposed by my friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). I am pleased to see him back in the House after he beat a hasty retreat during Question Period. I hope in the few minutes allotted to me in this debate to be able to answer some of the questions he wished to pose during Question Period, and I would like to answer some of the points he raised in his remarks this morning.

Let me start off by commenting on my hon. friend's remarks about a revolt by consumers. It is interesting to note that the Member referred many times in his address to little paper clip-outs which he has at times thrown all over the House. Let me read what they contain. It starts off:

Dear — To: —
House of Commons

I've had enough.

I agree with the Canadian Automobile Association that gasoline taxes are too high.

The cost of gasoline is discouraging both Canadian and U.S. tourism and damaging our economy, and the high price is unfair to those of us who must use our cars to drive to work.

I am prepared to pay my share of costs relating to highways and roads, but I am against taxing gasoline to raise money to service our national debt.

You are my MP. I want to know what you plan to do to relieve motorists of this inequitable tax burden.

What it says is that taxes are too high. I submit that we all think taxes are too high. In every area we all think taxes are too high, but we also have certain responsibilities to provide the safety net we have, which they do not have in the United States. We have a responsibility to pay our debts which amount now to some $200 billion; the money has to come from somewhere. I think it is human nature to say: "Get the money somewhere else but not from us".

The Hon. Member has based his whole motion on these mail-ins. Yet the Member's motion says absolutely nothing about reducing taxes. What the Member for Vancouver-Kingsway says is reduce the cost at the pump by 6 cents a litre, but not in taxes. The Member does not refer to taxes. He did not even mention taxes in his speech. I assume he did it on purpose. It seemed obvious.

The tax on a litre of gasoline to the federal Government, no matter what the price, is 7.1 cents. Provincial taxes are higher, with the exeption of two provinces, Saskatchewan and Alberta. Those two provinces have no provincial sales tax on gasoline.

Rather they get their income from royalties at the wellhead. Other provincial taxes range—and I have the exact figures here—anywhere from 7.7 cents; Ontario's is 8.3 cents, and the provincial tax in Quebec is 12.9 cents. I can give the figures for the other provinces. In Nova Scotia it is 10.1 cents; in New Brunswick it is 9.8 cents. There are the taxes on a litre of gasoline.

● (1520)

We all complain about the taxes, and I guess we always have. I remember that when I first had to pay income tax some 30 years ago, with my first summer job, I complained about taxes. I think that will always be the case.

That is not what the Hon. Member is talking about in this motion. What he is saying is that one oil company that competes in the market-place must reduce its price of gas at the pumps by a certain amount—6 cents per litre. He does not take into account that the company may lose money if it has to do that, or perhaps just break even. Whatever the situation may be, he just arbitrarily says, change the price as dictated by that great white father in Ottawa. Dictate, set, control, that is the NDP philosophy. We understand that. That is why the New Democratic Party has never been in power, and never will be in my lifetime, and that is for sure. They want to control the Canadian people. They want to get their hands on them. The first thing they want to control is gas prices. Then they want to control the price of bread, and then the price of cars, and then perhaps your suits and your neckties. They want to control all the prices. They want everything, they want to dictate.

The difference in philosophy between the socialist parties and the Progressive Conservative Party is dramatic and realistic, and the Canadian people can see through this facade, this phoney issue brought on the floor of the House today by the Hon. Member. Let me tell the people who are watching today that the Hon. Member does not like big companies; he does not like big transportation companies; and he does not like big oil companies. He does not like anything big, except big Government, and he loves big Government. The more bureaucrats you have controlling your life the better it is. That is what he wants to do, he wants to dictate everything in this country, and he is at it again with this motion. This happens all the time with the socialists, and the Canadian people can see through it.

What we are saying is let the market-place work. World oil prices are falling rather dramatically, especially within the last three weeks. The Hon. Member admitted in his speech today that the great fall started about two weeks ago on January 28, or thereabouts. That is when we saw the great fall in prices.

However, most refineries in this country have a two-month supply on hand, especially at this time of the year when the weather is cold and we have tremendous fluctuations in temperature. They keep emergency supplies on hand. For the most part, that is the oil for which they paid $28, $29, $30 a barrel. It is there now and going through the system. Before too long it will be through the system. As a matter of fact I read just the other day that one of the purchases at about $18.50 a barrel, I believe, was for delivery on April 1. So we are talking lead time.

The Ottawa *Citizen,* in an editorial on January 31 said the following in reference to the Minister of Energy, Mines and Resources (Miss Carney):

> Carney's intervention is little more than a counterpunch to the public relations drubbing the Government has been taking on this issue.

I readily admit that we have been taking a drubbing in public relations on the issue. However, there is much more merit to the things that Carney has been saying than those issuing from the mouths of mock, furious Liberals and New Democrats. It is juvenile to expect that a downturn in world oil prices will be felt instantly at the gas pumps. The cheaper oil now being bought will not reach markets until existing higher priced stocks have been exhausted. The Opposition sit there and holler while I read this because they do not like the truth. They don't like facts that are being presented. I have not known *The Citizen* to be too friendly to the Conservative Government over the last year and a half, but in this editorial they are bang on. This editorial was based on facts, not on innuendo, and not on great pie-in-the-sky public relations efforts on behalf of the Opposition.

We heard another complaint today about gas prices being cheaper in the United States than they are in Canada, and that is true. They do not have the provincial and federal taxes in the United States that we have in Canada. Also, they do not have the good roads we have in this country. They do not have the social security service nets that are provided in this country. Those costs have to be paid for by the individual. My hon. friend from Montreal who is very conversant in the energy industry, especially the retail end, made it very clear the other day that he has talked to many Americans who would gladly pay more for their oil and their gas if they had the social security, the old age security, the Guaranteed Income Supplements, and the health plans that we have in this country. They would gladly pay a few more cents a litre on their gas if they had these services.

Just as an aside at this particular point, the Hon. Member was talking this morning about home heating oil, but he failed to mention that home heating oil in Canada is 5 cents cheaper per litre than it is in the United States at the present time. He quite conveniently forgot to mention that this morning when he was bringing that point out. When they throw out these facts and figures he should remember that there are two sides to every story.

I might say to the Hon. Member that we fully expect that the decrease in the prices of oil will be seen at the gas pumps in this country in the not too distant future, but it does take time to go through the system. As a matter of fact, the Chairman of the Board of Imperial Oil Limited just yesterday was speaking to the prestigious Canadian Club in Toronto.

**An Hon. Member:** Oh.

**Mr. McDermid:** Well, the Hon. Member is upset because he has never been invited, and I understand why. He was talking about what is going on in the market-place today and he said:

The expected decline in prices at the retail level may come sooner than expected; industry competition in the refined product business will come on like gangbusters.

I submit to you that we have seen this already. I can only speak from my personal grass roots experience. Last week in the small community of Georgetown, which is in my riding, retail gasoline was selling at 44.5 cents per litre, up to about 47.1 cents per litre. In Mississauga, as I drove to the airport the other day, it was 46.5 cents per litre. The market-place is working, the competition is working, even before the new oil prices are coming through.

I can assure you that if the Government dictates that the price be lowered by "x" number of pennies, it will not go any lower, even when there are lower input costs, or when the market dictates that it drop because of competition.

My friends in the NDP do not believe in competition. They want everything big. They do not want anybody to compete. On the basis of what they say now, the first thing they would do is commandeer another oil company and tack it on to Petro-Canada. That is what they would do. The first thing they would do if they got into office is make Petro-Canada bigger, and that would probably just be the beginning. They would probably buy up every oil company and crank up the old Canadian debt even more than it is now.

• (1530)

There have been opposition complaints about the differential between gas prices in Canada and the United States and I touched on that. I would like to return for a moment to that editorial from the *Citizen*. The article reads:

Opposition complaints about the differential between gasoline prices in Canada and the U.S. are just as disingenuous.

That is a great word. I have never heard the Opposition described quite like that before. I have heard it described as being a rag-tag bunch and other things, but that is a good word. The article goes on:

Taxes make up just 15 per cent of the pump price of American gasoline. In Canada, federal and provincial taxes account for more than half.

Governments could cut those taxes, of course. Has the opposition any helpful suggestions about where that revenue loss could be made up? Or, failing that, which government programs should be eliminated?

No, not at all. This is just a phoney motion. It is mischievous.

I would like to cover one very serious point which was brought up by the Hon. Member today. I think he is doing a very great disservice to Mr. and Mrs. McAra of Gravenhurst. Mr. and Mrs. McAra are commissioned sales people for the company Petro-Canada. They had been approached by representatives of the company personally a number of times and were requested to add the amount of federal and provincial tax increases to the price of gasoline charged by Petro-Canada. It was right in the contract that the McAras had with Petro-Canada that they should do that, but they defaulted on it. Petro-Canada went out of its way to try to explain this matter to them and to help them, but they refused to change the price.

Mr. and Mrs. McAra's service station is located in what is affectionately called gasoline alley on Highway No. 11 just after Highway No. 400 between Barrie and Gravenhurst. In a stretch of perhaps half a mile or three-quarters of a mile, there must be 15 or 16 gas stations of all types, both independent and major. Gas prices in that area go up and down as the market dictates. It is a highly competitive stretch of road. The Hon. Member is from British Columbia and probably does not know about this part of Ontario. I know it very well because I travel it all the time as do a number of my colleagues. It is a highly competitive area and prices go up and down all the time.

The issue at hand is the addition of a tax which, under contract, must be applied to the price of gas. The McAras' agreement with Petro-Canada also indicates that the agreement can be terminated by either Mr. and Mrs. McAra or Petro-Canada with 24-hours' notice. Petro-Canada did not want to damage the ability of the McAras to carry on business and therefore promised to supply them with the product for another 90 days so that they could make the necessary arrangements to find another gasoline supplier. Petro-Canada will continue to supply them as long as they comply with the notice that was given.

I think it is very important to understand that the tanks and pumps and everything else were loaned to the McAras by the oil company. The company is allowing them to remain there until a new gas supplier has been found. I believe the company has been very fair to the McAras, and the Hon. Member knows full well that there are two sides to every story. Before he made some of the claims he did, he should have called to get the facts, something which he neglected to do.

I know my time is rapidly coming to a close, so in summing up, I would like to say that consumers will, because of the market-sensitive pricing we have put in place, realize benefits from the cut in the cost of oil. That is very important to remember. We believe that the market-place operates well. Members of the New Democratic Party, with the help of their friends, members of the Liberal Party, do not believe that. They want to dictate everything. If that has worked so well in the past, I want to know why gasoline prices in Montreal rose during the time of the National Energy Program, not by 80 per cent but by 94 per cent.

This mischievous motion that my hon. friend has put before us deserves to be defeated, pooh-poohed and shooed out of the House. It deserves to be exposed for what it really is, a public relations exercise to try to make it appear as though the Opposition is doing the consumer a favour when in fact it is making things more difficult for the consumer.

**Mr. Waddell:** Mr. Speaker, I have a comment to make and a question to ask of the Hon. Member. May I congratulate the Hon. Member on his speech? I would like to apologize to the Hon. Member for something which occurred some time ago. I saw the Minister of Justice (Mr. Crosbie) in the House and

the spirit moved me. Some time ago I said some nasty words about the Hon. Member. He has always been straightforward with me. I disagree almost totally with what he said in his speech, but it was a good speech. I would like to make some comments on it and to ask some questions of him.

Am I doing the McAras a disservice by putting their case in front of the House of Commons? I wonder if the Hon. Member spoke to the McAras. If he spoke to them, he would find, as Mrs. McAra told me last night, that she wanted to lower the price of gasoline by two-tenths of a cent per litre between the service and self-service because the other stations were doing that. She offered to pay that difference out of her own pocket and Petro-Canada would not let her because, in its words, other dealers would want to do it. That is precisely the point. Petro-Canada should be the price leader rather than the price follower in this time of dramatically falling world oil prices.

The Hon. Member knows that the market-place in the oil industry is an oligopoly. He knows that four companies own 70 per cent of the market, another four companies own another 15 per cent of the market, and the independents own 15 per cent of the market and are always getting squeezed. If he does not know that, he should turn around and ask the Hon. Member for Duvernay (Mr. Della Noce) about it. He owned a small station. He will tell the Hon. Member about it. The world market price is fixed either by OPEC or by Exxon. This great market out there is something to behold.

My friend brought up the red herring, no pun intended, about the big, bad socialists dictating the price. There are times when it is right to dictate prices and times when it is not right. The Hon. Member said that socialists dictate prices at all times. I am proud of the fact that when Tommy Douglas became Premier of Saskatchewan in 1944, he told the banks not to foreclose on the poor farmers. Their sons and daughters are still in business today because of that. There are times when we must use the power of Government.

The Hon. Member might be surprised to learn that I am a socialist who believes in a more decentralized Government, but we will talk about that some other time. Of course I mentioned taxes in my speech. I said that taxes on the consumer were too high and that there was a time to stop. I admitted that the Government could use the money for social services but I said that it was a cop-out to make that its only argument for taxing the motorist and for not reducing oil prices at a time of dramatically declining world oil prices.

As a matter of fact, we in the NDP put our money where our mouth is. I agree with the Hon. Member that provincial Governments are piggybacking higher taxes and that the Canadian Automobile Association should go after the provincial Governments as well. In the Province of Ontario, the NDP stopped the Ontario provincial Government from putting an increase on gasoline taxes not too long ago.

**Mr. McDermid:** Who?

**Mr. Waddell:** The New Democratic Party of Ontario.

• (1540)

**Mr. McDermid:** Who else?

**Mr. Waddell:** I don't know; maybe the Conservatives, too.

The Hon. Member cites *The Citizen* of Ottawa. The Winnipeg *Free Press* has an editorial, too. We can throw editorials at each other until we get tired. I quote from an article which appeared in the Winnipeg *Free Press* on January 25 of this year which states:

> Faced with dropping world prices that are too large to ignore, the government has fallen back on the time-worn excuse that price reductions take 60 days to work themselves through the system. If that is the case, they should be working their way through by now.

I want to ask the Hon. Member this question. How much lead time will it take for these prices to work their way through? I ask this question given the fact that there are companies such as Imperial Oil which not only own the oil but refine and market it, in some cases. The incentive for Imperial in that type of situation is to keep the prices high and not reduce them. I want to know from the Hon. Member how long it will take. Can the Hon. Member give me some figures? He says: "We expect decreases in the not too distant future". Will he give me some time limits? When will we see this $9 a barrel decrease reflected at the pump? If the Hon. Member would give me some time limits, then maybe we would stop pressing and the consumers would be satisfied. Let us have some specifics on the subject. How long will it take to go through? What guarantee does the Hon. Member have from the oil companies that, in fact, the prices will be passed along? From past conduct I have noticed that if there is an increase in the world price today it is placed on the consumer at the pumps tomorrow. However, if there is a decrease we hear: "Well, sometime in the not too distant future we expect a decrease". When and by how much?

**Mr. McDermid:** Mr. Speaker, the Hon. Member asks when and by how much. First, I cannot say when. I can tell the Hon. Member that in some areas of Canada where there are great reserves of oil it has to be used up before the cheaper oil arrives. In those areas it may take a little longer. In other areas where there are low reserves it may take less time. However, we will see it in the next few weeks. There is no question about that.

The Hon. Member asks how much. That is impossible to tell. It will vary in different areas. If I say how much it will be, then it may turn out to be a little different at the gas pump at the Co-op in Georgetown, which it is today. It is 44.8 cents a litre there as opposed to the Shell station down the road where it costs a penny-and-a-half more. To say exactly what the price will be is foolish. The market has so much to do with it, and the Hon. Member knows that full well. He is being mischievous again.

I might say that it is interesting to hear the Hon. Member quote our good friend and great parliamentarian Tommy

Douglas. He now sits on the board of directors of one of those big nasty oil companies, Husky Oil.

**Mr. Waddell:** It's a Canadian company.

**Mr. McDermid:** I know it is of great embarrasment to members of the New Democratic Party.

**Mr. Orlikow:** Not at all. We are proud of it. Why should we be embarrassed? We have no embarrasment at all.

**Mr. McDermid:** I know it was of great embarrasment to the New Democratic Party when Mr. Douglas took on that job.

I think the Hon. Member knows the industry a little better then he makes believe. He knows full well that prices will vary from market to market because of the cost of transportation, refining costs, and so on and so forth. There are so many factors that come into play here. It is not just a simple matter of ten cents, six cents, five cents, or whatever it may be. He knows that full well. To be fair—and it may hurt a little but I am sure he can be fair—he should admit that that is a factor. We know that the prices are now down in Montreal. My friend, the Hon. Member for Duvernay (Mr. Della Noce), was never squeezed.

**Mr. Della Noce:** I stood up.

**Mr. McDermid:** That is right. He was never squeezed. He stoop up for his rights. He fought. To say that he was squeezed is very unfair.

To sum up, I would like to say that the system which is in place today is a market sensitive system which will benefit the consumer. We are seeing some signs of that already. In Mississauga the price of a litre of gasoline is 46.5 cents. Just two weeks ago it was 53 cents litre. That is because the market forces are at play. It is that price even before the low cost crudes have come through. That is the market forces working, and working to the benefit of the consumer.

The Hon. Member says that his Party is not proposing to dictate prices. What is he saying in his motion? He is saying that a Crown corporation should lower its gasoline prices by six cents a litre. He is price setting. That is what he is doing. He cannot fool the Canadian people with that.

**Mr. Waddell:** Mr. Speaker, the Hon. Member mentioned taxes. I wish to ask the Parliamentary Secretary this question. How can any Government justify increasing sales and income taxes, higher gasoline prices and taxes, and cuts in family allowances, all in the name of spending restraint, while in Bills which we have just passed it is pumping billions into the oil industry? It is pumping $5.3 billion in forgone taxes to an industry that is already fat to begin with and that has clever corporation accountants.

**Mr. McDermid:** Mr. Speaker, I will try to answer the Hon. Member's very complicated question.

**Mr. Orlikow:** It is only complicated to answer.

**Mr. McDermid:** I will try to make my answer as simple as possible. The taxation of this particular industry was unique. No other industry in the country was taxed in the same way. It was unfair.

**Mr. Orlikow:** It was too low.

**Mr. McDermid:** It caused untold damage to the economy. We are not handing the oil companies billions of dollars. We are removing the very expensive Petroleum Incentive Program which paid for activity and not results. It was a very expensive program. The NDP Members like to say that we are handing them billions of dollars—we are not. What we are saying is: "Your industry will be taxed fairly, just like every other industry will be taxed". The industry was not being taxed fairly before and now it is being taxed fairly. The industry is getting on with the job. Investment intentions are up $2 billion in the first year alone. The figures which the Hon. Member throws out go on and on for years and years down the road.

**Mr. Waddell:** They are your figures.

**Mr. McDermid:** In the very first year we have seen $2 billion in increased investment intentions. I think that is significant since it translates into jobs right across the country.

**The Acting Speaker (Mr. Charest):** Resuming debate, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I am pleased to have the opportunity this afternoon to participate in this very important debate. It is important to the constituents of my riding of Glengarry-Prescott-Russell.

To put everything in context, I think we should perhaps establish for the information of all Hon. Members why this issue is so vital to the people I represent in the House of Commons. As Hon. Members know, Glengarry-Prescott-Russell is a large rural riding. Having an automobile in the constituency which I represent is not a luxury, as some claim it could be in certain urban centres, but it is indeed vital. It is as vital as having electricity, a telephone, or any of those other things which Canadian consumers need to have in this large country in which we live. The people of Glengarry-Prescott-Russell need their automobiles in order to go to work. They need them when they are unemployed in order to go out to find work. They need them to go and cash their welfare cheques, or to do anything else which they have to do, especially those who live outside the towns and villages of the riding. It is important to establish that having a car in the constituency which I represent is not only desirable but it is necessary for a large number of my constituents.

I also want Hon. Members to know that in the constituency I represent, which is large and rural, agriculture is one of the vital industries. We have been told time and time again that the largest input cost for farmers is the cost of fuel. Therefore, the farmers of the constituency I represent are worried about the price of fuel, the price of gasoline and diesel fuel and the other input costs which they have.

[*Translation*]

Mr. Speaker, earlier today I heard the Parliamentary Secretary of the Minister of Energy, Mines and Resources (Mr. McDermid) say that Members of the Opposition are irresponsible when they raise such issues in the House and that they do so only to impress their constituents.

Mr. Speaker, I ask you what is wrong with a Member of the Opposition rising in the House and publicly defending the interests of the people who elected him? I, for one, will be doing just that today and I have no intention of apologizing to the Parliamentary Secretary of the Minister of Energy, Mines and Resources for defending the rights and even the needs of the voters of the riding of Glengarry-Prescott-Russell.

As someone pointed out earlier, it is a fact that the Conservative Government gave $5 billion to the oil industry, and that $2 billion went to the friends of the Conservatives—the bankers, Mr. Speaker.

So I want Government Members and all my constituents to know that additional taxes and the excessive profits of that industry are not necessary and that, in fact, it is false to pretend that excessive taxes must be paid on petroleum products to maintain old age security pensions. Those excessive taxes must be paid as a result of the useless expenditures of the Conservative Government we have today.

● (1550)

[*English*]

I would like to read briefly from an article in *The Ottawa Citizen*. It was written by John Ferguson of Southam News. He states in an open letter to the Minister of Energy, Mines and Resources, and I quote:

> You may be Minister of Energy, but that doesn't mean you're Minister for Big Oil. You're supposed to be looking out for everyone's energy interests, not just the boys at the Petroleum Club.
>
> I know last year you got a lot of political credit for being one of Brian Mulroney's "no problems" ministers after you dismantled the National Energy Program and made Alberta happy.
>
> And maybe you kind of got used to siding with the oil industry. I mean, giving them billions in tax cuts and all that.
>
> World oil prices are falling and it shouldn't be any surprise that the opposition is a little curious as to when we're going to see lower prices at the pumps. After all, prices of heating oil and gasoline sure did jump up during the '70s when crude oil prices were rising, didn't they?

That is indeed a very important topic. When oil prices were increasing, consumers were hit with those increases. Now that oil prices are decreasing, consumers are hit with increases again.

**Mr. Della Noce:** False.

**Mr. McDermid:** That's not true.

**Mr. Boudria:** Surely, it is totally illogical that the consumers of Canada at the time of lowering gasoline prices are not paying any less for their gas and, in many cases, are actually paying more than they were two or three months ago at the time when prices started to go down.

The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) said in this House that it takes a while before the lower oil prices flow through the system. Why is it that when prices were going up, they flowed through the system as fast as castor oil? It had an immediate effect, the next day. We were purged of the lower prices and the higher prices were inflicted upon the Canadian consumers. Now, of course, prices are going down but we are told it takes a while for the system to take care of it.

One responsible cabinet Minister a few days ago—and I believe it was the Minister of Energy, Mines and Resources (Miss Carney)—said in the House that the tourism industry was not affected by oil prices. In the riding of Glengarry-Prescott-Russell, during the last few years, we have done quite a bit of work trying to attract tourism to our area. As you know, Mr. Speaker, as do all Hon. Members, Glengarry-Prescott-Russell is the most beautiful constituency in Canada, even if I say so myself. In that riding, we are trying to promote tourism. We know, Mr. Speaker, you come very often to our area, but we would like others to come as well, and it is very difficult for us in eastern Ontario to attract tourists from the large cities like New York, Montreal and Toronto when we have these very high gasoline prices. It makes it very difficult for the family which wants to make one-day trips or people who come for weekends or even longer trips in the case of out-of-country tourists.

I want to say to the Hon. Member for Duvernay (Mr. Della Noce) who, obviously, is a very knowledgeable person in the area of gasoline prices—and I also know he travels through the constituency he represents—that he knows that many people from his own riding visit the riding I represent. In fact, every Sunday we see thousands of his constituents in Carillon Provincial Park in Hawkesbury.

**Mr. McDermid:** I thought you said you didn't attract tourists.

**Mr. Boudria:** And that is beneficial for the area I represent. The Minister of Energy, Mines and Resources has stated, very irresponsibly, that the tourism industry would not be affected by increasing gasoline prices. This statement is in direct contradiction to a submission made to the Liberal Party by the Canadian Automobile Association earlier this year. I quote it in part:

> The resulting high gasoline prices, in a country with its own oil resources, have put our transportation dependent industries at an economic disadvantage. Tourism in particular has suffered a serious loss of business—

So, Mr. Speaker, as you can see, the loss in our tourism business has been serious, according to the Canadian Automobile Association, and when it comes to believing the Minister of Energy, Mines and Resources or the Canadian Automobile Association, I think I would rather listen to the CAA any time than to the Minister who has her own biased views on this issue. The report further states, and I quote:

> Presently, an American visitor is paying approximately 25 per cent more for motor fuel after taking into account the difference between the Canadian and American dollar and the Imperial and American gallon. This has engendered a perception by Americans that Canada is an expensive vacation destination.

So we can see that the Government is creating undue hardship to the tourism industry.

I would like to say a few words about the effective gasoline prices on agriculture. As I indicated previously, the largest input costs farmers have in fuel prices. I am sure the Parliamentary Secretary knows this. The Ontario Federation of Agriculture submits that there will be an excise tax increase of two cents per litre on gasoline, diesel fuel, aviation fuel and jet fuel effective September 3, 1985. This increase is not subject to any rebate. As well, the primary industries levy offset program is now being phased out. Consequently, farmers may no longer claim the 1.8 cents per litre rebate after March 31, 1985. Claims can be continued to be filled out for puchases between December 1, 1984 and March 31, 1985 for up to one year from the date of purchase. In other words, the farmers are telling us that they are subject to a tax increase.

What did the Tories say to the farmers of Canada during the last election campaign? Did they tell them that gasoline prices were going to go up? Did they say: "Vote for me and it will cost more to fill your tank"? No, the tories did not say that. The Tories promised many things. There is a list of 338 promises and I want you to know, Mr. Speaker, that if you want a copy of it, I will gladly send one to you, and any Canadian can write to me—no stamp necessary—and I will send them a copy of it as well.

The Tories promised that they would protect the consumer from price surges in oil markets. That was a promise made by the Tories.

**Mr. Edwards:** Yes, and we did.

**Mr. Boudria:** They promised this at a meeting known as the Atlantic caucus on August 2, 1984. They issued a press release after that stating that the price of gasoline in the United States, in Boston, was 50 cents per gallon cheaper than in Saint John and, according to the Conservatives, this was terrible. There should not be this difference, according to the Tories. But where are we today? What about the improvements the Tories made in this price differential between Canada and the United States? In October of 1984, the average Canadian price was 47.2 cents per litre. The average U.S. price was 39 cents per litre. Looking at the present situation, the average Canadian price in October, 1985 was 52.1 cents per litre. The U.S. price was 40 cents. As you can see, the difference between Canadian and U.S. prices, which the Tories themselves called unacceptable in August of 1984, is getting larger. Surely this would cause all Tory back-benchers to be in an uproar if they really had the interests of consumers and their constituents at heart.

• (1600)

In the first 12 months this Government was in office the change in the price of gasoline amounted to a 10.4 per cent increase. In the U.S. it was 2.5 per cent over the same time period. That should tell any Tory in this room that they are totally wrong when they tell the Canadian people that this is normal. In my view these price increases are unreasonable, both from a tax standpoint and that of the profit margins which multinational companies enjoy.

**Mr. McDermid:** What is that profit margin?

**Mr. Boudria:** I think it would be appropriate if we looked at many of the prices charged in Canada and the U.S. and drew comparisons. Let us look at the price of gasoline here in Ottawa, which is very close to my riding. On O'Connor Street we are told that the price of unleaded gas as of this morning was 56.3 cents per litre.

**Mr. McDermid:** It is 52 cents.

**Mr. Boudria:** In Washington, D.C., at the Gulf station on Massachusetts Avenue, right near Capitol Hill, do you know what the price is?

**Mr. Della Noce:** A dollar six a gallon.

**Mr. Boudria:** It is 43.55 cents in Canadian dollars.

**Mr. McDermid:** It is 44.5 cents in Georgetown.

**Mr. Boudria:** Do you see how unfair this is to the Canadian consumer? I think most Members, deep down inside, recognize that what is happening here is that the Canadian consumer is being gouged, and this is most unfair.

Let us look at the spot market for crude oil. In January, 1984 it was $29.80 a barrel in the U.S. In the United Kingdom it was $29.49. As of January 20 the U.S. price was $21.25 and the British price $20.10. Has there been a proportional decrease in gasoline prices? No. Has there been any kind of a decrease in gasoline prices in my constituency? None at all. The price has not decreased one bit. That is the sad reality.

Recently the Ontario Motor League wrote to my Leader and it made a few points very clear. It thinks the price of gasoline is indeed way too expensive. It says that 90 per cent of all passenger miles travelled in Canada are accomplished by automobile. In the constituency I represent that figure would probably be closer to 99 per cent. Total Ontario government revenues through various fees and taxes levied against motorists in 1985 amounted to $1.6 billion. Gasoline taxes in Ontario have increased 63 per cent since 1981.

**Mr. Della Noce:** Wrong again.

**Mr. Boudria:** If Members across the way think the Ontario Motor League is wrong, that is fine. I want the OML to know that that is the kind of knee-jerk reaction from the Tories. They refuse to accept anyone else's opinion. They think that their wrong opinion is right. That is why the Government is in deep trouble so soon after being elected. The Tories have wasted $5 billion in hand-outs to their friends in the oil industry, then $2 billion to bail out the banks. They have been wasting taxpayers' dollars and giving cushy jobs to their friends. Now there is no money to give a break to the consumer. That is the sad reality. My constituents are upset about this. They have been sending me letters, and I have a stack of them right here. They are not satisfied, they want the

price to be lower, notwithstanding the fact that the Tories want to keep it high.

**Mr. Della Noce:** You are not doing your job; that is why they are not satisfied.

**The Acting Speaker (Mr. Charest):** Questions or comments.

**Mr. Crosby:** Mr. Speaker, I have a comment to make concerning the Hon. Member's speech, and then I have two questions I would like to ask him.

I am sure all Members of the House realize that the father of Petro-Canada is the Liberal Party of Canada. It was created by a Bill passed in this House in 1975. Part of the mandate given to the company by the Liberal Government was to operate an oil company free and independent of the direct control of the Government and the Parliament of Canada.

**Mr. Waddell:** No, it was not.

**Mr. Crosby:** It was given a mandate to carry out certain tasks in accordance with that statute and on the basis of its own independent advice. We now have before the House a motion to change that. The motion would have the Minister of Energy, Mines and Resources (Miss Carney) and the Government interfere with that statutory mandate. I am surprised that the Hon. Member, an adherent of the Party that created this company, would now violate the principle on which it was based.

My other comment in this. Petro-Canada and, I believe, the other oil companies of Canada fix their prices on the basis of their costs. Is there any reason to believe that the current price of gasoline in my Province of Nova Scotia, for example, is based on the current price of crude? If not, if it is in fact based on higher-priced crude bought on the market some time ago when prices were higher, does the Hon. Member recommend that Petro-Canada in particular, as well as the other oil companies, should absorb that difference? If so, how does he suggest to the House of Commons and the companies and the people of Canada that they recover that cost? Does Petro-Canada charge it against other products? Does it reduce the price of gasoline and increase the price of oil? Does it sell windshield washer fluid for a price higher than it is today? Does it decrease its exploratory efforts? How is it going to recover the money it loses if it reduces the price of gasoline today, February 4, when the price it paid for the crude demands the price now fixed at the pump in Nova Scotia? Would the Member depart from the statutory mandate of Petro-Canada? Would he recommend that a Crown corporation charge a price to the consumer which does not allow it to recover its costs? The ultimate result would be, of course, that someone else is going to have to absorb that loss. That would probably be the taxpayers of Canada. So perhaps he just wants to transfer the cost from the consumer of the gasoline to the taxpayers of Canada. I want him to tell us how that is going to accomplish anything.

• (1610)

**Mr. Boudria:** Mr. Speaker, the mandate of Petro-Canada was clearly to give the consumers of the country a window—

**Mr. Della Noce:** What? What?

**Mr. Boudria:** Mr. Speaker, if the Member for Duvernay (Mr. Della Noce) wants the floor, would you tell him to shut up and ask his questions later?

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** As I was saying, before I was so rudely interrupted by the Member for Duvernay, the mandate of Petro-Canada is clearly to be a window on the oil industry to ensure Canada's security of supply. We all know that that is what it was. We all know that it was necessary when it was established and that it is still necessary today. It was necessary to have a form of protection against multinationals which, at one time, were diverting supplies from our country to bring them elsewhere. We all know that is the reason it was created. We all know why it was necessary, and let us not forget that today.

Section 7(2) of the Petro-Canada Act permits, and in fact mandates, Petro-Canada to have the moderating influence on the industry which is so necessary to ensure that Canadian consumers are not gouged by foreign multinationals. Petro-Canada is ours, Mr. Speaker. It is yours and mine.

**Mr. Crosby:** Well, you lower the price then.

**Mr. Boudria:** It belongs to the people of Canada. They have paid for it with their tax dollars and they do not need to be gouged at this time by anyone, whether a multinational, a Canadian corporation, a Crown corporation, or anyone else. The hard-earned dollars of the Canadian taxpayer must be protected. If the Tories across the way are unwilling to do that, we in the Opposition want to do it for them.

[*Translation*]

**Mr. Della Noce:** Mr. Speaker, I want to respond to my colleague from Glengarry-Prescott-Russell (Mr. Boudria) who said he gets a lot of complaints from his constituents, but he did not even answer my question. He is not alone, there must be many others who get complaints. But anyone who gets a complaint must answer and tell the truth, something he has yet to do. Either he does not understand, or he acts as if he does not. We get complaints—that is normal and par for the course—because consumers do not understand why oil prices went down, but not at the pump. There is an explanation, but the Hon. Member has to know what it is. There is a difference between a tax on the gross cost of a product . . . There is a difference between a provincial tax and a federal tax. There is a difference between a Crown corporation and a private sector company.

Well, my friend did not say anything about that, but it is quite easy to figure out, Mr. Speaker. When the price of oil

products decreases, it takes a little while to work its way down to the car owner. The product must go through a pipeline, be shipped by tanker, carried to the refinery, delivered to the service station, and then pumped into the gas tank. That is where they will get the discount, that is where they will see the price go down. It is just a question of time.

Perhaps my colleague might tell his constituents—

[*English*]

The good price is coming, but it takes a little time until the new product comes in. When one is in business one understands that you need an inventory. The Member will never be in business. I hope that people will never believe what the Member just said. He is not telling the thruth. Tell the people that it takes time, as it took time when the price went up. It takes 40 to 60 days. I agree that when it is time for the oil companies to put the price down, inventories are always a little bit higher. We know that. However, when it is going down, it is the same story. I saw that with my own eyes when the Liberal Government was in power. I wrote a letter and went 14 months without an answer. I did not want that.

**Some Hon. Members:** Shame!

**Mr. Della Noce:** If the people of Quebec want to visit that Member, it is not because he is telling his people the truth, it is because gasoline is cheaper in his area. That is the only time we come to see you, because you are not telling the truth. I ask your constituents to write to me. They do not need to use a stamp. I will give them the right answer. Their MP is not doing his job. He just wants to make a show here. This is not a circus. It is a serious place and the Member must do his work and answer to his people.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mr. Boudria:** Mr. Speaker, I listened closely to the remarks of the Hon. Member for Duvernay (Mr. Della Noce). He did not say much, but still I listened closely. As I recall—and his riding is not all that far from mine, roughly 50 miles—his election campaign was an urgent plea in defense of small businessmen and individuals. Whatever happened to the calling of the Hon. Member for Duvernay, Mr. Speaker? Did he forget it? Or again would it be the arrogance of power, the Conservative arrogance so obvious in the attitude of the Hon. Member? Well, all I can say is that the electors of Duvernay will certainly remember.

He said that consumers do not understand. Quite the contrary, Mr. Speaker! Canadian consumers understand all right, they understand that this Government has failed to live up to its many promises to the Canadian people, and that explains why the popularity of the Conservatives has taken a nosedive.

[*English*]

The Member across the way says that I will never be in business, Mr. Speaker. Let me tell him that after the next election he will never be in politics.



**The Acting Speaker (Mr. Charest):** The period for questions and comments is now over. Resuming debate, the Hon. Member for Winnipeg North (Mr. Orlikow).

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, on listening to the comments and questions which are coming from the government side one would assume that all of the calls from this side of the House to lower gasoline prices for consumers now are unfair, that the facts and figures we have used have been taken out of context, that we have misrepresented the facts, and that we are mischievous. The Canadian Automobile Association, which has tens of thousands of members in every province in the country, started a campaign urging its members to send a message to the Government that the price of gasoline should come down immediately. If that association is wrong, as the Government says we are wrong, I cannot understand why the Minister did not call the officers of the Canadian Automobile Association into her office and, with her officials, showed the association why it is wrong and urged it to stop misrepresenting the facts and to stop this campaign for lower prices of gasoline.

Today we have heard from the Minister of State for Mines (Mr. Layton) and the Parliamentary Secretary the same old tired and incorrect arguments blaming all of the ills in the energy industry on the national energy policy. There was a major mistake in the thinking that led to the national energy policy, but that same mistake was made by Mr. Lougheed, the Conservative Premier of Alberta at that time, and by Mr. Blakeney, the New Democratic Premier of Saskatchewan at the time. The thinking at the time was that there would be a continual increase in the world price of oil until the early 1990s when the world price of oil would be $60 to $70 a barrel. If that were true, we could bring the tar sands plant into operation and the Beaufort Sea and Hibernia would be viable. The federal Government and the producing provinces were to get more revenue and the oil companies would do better.

Of course, Mr. Speaker, that has not happened. The reverse has happened. The world price of oil has come down dramatically. It was $30 a barrel a few months ago and it is now below $20 a barrel. This morning in *The Globe and Mail* an analyst in the industry predicted that oil will go down to $15 a barrel. There was speculation in *The New York Times* a few days ago that oil would go down to $10 a barrel.

I suggest to Members on the Government side that they not crow so much about how well their policies have done and how successful they have been with regard to energy. If the price of oil goes down much lower than just under $20 a barrel as it is now, there will be very little exploration in the Beaufort and virtually no exploration off the Atlantic coast. It will not be viable to explore in these areas with oil being at such a low price.

• (1620)

Let us review the record to see how badly hurt the major oil companies were as a result of the National Energy Program. In July, 1985, the Government's own Petroleum Monitoring Agency reported on what happened to the industry in 1984. It

said that the financial performance of the Canadian petroleum industry improved substantially in 1984 over 1983. Total industry revenues were up 6 per cent to $64.5 billion. When compared with 1983, net income from total operations more than doubled to $3.7 billion in 1984 while internal cash flow rose 21 per cent to $10.4 billion. That is not bad for an industry, and I am sure that many of the small business people in my constituency would be happy if they could have—

**Mr. McDermid:** What is that, related to investment? What is the return on investment?

**Mr. Orlikow:** I have limited time. The Parliamentary Secretary has spoken.

**Mr. McDermid:** Do you understand what return on investment is?

**Mr. Orlikow:** If I have time I will be happy to answer his question.

There was a 1984 increase in profits from $2.2 billion to $3.7 billion, an increase of 141 per cent.

The National Energy Program could not have been that bad for the oil companies. Let us look at the latest profit figures issued by Imperial Oil. In 1985 their profits were $680 million, an increase of over 40 per cent from the previous year. In the last quarter alone for which they reported, profits were $250 million, up over 50 per cent over the same period in the previous year.

The monitoring agency attributes the internal cash flow increase of 21 per cent, to $10.4 billion, to improved margins in the petroleum products market, increased production and higher prices for crude oil, the deferral of current taxes previously accrued, and the divestiture of losing operations.

The Parliamentary Secretary said that the oil companies pay their taxes like all other corporations. I suggest that no industry has ever had the kind of preferred position with regard to taxes as does the oil industry. This is true in every country in which they operate where they manipulate in such a way as to pay as little tax as possible. The explanation for their increased profits is not mine, but that of Ralph Gillen, the Chairman of the Petroleum Monitoring Agency.

He also said that the petroleum industry's net income on Canadian operations for 1984 accounted for 22 per cent of total non-financial industry income. According to Statistics Canada figures, the petroleum industry's share was 7 percentage points higher than it had been in 1983. Twenty-two per cent of all non-financial wealth generated in this country in 1984 came from the oil industry. During that year, the shares of this total revenue of $23.1 billion changed dramatically in favour of the oil companies. Their share of the total increased by 3 per cent to 54 per cent. The provincial government's share increased 2 per cent to 31.5 per cent, and the federal share decreased 6 per cent to 15 per cent.

All of this occurred under the National Energy Program, in advance of the even more handsome concessions given to the oil industry by the present Minister of Energy, Mines and Resources (Miss Carney). My colleague, the Member for Vancouver-Kingsway (Mr. Waddell) has estimated that these concessions will cost the federal Government a further $5.3 billion in forgone revenues by 1990. Those kinds of concessions to the oil companies come at the same time that the Government has added thousands of dollars in taxes to every Canadian family.

It is easy to produce accords such as the Western Accord and the Atlantic Accord when you are prepared to toss around money as the Government and the Minister have done in arriving at those accords.

We have been saying consistently and indicating even more directly today that the consumers have not been seeing any benefits at the pump as a result of those concessions to the oil industry.

The Member for Glengarry-Prescott-Russell (Mr. Boudria) talked about the importance of the price of gasoline to his rural constituency. I point out to him that the price of gasoline is very important to my urban constituents because most of them must use their cars to go to work. They know that a tank of gas costs well over $20. Rather than a reduction in the price of gasoline as a result of the market fall in the world oil price, we are seeing higher prices, higher taxes, fewer suppliers and fewer jobs.

Let us consider why these events have occurred and how we can prevent them from occurring in the future. Prices could be brought down if the Government had the courage to act in the interest of the consumer. Before this is possible there must be some recognition on the part of the Government that oil production, refining and distribution to the customer does not operate in a competitive market as it seems to believe. Rather, we are dealing with a tightly managed oligopoly.

During her recent embarrassing retreats on oil pricing in Canada during Question Period in the last couple of weeks, the Minister has shown no recognition of this fact at all. In response to repeated requests for government action to ensure that declining oil prices are passed on to consumers, she could simply have said that in a free market system lower priced supply of oil should mean lower prices at the pump. However, on January 20, as reported at page 9943 of *Hansard*, the Minister said, in answer to the Hon. Member for Vancouver-Kingsway, that:

> I wish to point out that the increases in gasoline prices about which consumers are concerned, of course, are the federal, municipal, and provincial tax loads which have been imposed on gasoline prices.

There have been increases by the Governments but she did not explain that while taxes have gone up 2.4 cents a litre, gas prices rose by more than 6 cents a litre in the time that her Government has been in office. In other words, the oil companies added another 3.6 cents a litre to the price they charge the customer.

On January 21, as reported at page 9994 of *Hansard*, she took a new tack, saying that while prices have dropped from $28 to $20 per barrel:

Actually oil prices rose toward the end of last year, and they historically stay high during wintertime.

She went on to say that the price decrease would not show up "until a few months from now". However, oil prices have been falling consistently since 1981 when they were $31 a barrel.

Last June prices were cut to $26 a barrel and the United States wholesale gasoline market dropped prices by 5 cents a litre. Why did Canadian consumers not get a comparable price decrease in this supposed market sensitive price regime? At that time it was freely predicted that oil prices would decline for another two years, as they have. Surely our oil companies could have seen the writing on the wall and the future price at the pump. The long-term market trend has been clearly down, everywhere but in Canada it seems.

● (1630)

On January 22, the Minister told my Leader, the Hon. Member for Oshawa (Mr. Broadbent), that she could not help save Canadian consumers $8.5 million a day at the gas pumps by instructing Petro-Canada to lower prices because:

It would be detrimental to the company's interest on behalf of Canadians, because we own it, to give it that kind of direction.

Let me pause a moment to ask, if Petro-Canada is not prepared to lower its price, as we said it should and could, why does Petro-Canada not permit its dealers who are prepared to use the market to try to sell more gasoline and to reduce the dealers' price by 2 cents a litre? The dealers are prepared to operate on a smaller margin, and it is Petro-Canada that is telling them they cannot. Petro-Canada is playing the same game, non competitive, as do the other major oil companies.

On January 28, the Minister announced:

I have communicated with industry executives to ensure that consumers get the full and fair benefit of the price declines which are in the system now.

Does the Minister have the kind of confidence in the free market system, which she says she has? Does the Minister believe the oil companies will treat their customers fairly? If the Minister believes the oil companies will really compete, why did she have to send that telex to the industry? In reality, the Minister knows that there is not any real competition. She knows the oil companies are working together. She knows they will squeeze the consumer for every penny they can get.

On January 24, the Minister of Energy, Mines and Resources, in response to a question from the Hon. Member for Vancouver-Kingsway on the anti-competitive behaviour of the oil companies, said:

If the Hon. Member has any evidence of collusion or activities of that nature, why does he not present it to the Minister of Consumer and Corporate Affairs?

Surely the Minister should have known that the Minister of Consumer and Corporate Affairs (Mr. Côté) has had in his possession for some time a seven volume report from the Director of Investigation and Research for the Combines Investigation Act that demonstrate just what I have said, that there is no competition.

In fact, the report shows that monopolistic and anti-competitive practices cost Canadians, from 1958 to 1973, $89.2 billion in 1981 dollars or $15,000 per Canadian family. I very much regret that the Minister and her Government cannot come to grips with the deficiencies in gasoline marketing which were detailed in this report at great length.

Instead of acting on this report, the report has simply been sent to the Restrictive Trade Practices Commission, which the Government has already said it will abolish and where the report is being studied to death. Yet, this report, if the Minister were really concerned about what has happened to consumers and if the Minister of Consumer and Corporate Affairs was doing his job, has much to offer.

I would like to summarize its findings and emphasize its conclusions so that the Minister and Canadians will have squarely before them some legislative remedies which would break the stranglehold that big oil has on the production and distribution of gasoline in Canada, which it had during Liberal Governments and has had under Conservative Governments.

First, the report said that imported oil has been brought to Canada at higher than world market prices through transfer pricing by international oil companies following the lead of Imperial Oil, in violation of the conspiracy sections of the Combines Investigation Act.

The director recommended legislation to prohibit payment of these high transfer prices to foreign parent companies and to allow Canadian authorities to obtain information stored abroad by these parent companies. He recommended that all petroleum pipelines under federal jurisdiction be actively regulated and that legislation be enacted requiring integrated oil companies to divest their holdings in all existing pipelines subject to federal jurisdiction.

The director recommended that all refinery supply agreements in interprovincial and international trade be referred to the National Energy Board, with a referral to the Minister of Consumer Affairs, to investigate their effects on competition.

I could go on, but I note you are indicating that my time has nearly concluded.

We believe there is quite a legislative agenda which the Government could follow if it would look at that report and take it seriously. The Government opposite for all its talk does not want to deal with it.

The Minister of Energy, Mines and Resources will not admit that competition is severely curtailed—

**The Acting Speaker (Mr. Ravis):** I regret to interrupt the Hon. Member but his time has expired.

**Mr. Shields:** Mr. Speaker, I have a question for my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow). If I may be allowed a short preamble, I would like to go to the original motion. If you look at the motion, Mr. Speaker, it reads:

That this House demands that the Government instruct Petro-Canada and its retail outlets to reduce their prices at the pump by 6 cents a litre—

The Member for Winnipeg North says that some poor little service station operator was not allowed to reduce his prices unilaterally. First, the service station operator has a contract. All service station operators have contracts with the companies with which they do business.

**Mr. Epp (Thunder Bay-Nipigon):** That is the problem.

**Mr. Shields:** Would the Member from Winnipeg North countenance the individual operator's ignoring a signed legal document and then putting himself in the position of going to court? Does he not understand that business works this way? When you go into business and set up something, does he not understand that you sign a contract and you agree to abide by it? I would suggest that Members are using that as a red herring.

What about this, Mr. Speaker, "Order Petro-Canada and its service stations to reduce the price of gas at the pumps by 6 cents". What if Petro-Canada ends up at the end of the fiscal year with a deficit?

**Mr. Waddell:** Not necessarily.

**Mr. Shields:** That was said by many Members. It is conceivable that it will end up with a deficit.

**Mr. Waddell:** It may.

**Mr. Shields:** It may. It doesn't really matter, but we will find out, that is what the Member is saying. If the company does end up with a deficit, who picks up the deficit? The taxpayer, Mr. Speaker.

We say to Petro-Canada to get out there and compete with the big boys. Be a window on the industry. When Petro-Canada is doing so, we do what the Member suggests and we order it to reduce prices at the pumps. Do not worry about what it is going to cost Petro-Canada. The taxpayer will pick up the costs at the end of the fiscal year. What a ridiculous situation, Mr. Speaker.

How does the Member square that with going with his Leader, old smiling Eddie, to Albert and saying. "We want a floor price on gasoline so that the price will not go down"?

**Mr. Waddell:** I dealt with that in my speech.

**Mr. Shields:** What about: "We will make the consumer pay. We want a floor price. I will be able to sell that when I go back to Ontario"? I have nor heard the Member say that in Ontario yet. I have not heard him say it here in the House. I heard the Member from Vancouver-Kingsway mention that kind of thing. How do you square this, Mr. Speaker?

**Mr. Orlikow:** Mr. Speaker, I rise on a point of order. I hope that the Hon. Member for Athabasca (Mr. Shields), who is purporting to ask me some questions, will leave me a little time to answer. If he wants to make a speech, I will be very happy to listen to him. But if he wants me to answer the questions, I hope he will give me some time to answer them.

**Mr. Shields:** Mr. Speaker, I will be giving the Member ample time to answer the questions. The first question was on the contract. Does the Member know what the questions are?

**Mr. Orlikow:** I know.

**Mr. Shields:** He is ordering Petro-Canada to lower the price by 6 cents and if it goes into a deficit position, the taxpayer will pick up the deficit. How do you square that with the Leader of your Party running across the country, particularly in Alberta, saying to the people that we should have a floor on the price of gasoline when you know full well that in the long run it is going to cost consumers money at the pumps? How do you square that with saying in one breath this afternoon during Question Period, "Do something about the dollar, lower taxes, go after the deficit, secure the dollar", and then saying, "We'll lower the taxes on gasoline at the pumps"? That is where the problem is. The tax is at the pumps. That is the problem. Take your time now and see if you can answer those.

• (1640)

**Mr. Orlikow:** It is not difficult to answer those questions. First of all, Mr. Speaker, my answer will be in reference to the contract between the filling station operator and the oil company, and I do not refer just to Petro-Canada. They are all the same. The Hon. Member for Athabasca (Mr. Shields) is assuming that the little gasoline dealer is negotiating on the basis of equality with the oil companies. Nothing could be further from the truth. The oil company says to the dealer, "Here is a contract, sign it or you are out of business". So I say, of course they have a contract. Why should the believers in the free enterprise system defend a company that is not letting a retailer lower his price so he can help the consumer and get more business himself?

It may be that Petro-Canada would lose money if it followed our direction. I already quoted the kinds of profits which Imperial Oil made, and I am sure all the other oil companies are doing very well, and so is Petro-Canada.

**Mr. Shields:** Point of order, point of order. If I may ask the Hon. Member to quote the figure from Petro-Canada; how much was the profit of Petro-Canada? That is the question.

**Mr. Orlikow:** If the Hon. Member wants to do that, he can do it on his own time. I do not have that particular set of figures here, but I am sure Petro-Canada was not losing money.

The Hon. Member referred to the speech which my Leader made in Alberta. Let us be realistic; there is no way in which oil can be produced at as cheap a price in Canada; not in the Beaufort Sea, not off the Atlantic coast, not even in the conventional way in Alberta or Saskatchewan. There is no way that the price can be as low as the price of getting a barrel of oil in Saudi Arabia. I referred in my speech to an article in *The New York Times* in the last few days which speculated that the world price of oil could go down to as low as $5 per barrel. So what my Leader was saying should be obvious to everyboby; if we want to have an oil industry in Canada—and

we do as much as anybody else—then we need to have policies which permit that industry to operate, to explore for oil and natural gas, to look for alternative sources, and to be viable, to be able to make a profit.

What we object to is the rip-off of the consumer which has gone on for these many years as reported by the Government commission that looked at it. What we are opposed to is the unconscionable profits which Governments, Liberal and Conservative, have permitted the oil companies to make over the years.

**Mr. McDermid:** I want to ask the Hon. Member what unconscionable profits are. I have never had a socialist explain this to me. The socialists have a great knack for saying that this company made $50 million or $100 million more than it made last year. It made 20 per cent more than it made last year. They throw these figures around. If I earned $1 this year and next year I earned $2, the increase in my profits is 100 per cent. They never, never relate it back to return on investment, never. They never point out that in certain years the return on investment was very poor; they never talk about that. They never talk about what is a fair return. Is 10 per cent a fair return, 2 per cent, 5 per cent, 15 per cent? They never talk about it. The reason they do not talk about it—and I am sure the Hon. Member will admit to this—is that they do not know about it. They do not understand a fair return on investment. They do not understand that part. Profit is a dirty word to them. They do not understand the concept of taking a risk, putting your money into exploration and expecting a fair return. What is a fair return? Tell me what a fair return is. The industry was taxed almost out of existence under the National Energy Program.

**Mr. Orlikow:** I wish the Parliamentary Secretary had listened to the speech which I made in which I quoted—

**Mr. McDermid:** I did, *ad nauseam.*

**Mr. Orlikow:** —in which I quoted figures which were prepared by the Petroleum Monitoring Agency. Let me repeat them again as follows:

> The financial performance of the Canadian petroleum industry improved substantially in 1984 over 1983, . . . Total industry revenues were up 6 per cent to $64.5 billion. When compared with 1983, net income from total operations more than doubled to $3.7 billion in 1984—

**Mr. Shields:** What's the return on investment? Answer the question.

**Mr. Orlikow:** The Member asks what is the return on investment. We can sit down, Mr. Speaker, when we both have time—

**Mr. Shields:** Well, do you know?

**Mr. Orlikow:** Mr. Speaker, I wish the Hon. Member for Athabasca would not sit on his brains and I wish he kept quiet for a little while.

**Mr. Shields:** Do you know?

**Mr. Orlikow:** Mr. Speaker, we can go to the parliamentary Library at six o'clock and we can get out *The Financial Times'* report where we will see that no industry made as high a return on its investment as did the oil industry. It was much higher than that of the manufacturing industry, much higher than that of the retail industry. These are the facts, and the oil industry has done this for generations. It has played off Canada against the United States, the United States against Britain and all of them against the producing countries in the Arab states until they nationalized those companies. If the Members on that side want to cry for the oil companies, they can do it, but I know the Canadian people will not cry about the poor state of the oil industry in this country.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Trade (a) Content of negotiations (b)Negotiation issues; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Atomic Energy of Canada Limited (a) Radioactive waste disposal research (b) United States dump site; the Hon. Member for York East (Mr. Redway)—Trade—Removal of tariff on computer parts.

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## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—PRICE OF GASOLINE

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

> That this House demands that the Government instruct Petro-Canda and its retail outlets to reduce their prices at the pump by six cents a litre, a move which would enable Petro-Canada to fulfil one of its basic purposes which is to provide Canada with reasonable energy prices.

**Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, I greatly appreciate the opportunity as an Albertan to speak in this debate and, indeed, as a Canadian. We have had an interesting airing of views, and I must say that it has benefited me greatly to hear the clarity and the sanity of the statements made by the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources

(Mr. McDermid) and my esteemed colleague from Athabasca this afternoon.

My friend from Winnipeg North has suggested that the Canadian Automobile Association is not wrong. His statement is partially correct and partially in error. What the Canadian Automobile Association is asking is for prices to come down as a result of taxes being lowered. I would invite the Hon. Member for Winnipeg North (Mr. Orlikow), sometime when the occasion presents itself, to tell us precisely what programs he would like to have eliminated in order to accommodate the lower taxes.

**An Hon. Member:** Don't give $5.3 billion to the oil companies.

**Mr. Edwards:** I would like to put to rest once and forever this canard that money has been given to the oil companies. Nothing could be further from the truth. What has happened with the abolition of the National Energy Program is that justice has been restored to western Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Edwards:** A Member for Vancouver should be absolutely ashamed to pretend that the New Democratic Party opposed the National Energy Program in order to benefit the Western Sedimentary Basin and the development thereof. Look at the people who were put into bankruptcy and look at the people who became suicidal. Look at the disasters inflicted upon western Canada by the National Energy Program.

• (1650)

**Mr. Waddell:** I invite you to look at the record.

**Mr. Edwards:** The question of what constitutes a fair return was a question posed by my friend, the Parliamentary Secretary, but not properly responded to other than by an invitation to the Library. Members of the New Democratic Party may laugh when the Parliamentary Secretary says that the industry was taxed almost out of existence, but that is the truth. The fact is that before the National Energy Program, the record of the industry, whether multionational or Canadian owned, was that of a reinvestment practice of 105 to 110 per cent. It was the National Energy Program which discouraged that.

Last Saturday, as is my practice on a regular basis, I held a town hall meeting in my riding of Edmonton South. It was attended by a good many people. This particular town hall meeting was held in opposition territory, one of the four out of 176 polls which I lost in the 1984 election. I might add, it was NDP territory. We heard some very interesting questions at that meeting. One of the questions posed was the question related to today's motion, and that is, "Why aren't you lowering the costs to gasoline consumers by ordering Petro-Canada to cut its price by a fixed amount?" I had no difficulty answering that question nor did the 114 other people at that meeting including, I would submit, many New Democrats who thought it was the height of folly to suggest that we increase the deficit in order to deliver a lower price at the pumps.

My hon. friend, the Parliamentary Secretary to the Minister of Energy, Mines and Resources, has alluded to a very interesting editorial in last Friday's Ottawa *Citizen,* a newspaper which I do not always embrace but which I think has lucidly addressed this particular question. It is a newspaper which uses the expressions "the mouths of mock-furious Liberals and New Democrats" and "it is juvenile to expect that a downturn in world oil prices will be felt instantly at the gas pumps". The very idea that Petro-Canada should be manipulating prices is anathema to the people of Canada. Do we want Governments setting the price of bread, for example? That, I submit, is a Marxist, Third World concept.

**Mr. Waddell:** Ha!

**Mr. Edwards:** It is to laugh, is it?

**Mr. McDermid:** He wants the Government to set the price of bread.

**Mr. Edwards:** Perhaps the Hon. Member would relish the idea of the Governor General's Foot Guards charging Parliament Hill.

It is a fact, and I think the record should show, that 80 per cent of the personal taxes paid in this country go toward paying interest on the Liberal-NDP debt which was inflicted upon the country. We have to put our house in order, and the very thought of putting more money into Petro-Canada in order to lower the price of gasoline is foolhardy, to understate the case.

Let us look at what the Government has done in order to benefit the development of that great engine of growth, the energy industry, over the past 17 months. The Minister of Energy, Mines and Resources (Miss Carney) has secured the Atlantic Accord, the Western Accord and its companion document, the agreement on natural gas markets and prices, and has introduced the new frontier energy policy, each of which go effectively toward eradicating the last vestiges of the infamous National Energy Program. These are formidable accomplishments considering that, when they are assessed as a group of policy initiatives, they have a great total effect. It is even more noteworthy that these agreements have been concluded with the interests of all regions of Canada in mind and therefore all consumers.

As Hon. Members know, the federal Government is committed to establishing a new Canadian economic environment free of excessive regulation and market intervention within which industry and commerce in all regions can flourish. Since the signing of the Western Accord just 10 months ago, the industry has announced an array of projects and plans that cumulatively will involve the investment of over $10 billion, directly employing more than 46,000 Canadians in construction and ongoing operations. Companies have announced their intentions to pursue a number of other projects pending conclusion of the detailed negotiations with Governments and prospective partners totalling another $12.5 billion and employing upwards of another 28,000 Canadians. Not included in these figures is the massive investment plan to develop the Hibernia

on the offshore of Newfoundland. Estimates here are that more than $5 billion will be invested with the creation of thousands of construction and ongoing jobs for Newfoundlanders and other Canadians.

The Government of Canada is well aware of the cyclical nature of oil prices and has designed its energy policy with that in mind. That is why we moved to market-sensitive pricing. As the Minister of Energy, Mines and Resources said recently, we are well positioned to take advantage of both the upstream and the downstream in energy. Our energy policy is still one of the most competitive in the world and will withstand the test of changing prices.

There has been a lot of confusion about the impact of the recent decline in crude prices. I am pained, to paraphrase what the Secretary of State for External Affairs (Mr. Clark) said on a different matter here in the House today, to say that it ill becomes the dignity of the office of Hon. Members to contribute to that confusion. I would like to try to sort it out for Hon. Members this afternoon. First, let us look at the upstream.

Many questions have been asked about the viability of major oil and gas projects in light of declining world oil prices. First, production of many of the major energy projects currently under construction will not commence until the mid-1990s. It is therefore not so much current price levels but the future of oil price movements that determines the economic viability of these projects. Most observers, and I think even the Hon. Member for Winnipeg North with his suggestion of $5 per barrel, would expect prices to rebound in the early 1990s, possibly increasing at rates above the inflation rate. Indeed, the very fact that the long-awaited drop in oil prices appears to be taking place now removes the doubt. The sooner this happens, the less doubt about the eventual rise.

We all hope that there will continue to be peace in the Middle East, but it is a fact of which none of us need to be reminded that if peace does not prevail in the Persian Gulf, for example, this oil glut could be a very transitory occurrence. In the unlikely event that prices remain depressed over the long term, the return on these major projects would obviously be affected. Nonetheless, many of the major energy projects can withstand a fairly significant drop in the world price. In particular, we could refer to projects such as Hibernia, the existing oil sands operations and the many *in situ* bitumen projects in Alberta.

A statement was made very recently by an executive of Imperial Oil to the effect that Imperial Oil's major resource projects, particularly the Cold Lake heavy oil development, are actually quite resilient to price erosion.

That is the upstream. What about the downstream which of course has a more immediate impact on the consumer? Again, I remind the House of the positive steps the Government has taken to enable consumers to benefit from the recent decreases in oil prices.

Through the Western Accord, we deregulated the price of crude oil and freed it from the previous Government's rigid pricing policies. Crude oil prices are now set by the marketplace. Under deregulation, Canadian crude oil prices respond very quickly to changing international market conditions. This process is evident today. The recent substantial declines in international crude prices have already resulted in lower posted prices for Canadian crude oil. There is no doubt that the Western Accord and deregulation have resulted in a very effective and responsive Canadian crude oil market. This cheaper crude will be refined into cheaper gasoline. However, first, this lower-priced crude must work its way through the pipeline system into the refineries. A barrel of light Canadian crude typically takes five weeks to travel from Edmonton to Montreal. This industry operates like any other that stockpiles feedstock and products, such as the forest products industry and even farming. To say that lower oil prices should ignore inventories is to suggest that milk and bread should see an instant price drop as soon as farmers' own oil costs go down.

• (1700)

Furthermore, companies generally run down higher-priced inventories of crude and product before lowering prices to reflect their lower costs. These inventories, which cover from one to two months of requirements, are necessary to ensure that customers enjoy uninterrupted oil product supplies. I remind the House that it was the previous Government, the Liberal Government which prohibited companies from immediately passing through crude price changes to product markets. Instead, they were forced to wait until transportation lags and inventory draw-down had been accounted for. What we are saying is: Let the market decide—it could be sooner than the old rules would have allowed.

Once the companies begin to benefit from lower-priced feedstock, it is expected that these savings will be passed to consumers at the retail level in the form of lower gasoline pump prices. The industry has said that and it is generally acknowledged. I hear Hon. Members opposite scoffing.

**Mr. Waddell:** Do you believe in fairies, too?

**Mr. Edwards:** It is suggested that the oil industry is composed of fairies.

**Mr. McDermid:** He does not believe anybody but his Leader.

**Mr. Edwards:** I think I have heard enough fairy stories from Members opposite.

The Minister of Energy, Mines and Resources recently communicated with oil industry leaders by telex, as she has told us, telling them of the Government's expectations in this regard. The Minister has already received some very encouraging and positive feedback from these companies indicating their co-operation in providing these benefits to consumers.

**Mr. Della Noce:** We will be checking that, too.

**Mr. Edwards:** Of course we will. We are vigilant, always vigilant.

The Government also expects that Petro-Canada, as one of those companies, will act in a responsible manner in competing with other oil companies in the market-place. Furthermore, deregulation has answered that Canada's oil market is fully open to the forces of international competition. Most regions of the country are exposed to oil product imports from the United States and overseas. These imports help to keep Canadian oil product prices in line with those in international markets. The recent rapid decline in oil product prices could force Canadian oil product price redutions even before refiners benefit from lower crude oil costs. This is what free market forces are all about.

Here endeth the lesson: The motion to have the Government force Petro-Canada to lower its pump prices by six cents per litre is both unnecessary and unrealistic. The Government no longer finances Petro-Canada; and it certainly does not get involved in the day-to-day operations of Crown corporations. Government interference of this sort risks doing serious damage not only to Petro-Canada but also the Canadian oil industry which provides thousands of jobs throughout the country.

I conclude by reminding the House that the Government is committed to deregulation. This means allowing market forces to operation without Government interference. None of us want a return to the oppressive Liberal-NDP regime of regulation, the legacy of which is our national debt and our overweening deficit.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Charest):** Are there questions or comments? The Hon. Member for Winnipeg North (Mr. Orlikow).

**Mr. Orlikow:** Mr. Speaker, I would like to ask the Hon. Member two questions. He reiterated again the usual Conservative argument that it was the NDP which created the tremendous difficulties for the industry. The United States has the most progressive Government that country has had in the last 50 years. A year or two ago Exxon, which invested between $2 billion and $3 billion to build a plant which would extract oil from shale, I believe in Colorado, closed down its operation. The Americans did not have a national energy program. Why did they close this operation down? They did so because the idea of building that plant was based on a very high-priced barrel of oil. Why did they do the same thing as companies did in Canada, when they did not have a national energy program to worry about?

The second question I wish to ask the Hon. Member is this. He suggests that when we propose a specific reduction in price, this is a Marxist idea and interferes with the free market. Can the Hon. Member explain why it is that Conservative provincial Governments in Ontario, Saskatchewan and Alberta operate marketing boards for milk, eggs and hogs, the purpose of which is to help producers and to put in place a price floor which interferes with the market? Is that not a Marxist idea as well, just to use the Hon. Member's thinking on the subject? Or is this the case because that is the only way in which industries can survive?

**Mr. Edwards:** Mr. Speaker, I am pleased to have been asked those questions by the Hon. Member for Winnipeg North. First, with respect to the question of the closing down of the shale project in, and I believe he is right, it may be Colorado or Wyoming, there is a distinct difference between the American situation and the Canadian situation. That is to say that the United States decision was made not because the Government was pro-business or anti-business but simply because the people of the United States have the good common sense not to tax to its knees an industry which is an engine of growth.

With respect to the question of helping producers and the objectives of marketing boards, we are hearing a contradiction from the Hon. Member opposite. The NDP line is that we are giving money to oil companies. Yet, I hear the Hon. member for Winnipeg North saying that the purpose of marketing boards is to help producers. Who in heaven's name are the producers if they are not those same invidious and malicious oil companies, be they domestic or international?

**Mr. Orlikow:** I worry about the farmers, not the oil companies.

**Mr. McDermid:** Mr. Speaker, I wish to aks the Hon. Member a question. The Hon. Member for Winnipeg North quoted some interesting statistics from the Petroleum Monitoring Agency. However, in doing so he neglected to answer the question which I asked with respect to the return on investment in the energy industry, which figures were contained, by the way, in that same report from which he was quoting. He failed carry on in his reading into the next paragraph. Could the Hon. Member for Edmonton South (Mr. Edwards) fill us in on the return on invested capital in the energy industry?

**Mr. Edwards:** Mr. Speaker, I just happen to have paid a trip to the Library. I can say that if the Hon. Member for Winnipeg North had read a bit further from what he was quoting he would have seen that as regards oil industry product, the later report released by the Petroleum Monitoring Agency for the first six months of 1985 shows that the oil product sector of the Canadian petroleum industry recorded a $206 million after-tax profit. This compares to a profit of $293 million for the year 1984 and a loss of $158 million for 1983. In spite of the improvement in downstream income in the first half of 1985, the rate of return on capital employed for total operations was only 5.2 per cent, marginally below that obtained by all other non-financial industries for the same period.

**Mr. Waddell:** Obviously, then, no onw would invest in the energy industry, and Imperial, Gulf and Shell would have done poorly in Canada all these years. This is the old canard of the industry. It constantly asks about the rate of return. It is the figures provided by the industry that count. It counts as part of its investment the oil in the ground, which does not belong to it. It counts lots of things. So the Hon. Member should not get sidetracked by that canard. That is the line of the Canadian

Petroleum Association as reflected in the report to the monitoring agency.

• (1710)

I want to ask the Hon. Member two short questions. I have made the case today for a market which is not free. The Hon. Member is a free marketer. Surely, if he looks at the Bertrand Report, the Work of the Restrictive Trade Practices Commission, the evidence we have heard from small independent dealers, and at the fact that 70 per cent of the retail industry is controlled by four oil companies, would he not admit that we do not really have a free market? If the Government wants to be consistent, it should take steps in the Western Accord not only to deregulate the industry but to make it a competitive market as was done in the United States with its anti-trust laws.

Second, I would like to know what position the Hon. Member took on the expansion of Petro-Canada when the Government bought the gas stations from Gulf, that is, his own personal position.

**Mr. Edwards:** Mr. Speaker, I would be pleased to take those questions in reverse order. I support the Government's position *vis-à-vis* the purchase of the Gulf retail operations in western Canada, that is, simply, that the Government had no position on that. That was a decision taken by a Crown corporation which is at arm's length.

**Mr. Waddell:** Oh, oh!

**Mr. McDermid:** And is operating like a business.

**Mr. Waddell:** You are marxists.

**Mr. Edwards:** Second, when the question is raised about restrictive trade practices and four oil companies operating in the market, here again we have the New Democrat politics of innuendo and fear. The fact is that if we had an NDP Government, which God forbid, we would have a marvellous conglomerate ridden with corruption and inefficiencies. We would have a nationalized oil industry in total.

Finally, there is the marvellous tendency—proclivity I might say—of the New Democrats to ride two horses, to want to have it both ways.

**Mr. Waddell:** We are asking you. You are the ones who deregulated.

**Mr. Edwards:** What I am quoting from is challenged, but it is the basis of the statement of the Hon. Member's colleague, the Hon. Member for Winnipeg North. The NDP was created by Dr. do-little; it is a push me—pull you.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I am pleased to have a chance to speak in this debate on the pricing of petroleum products and Petro-Canada because it is an issue of great concern in practically every riding in this country. People see the headlines every day and know that crude oil prices are dropping from $28 or $29 a barrel in U.S. funds to $18 a barrel, which is a 33 per cent drop or more, and they are wondering why gasoline prices are not going down at the pumps.

I have a selection of headlines which appeared during the last couple of days. I think that from them we can get some feeling of the problems the Government faces with this issue. For instance, on February 1, the headline in *The Ottawa Citizen* read: "Federal Energy Policy in Confusion". On January 27 the headline in the *Montreal Gazette* read: "Customers' Revolt Brewing Over High Gasoline Prices". In the *Chronicle Herald* on January 23, the headline read: "Gas Tax Bite Too High, Canadian Automobile Association Says". *The Ottawa Citizen* headline on January 24 read: "Tourism Officials Want Pump Prices to Reflect World Price Cut". The headline in the *Toronto Star* on January 24 read: "Why is Our Oil Price So High? Industry Has Few Answers". In the *Toronto Star* of January 23, the headline read: "Excess Gas Prices Cost $8.5 Million Each Day". In the *Montreal Gazette* on the same day the headline read: "Wilson Won't Lower PetroCan's Gas Prices". On January 22nd, the *Toronto Star* headline read: "We Could Wait Months Before Gasoline Prices Drop, Minister of Energy Carney Says". That is the consumer side of the issue. In the *Montreal Gazette* on January 22, the headline read: "Oil Prices Continue to Fall but Not at the Gas Pumps". In the *Toronto Sun* on January 20 the headline read: "Rip-Off at the Pumps", and there followed a detailed account.

Looking back a little further we see another headline: "PetroCan Names Moore Firm as Consultants", and it goes into great detail about how $100,000 is being paid for consultant fees to Frank Moore to advise PetroCan. Obviously, he has not advised them as yet to lower prices. And as we search through the article we see his cohorts in that advisory group. Mr. Doucette, the brother of the senior aide of the Prime Minister (Mr. Mulroney), headed up a company which lost $20 million in East Coast energy. We can then understand why there is difficulty in PetroCan getting the policy right.

Going back a few months to the cut-back in the Petroleum Incentives Program, we see the headline: "Frontier Oil Rigs to be Cut, Analyst Predicts". A little farther back from last year we see: "Promise of Offshore Oil Fading in Nova Scotia", and "PetroCan Plans Gas Station Closures. Small Explorers Ponder Future". That was back on November 1, 1985, at the time of the new energy agreements. I have here a very forthright article written by the President of PetroCan in the *Toronto Star* on January 25. The headline reads: "PetroCan Chief Speaks Out on Painful Lay-offs and Closings of PetroCan Gas Stations". Here is another headline: "Low Oil Prices Worry PetroCan Chief".

With respect to the motion before us today. I would like to speak briefly about the adverse impact of the oil price drop and the Government's lack of policy with regard to it. I also want to talk about the impact of the oil price reduction and the lack of action taken by the Government over the last year to take economic advantage of lower oil prices. For instance, it is not only the national price of oil, as we would see in metropolitan areas such as Toronto, but it is the impact we see in the

more remote areas of our country. Sault Ste. Marie is a medium-sized city serving an area with 120,000 people. It is quite a distance from Metropolitan Toronto. Regular gasoline currently is selling in Sault Ste. Marie at about 54 cents a litre compared to about 61 cents a litre in Toronto, which works out to a difference of seven cents a litre. If we compare that with the population, we find that the resident population consumes about 71 million litres of gasoline per year. That price difference means that the residents of Sault Ste. Marie have to pay around $5 million more a year. For an average family driving an average number of miles, that adds up to an extra cost of $150 a year. If they drive across the bridge to Sault Ste. Marie, Michigan, they will save at least $10 a tank of gas.

● (1720)

We have to ask ourselves whether Petro-Canada, when it was established in the mid-1970s, was meant to be a window on the industry or a bank vault for the Government. On June 1 last, Petro-Canada spent tens of thousands of dollars for advertisements to say it was bringing down the price of gasoline at the pump. The company placed an ad in *The Sault Star* on June 1, 1985 which said that Petro-Canada was pleased to announce lower prices at the pump. The company said that the recent federal Budget changed the levies on petroleum products and it was pleased to pass on those cost reductions to its customers. Due to decontrol, the company said, and removal of the Canadian ownership special charge, Petro-Canada is lowering the posted price of products such as gasoline and diesel fuel by six-tenths of a cent per litre. Heating fuel was reduced by one-half cent per litre. The prices were effective June 1 at all company-operated and agency stations. That, of course, was very good. The actual petroleum compensation charge was 1.8 cents a litre and they only passed on a portion, six-tenths of a cent per litre, but at least they did something.

**Mr. McDermid:** On a point of order, Mr. Speaker, I do not think my hon. friend would want to mislead the House deliberately. The tax was in fact seven-tenths of one cent, not 1.8 cents, as he said.

**The Acting Speaker (Mr. Charest):** Order, please. All Membes know there will be a period of questions and comments once the Hon. Member has finished his remarks.

**Mr. Foster:** Mr. Speaker, the Parliamentary Secretary knows that the petroleum compensation charge put in effect in November, 1984 was 1.8 cents per litre.

This advertisement shows that the Government can give leadership if it wants to. That is what Canadians are calling on the Government to do. They want Petro-Canada to give leadership. I am sure Petro-Canada did not dream up this campaign itself. It probably did it at the suggestion or behest of the Minister. The company is capable of giving leadership on prices, and that is what Members of this House are asking it to do today.

In a front page article in *The Sault Star*, the Federation of Northern Ontario Municipalities demanded a monitoring system to track gasoline prices and try to bring some relationship between the prices in northern and southern Ontario. As I pointed out, people in the North are very concerned at the additional cost they have to pay. They have longer distances to travel for health care, shopping and things like that. I received a letter from a couple living in Elliott Lake, Mr. and Mrs. E. A. Smith. They said they are being hurt by the high price of gasoline. They are pensioners and they have to watch every cent they spend. When they look at making a trip to visit their family in Nova Scotia, possibly for the last time, they are looking at a lot of money for gas. They ask why it is that the U.S. gas is so much cheaper than ours. "Why can our gas not be reduced to a reasonable level so we can afford to drive our car rather than to have it sit in the driveway until the pension cheque comes in?" That is very typical of letters that Members on all sides receive. I am sure the Parliamentary Secretary and other Members on the Government side are getting the same kind of letters. I have another letter from the English Tea House in Desbarats, Ontario. Mr. Johnstone protests the very high price of fuel, not only gasoline. He points out that the price of propane has gone up dramatically from 27 cents to 32 cents a litre. This may not seem like a very large increase between 1984 and 1986, but when you go to fill a 500-gallon tank for a senior citizen like this it is very expensive. He points out at the same time that he uses kerosene for spot heaters and that the price of kerosene has gone up from 51 cents a litre to 56 cents a litre or $2.55 a gallon in one year. This is a tremendous hardship. It was at a time when oil prices were supposedly deregulated, the world price was falling by several dollars a barrel, and of course it has fallen dramatically since. This is the kind of concern being expressed.

I would also like to talk about the anguish that Petro-Canada dealers have to go through. Even though they own all of the gasoline and fuel oil in their tanks, they are forced by contract to sell at a price that Petro-Canada dictates to them. We have an example of that in Bracebridge, Ontario. The company has a formula, which means that the more you charge, the higher your commission. For example, at 55.9 cents a litre you get a commission of 3.4 cents. If you only charge 47.9 cents a litre, you only get 2.8 cents. This is from a pricing schedule for Petro-Canada's Trafalgar terminal as of September 3, 1985. As of January 1, 1986, the company escalated the price at which you get the maximum commission from 55.9 cents to 58.4 cents, but the commission is the same. The whole commission arrangement is designed not to sell more gasoline but to charge a higher price. The dealer who gave me this information is very upset. He feels that the company is totally ruthless, uncaring, and unfair in its relationships.

● (1730)

That is one aspect of the situation as I see it today. The other aspect of the Western Accord and the policy of the Government is that there is very little provision in the Western Accord to maintain and keep the oil industry functioning in a healthy state in western Canada when oil prices are falling. As a matter of fact, the only provision for that in the Western

Accord is Section 9 which reads: "In the event of international oil marketing disturbances that result in short-changes to crude oil prices with potentially negative impacts on Canada, the Government of Canada, following consultations with provincial Governments, will take appropriate measures to protect Canadian interests."

We are already seeing that in spades, Mr. Speaker. Besides that policy, which is very inadequate to deal with the rapid drop in crude oil prices, we are already seeing major projects falling like tenpins across Canada. There is no adequate provision in that agreement to deal with price drops to $18, $15, or $12 a barrel.

I recently spoke with an exploration company which said that when the price of crude oil drops to $20 a barrel it cuts its exploration program in half. If the price drops more, its exploration program will be reduced more. Many projects have either been cancelled or are at a standstill. The $4 billion Suncrude oil sands project is under the gun and certainly cannot go forward with this pricing regime. Also affected are the new oil sands plant of Petro-Canada, the phased expansion of the heavy oil up-grading programs at Cold Lake and Wolf Lake, and the $3.2 billion Husky Oil up-grader at Lloydminster.

I had a chance to visit that plant last May with a number of my caucus colleagues. It seemed to me that that was a model project which could have been self-sufficient and created a large number of jobs. Yet, the Government was obviously already sending signals to the company last summer that it was calling the project into question and was starting to draw back from the $50 commitment of the former Minister of Energy, Mines and Resources. Of course, the $750 million loan guarantee is falling by the wayside. It was a model project which could have been very beneficial.

Last week the $2.3 billion liquefied natural gas project in Prince Rupert was cancelled. Other projects are on hold and very uncertain. There is not much chance that the 300,000 jobs which were promised by the Minister will be created. That is mostly due to the fact that this agreement has no provision in it to deal with rapid price losses.

It is obvious that consumers of the country want the drop in world oil prices to be passed through to them. It seems to me that the Government's whole energy policy is in doubt with regard to whether the jobs will be created, whether the massive projects will go ahead, and whether we are going to be able to achieve and maintain the self-sufficiency which we enjoyed for the last couple of years in oil production.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, we have heard the Hon. Member for Algoma (Mr. Foster) refer to a great many newspaper articles on the expectations of the Canadian public concerning a price reduction. I think he mentioned some twenty major newspapers.

I suggest that it is all new for the Liberals to be concerned about the aspirations and expectations of Canadians and to be prepared to listen to what Canadians have to say. It is the first time that I have witnessed the Hon. Member for Algoma listening to the Canadian public. I suggest the Liberals would have been better advised to listen to them before they announced the National Energy Program. They could have told Canadians: This program will increase the cost of oil by 80 per cent over the next three years. The situation would have been different if, at that time, they had told Canadians: "You are paying for oil less than the Americans today, but three years from now, you will pay more."

Over the past fifteen months, we have managed to reduce the price of oil by two cents a litre, in spite of the nine cents resulting from inflation. For all practical purposes, we have made it possible for the price not to increase. It is a total reduction of eleven cents, from the economic point of view.

If you had listened to the message then, you might not have received the second message on September 4, 1984, when Canadians elected 211 Conservative Members to the House of Commons. that is because you, as Member of Algoma, refused to listen.

My first question is this: Why did you wait till now to read the papers? And my second question is: Why do the research services of the Liberal party only work in English, because you did not refer to any French-speaking paper?

[*English*]

**Mr. Foster:** Mr. Speaker, the Hon. Member said that he has lowered prices of fuel. If he has lowered them, he should let the Canadian people know because they think prices are going up, and going up too much at a time when the price of crude oil is going down. The people in Algoma cannot imagine why the price of gas is going up when the price of crude oil has gone down by 30 per cent. If the Member understands that, maybe he could explain it to his constituents.

Farmers, even those in many areas of Quebec I am sure, are very upset that the Government gave an exemption of 3 cents a litre on the exicse tax on gasoline in early December of 1984. I also took off the petroleum compensation charge of 1.8 cents a litre. The Government made quite a thing of that in its campaign promises. Most of us who were concerned about the terribly difficult times in agriculture applauded that move. Unfortunately, on June 1 the Government moved to the world oil price so the petroleum compensation charge disappeared but the price of gasoline did not go down, except in the advertisement of Petro-Canada.

Therefore, the farmers gained 1.8 cents a litre and, through the Budget of May 23, they were forced to add another 2 cents a litre on September 3. They were then back to where they had been before the price reduction of the previous November was brought in. On January 1 there was a sales tax increase of 1 per cent, which increased fuel prices by another .5 cents a litre. Therefore, the farm producers ended up paying about 4.3 cents a litre more than they were paying on January 1, 1985. The consumption works out to some 31 billion litres. Therefore, the actual cost to Canadian agriculture is $120 million. We are

paying $120 million more than last January for farm fuels as a result of the Government's tax policies, pricing polikcies as well as other factors arising from the Petro-Canada figures I gave earlier.

• (1740)

Furthermore, the exemption of 3 cents a litre will come off at the end of 1986 and another so-called granny tax of 1 cent a litre will be added so that by January 1, next year, there will be another 4 cents a litre in excise tax or another $120 million. There will be an increase in price and excise tax of $240 million to farmers from the federal Government over the next two years unless it makes some changes in its Budget. I do not know about his area, but agriculture is having a very difficult time in many areas of Canada. An additional cost of $240 million will be a great burden.

**Mr. McDermid:** Mr. Speaker, the debate has taken place all day. It is obvious where the New Democratic Party stands on this motion because it introduced it. However, the Liberal Party has not stated whether it supports this motion and supports government interference in the market-place by asking Petro-Canada to reduce the price by six cents a litre.

Is that the policy of the Liberals in the field of energy?

**Mr. Foster:** Mr. Speaker, I thought I had covered that when I spoke.

**Mr. McDermid:** Yes or no?

**Mr. Foster:** I was pointing out exactly how Petro-Canada gave great leadership last June 1—

**Mr. McDermid:** Are you supporting the motion or are you not?

**Mr. Foster:** I have already pointed out that Petro-Canada gave great leadership.

**Mr. McDermid:** That was a tax reduction. Are you supporting the motion?

**Mr. Foster:** This is not a tax reduction.

**Mr. McDermid:** It certainly was.

**Mr. Foster:** This is the kind of leadership Petro-Canada has been able to give. I am saying that if Petro-Canada could give that kind of leadership last June in reducing the price it can certainly give that leadership today. Petro-Canada is very capable of giving that leadership. It spent thousands of dollars to buy this kind of advertising and I am sure it can do so today.

**Mr. McDermid:** I want to ask the Hon. Member the question again because he did not answer it. That happened to be a tax saving that was passed on to the people of Canada through Petro-Canada when the tax was taken off on January 1 pursuant to the accord. He shakes his head to signify no, but I can tell him that that is what it is.

**Mr. Foster:** The petroleum compensation charge came off.

**Mr. McDermid:** I want to ask my question as directly as I can and I want a yes or no answer. Do you or do you not support the New Democratic motion today? Yes or no?

**Mr. Foster:** Mr. Speaker, I think I have made it very clear that we want Petro-Canada to give the kind of leadership that it is capable of giving in reducing oil prices. There is absolutely no reason—

**The Acting Speaker (Mr. Charest):** Order. Resuming debate.

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, it gives me great pleasure to enter the debate on the motion introduced by my friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). The motion states:

> That this House demands that the Government instruct Petro-Canada and its retail outlets to reduce their prices at the pump by six cents a litre, a move which would enable Petro-Canada to fulfil one of its basic purposes which is to provide Canada with reasonable energy prices.

I have no hesitation in supporting that motion and I take particular pleasure in having the opportunity to conclude the debate on this motion this afternoon.

The situation that faces Canadians and the Government as well is very simple. Canadians have lived for years with rising petroleum prices, including the price of gasoline at the pump and heating fuel for homes. At present they see that the international petroleum price is dropping sharply with all kinds of consequence. Those Canadians expect those decreases to be obvious to them at the pump. However, they find that in January the prices are rising.

**Mr. McDermid:** No.

**Mr. Epp (Thunder Bay-Nipigon):** The fact that prices have risen in recent weeks is part of the reason for putting this motion forward and is every reason for exploring the difficulties in which Canadians find themselves. In that light, I believe it is appropriate for me to clarify why Members opposite who have been arguing strenuously this afternoon feel so politically uncomfortable about the whole situation.

There are many reasons to doubt the very market forces in which the Parliamentary Secretary has put his faith. There is good reason for my friend from Vancouver-Kingsway to put forward a motion asking the Government to intervene with the publicly owned oil company, which is not only our window on the industry but a vehicle by which to ensure that something remotely resembling market forces will prevail in Canadian petroleum.

All Members of the House recognize this problem as our constituents write to us about the difficulty they have in enjoying the use of their automobile for driving to work or enjoying their retirement. This was a concern of one of my constituents who wrote to me recently. In fact, he wrote to the Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources (Miss Carney), asking how he and his

wife can expect to enjoy the use of their car when the price of gasoline continues to rise. Other constituents write to me about the cost of heating their homes. Although they live on the fringes of the city, they live in areas which will not be served by natural gas.

The price of gasoline rose in January because of a tax that the Government does not want to talk about. The Government is eager to raise more money through regressive forms of taxation such as sales tax increases and increases in the price of fuel, without coming to grips with other issues. The Parliamentary Secretary said that we have no program to describe how we would raise revenue. If he paid attention to our fair taxation program he would know that we have an answer. The Auditor General has indicated that tax expenditures are running at $35 billion to $50 billion. There is every reason to look at those expenditures when $50 billion would be almost half of the current rate of expenditure by the Government. We know perfectly well where we could find some of the revenue that we need. The Parliamentary Secretary knows that. He does not want to talk about it.

• (1750)

It is bad enough that the cost of gasoline should rise because the Government has slapped some more taxation on ordinary Canadians. The price of heating fuel is 40 cents a litre in Thunder Bay. I asked my assistants to check on the taxes that are involved in that 40 cents a litre for heating oil. They told me there is not a cent of tax in that. I am paying 56 cents a litre for unleaded gasoline. Constituents of mine who cannot use natural gas or electricity are paying 40 cents a litre for heating oil and there is no tax on it. My God, Mr. Speaker, what are we to say about the oil companies that are supposedly—

**Mr. McDermid:** Mr. Speaker, I rise on a point of order. I am sure the Hon. Member would not want to mislead the House. There are no consumption taxes. There are taxes on heating oil. The Member should know better.

**Mr. Epp (Thunder Bay-Nipigon):** The reality is that prices of gasoline and heating oil are high. Taxes are a significant element in one area. Apparently they are not significant in another. It is something with which the Government cannot come to grips. I am led to believe by the answer given by the Parliamentary Secretary. He encourages me to take another look. Perhaps I can have the Minister of Finance (Mr. Wilson) consider this problem that my constituents have.

The argument of the Parliamentary Secretary is based on the proposition that market forces should prevail. The petroleum industry is not an industry in which market forces are anything remotely resembling neoclassical economic theory or principles of atavistic competition. Nothing remotely resembling that existed in the petroleum industry for years past. To depend on market forces to do what is required to bring prices down is pursuing will-o'-the-wisp.

First, we all know, even though these friends of ours on the other side do not talk about it, that the price of petroleum reached the levels it did in the last 15 years because of a cartel. The most spectacularly successful cartel in human history drove the price of petroleum from $3 a barrel to $38 and more.

**Mr. McDermid:** Have you heard of the uranium cartel?

**Mr. Epp (Thunder Bay-Nipigon):** Take that in percentage terms and consider the impact and the transfer of wealth that was carried out thanks to the existence of the Organization of Petroleum Exporting Countries.

The question that all Canadian Governments faced in the late 1970s and into the 1980s as they contemplated the operations of the cartel which, under its price-setting umbrella, sheltered the seven sisters of the oil industry and their operations in Canada as they drew out of the pockets of Canadian consumers enormous quantities of money, was whether they should take it and run. They could have done so so easily if left to what is called market forces, but Canadian Governments decided they should not.

The remarkable thing is that when the petroleum and gas revenue tax was imposed, the oil companies did not suffer particularly. If one takes the statistics of that development, it is astonishing to realize that the industry's share of revenues in 1980 was $6.3 billion, in 1981 it rose to $6.7 billion, in 1982 to $9.4 billion and in 1983 to $10.6 billion. Is that an industry that is hurting?

From 1982 and 1983, Imperial Oil had an increase in profits from $289 million to $344 million.

**Mr. McDermid:** What was the return on investment?

**Mr. Epp (Thunder Bay-Nipigon):** Texaco had an increase in its profit from $275 million to $344 million. These companies were not hurting, Mr. Speaker. But the people of Canada had available part of this incredible economic rent which OPEC was creating by its pricing policies to use for the public purposes of Canada.

The Government, by repealing the petroleum and gas revenue tax, has given all of that money back to the oil companies. Now we have the decline of OPEC's power. But are those market forces of the neoclassical economic theory? They are nothing of the sort. What my friend has sought particularly to deal with is the reality of a handful of petroleum companies which control the industry, determine prices, and set prices at the pump. They set prices at the pump because they have the power to determine at what price gasoline will be sold. Anyone interested in the topic of combinations of economic power exerted in the market-place is aware that retail price maintenance has been one of the most contentious principles over the years. Governments have attempted to come to grips with that problem. In the oil industry there is no doubt about it. It is perfectly obvious that the people running the stations and selling the gas are under the control of the companies from which they buy gasoline or from whom they receive it on consignment. Retail price maintenance in the purist sense is what Petro-Canada and the rest are involved in. Market forces Mr. Speaker? Do not make me laugh. When we have a

situation of four or five companies in an oligopoly, we do not have anything like an atavistic response to millions of consumers, we have several companies involved in establishing prices and maintaining them.

In this context of that kind of market power being exercised by a few companies, companies will now, thanks to what the Government has done, take far more of the gains they can get. After all, we are talking about $20 a barrel. We are not yet down to $5 or $6. We might conceivably get there but we are still a long way from that.

The Government, which is supposedly concerned about the prosperity of all Canada and ordinary Canadians, is letting the companies take the gains. It hopes devoutly this money will be sunk into exploration and that it will generate the 300,000 jobs, but the Government has not given us a guarantee of that.

This is revenue the Government needs so desperately which the Minister of Finance will invoke when he brings in his Budget. The Minister of National Health and Welfare (Mr. Epp) has to admit that this revenue was the reason for his promise of last January to maintain the value in the child benefits package. He was forced to break the promise. In September the Minister was backing down and admitting that money was going to be taken out of the child benefits package over the next few years to keep the deficit down. It is strange that the Government could do that to mothers and babies and at the same time give hundreds of millions it not billions of dollars to the oil companies and then talk to us about market forces. These are brute economic realities which the Government does not want to admit to.

**Mr. McDermid:** You will eat those words.

**Mr. Epp (Thunder Bay-Nipigon):** The Tories govern in the interests of these great companies.

If we take a look at the Act that created Petro-Canada in 1975, we find in Section 7 a long list of powers in Part I. Part I runs all the way through to the letter Z. Then we come to No. II which reads, "In the exercise of its powers, the corporation shall comply with such policy directions that may from time to time be given to it in writing by the Governor in Council."

If the Government recognized the brute reality of the economic power that exists in the petroleum industry, if it were really concerned that prices decline as they now deserve to, if the Government recognized that there are all kinds of sellers out there who want the chance to do some of this atavistic competition, whether in gasoline alley just north of Toronto, in the City of Thunder Bay or in Vancouver, if the Government were really sensitive to that and had the interests of the country at heart, the Government would issue a direction to Petro-Canada—which is not just a window on the industry, although Petro-Canada could be that if the Government wanted it to be—to ensure that the kinds of market forces we would like to see operate—

**Mr. McDermid:** You would let the taxpayer pay.

**Mr. Epp (Thunder Bay-Nipigon):** —will come a little closer to operating and the Government would see to it that the Combines Act changes that are required to ensure something closer to competition actually were in the Act for us to consider later this year.

[*Translation*]

**The Acting Speaker (Mr. Charest):** It being six o'clock, it is my duty to advise the House that, pursuant to Standing Order 63(11), the proceedings on the motion have now expired.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

TRADE—CONTENT OF NEGOTIATIONS. (B) NEGOTIATION ISSUES

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I wanted to rise this evening in response to a question that I put to the Secretary of State for External Affairs (Mr. Clark) with regard to the subject matter of free trade. At that time I raised the issue as it affects cultural industries. The main thrust of the subject matter of free trade concerns me greatly. I have been asked on numerous occasions as to whether or not I am in support of the Mulroney initiative as it relates to free trade.

Unfortunately, with the way in which the Government has conducted itself to date, I would have to say that I am opposed to the Mulroney initiative with regard to free trade. That is not to suggest in any way that as a Member of Parliament I am opposed to the concept of free trade. As a Member of Parliament, I find it somewhat appalling and extremely difficult when the Government of the day says a whole lot about free trade, the various platitudes, but fails to provide Canadians with the necessary information as to the direction in which it will take our country.

Yes, Canada has a surplus with the United States of about $21 billion in free trade, and we are to sit down with the United States and negotiate an improved a deal. What we do not know with regard to free trade is the cost benefit to the various sectors of the economy. I had hoped that the Government would have laid before Parliament how free trade will benefit my Province of Nova Scotia and the Atlantic region.

We can go back to 1933 when the former Premier of Nova Scotia, Angus L. Macdonald initiated a study which showed the objections that that Government had with regard to the tariff policy of Sir John A. Macdonald. We have no information from this Government. What we have is bits and pieces of information as they relate to brewery workers in my province,

textile workers in Truro, Nova Scotia, and how it will affect them. No cost benefit study has been done, or if it has been done, it has been in secret. We have to know whether regional economic development incentive programs are on the chopping block or the negotiating table.

What about unemployment insurance? Is that, too, going to be on the negotiating table when we sit down with our good friends in the United States? What about the various fishery programs, Mr. Speaker? We have a decision here of late from the United States regarding programs which have been determined to provide subsidies. Are they going to be a part of the negotiating apparatus with the United States? Will federal programs such as the fishing vessel assistance program, the agricultural and rural development agreements, the federal Department of Fisheries and Oceans Promotions Branch, the federal Economic and Regional Development Agreements Program, assistance for the construction of ice-making and fish chilling facilities and the fishing vessel insurance plan be up for negotiation? We do not have an answer. In Newfoundland there are grants for purchasing and constructing boats. Will that be on the negotiating table? Will the Newfoundland loan guarantees from the Fisheries Loan Board be up for negotiation? Will the Nova Scotia fishing vessels construction program and the Nova Scotia industrial development division grants from the Department of Development be on the negotiating table with our friends, the Americans? What about the assistance for ice-making and fish-chilling facilities in Prince Edward Island?

• (1805)

There has been a vacuum when it comes to good, precise information on the whole subject of free trade. I cannot see why the Government, if it believes strongly in its assertion that free trade will benefit Canada and the regions, would not provide that information willingly to Hon. Members of Parliament and the provincial Governments. With regard to the free trade issue, conceptually it does have some benefits. The liberalization of trade, not only in the United States but other countries of the world as well, has been the position of my Party for quite some time.

Where is the information? Where are the concrete cost benefit analyses? Why have they not been done? If they have been done, why have they not been provided so that we can have a serious, intelligent debate on the subject which is germane to economic development in my region? I would hope that the Parliamentary Secretary could avail himself of this opportunity to provide Canadians with an answer as to why that information has not been made readily available. Without this information, the Government is asking Members of Parliament to make decisions prematurely without having all the information and facts before them.

I have listed for your information, Mr. Speaker, a number of programs which have been deemed by the United States to be the equivalent of subsidies. Are they now going to be part and parcel of the negotiating process? I would hope that we would get a clear answer from the Government of Canada and hopefully from the Government of Nova Scotia. However, we know that the Government of Nova Scotia is not too wise when it comes to doing cost benefit analyses. It is prepared to agree to anything put forward by the Government of Canada, something which I think is a mistake.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, that is quite an indictment of the Nova Scotia Government. It signed an energy agreement with the Government to which the Hon. Member once belonged. I am sure that when he re-examines his words—

**Mr. Dingwall:** I'm talking about free trade.

**Mr. McDermid:** I sat patiently and listened to the Hon. Member. I am sure he will give me the same courtesy since I only have three minutes—

**Mr. Dingwall:** If you stick to the subject.

**Mr. McDermid:** —and we had to bear seven minutes of his tirade.

It has been very clear for some time that the Government wants a better, more predictable and more secure trading relationship with our major trading partners so that Canadian enterprise can plan, invest and grow with confidence, the kind of confidence that leads to more and better jobs. Of particular interest is the United States market which now takes three-quarters of our total exports. What will be involved in this? These will be commercial negotiations between two distinct and sovereign countries. We all know that modern nations are more than economic. The challenge will be to strengthen both our economy and our sovereignty.

We and the Americans will be working toward a package of mutually beneficial and acceptable reductions in tariff and non-tariff barriers in order to increase trade and thereby save jobs and create new jobs in the future. In order to get a good deal, each side will have to be prepared to listen to the other. We want the Americans to consider our concerns about the protectionist effect of their trade remedy legislation, our desire to gain greater access to their government procurement market and the need for a more effective and predictable way to settle our differences.

The Americans will want us to listen to their concerns about our high tariffs, our industrial support programs, our investment rules and the international rules regarding trade in services. By listening to each other and placing these concerns on the table, neither side is committed to accepting what the other is proposing. However, only by frankly discussing each other's objectives and concerns will we know if a good deal is possible. We are prepared to do that. As the Prime Minister (Mr. Mulroney) indicated in his announcement of September 26, if a deal which is good for all regions and all Canadians is not negotiable, there will be no deal.

● (1810)

I might add that I think Canadians do not appreciate having to go to the United States, cap in hand, when each individual issue comes up, whether it be an issue with respect to wood, steel or fisheries. They do not appreciate having to go down there and say: "Please, do not include us in your tariff or in your protectionist Bills". I think the Canadian people want us to negotiate a fair trade agreement with the United States. We are prepared to do that. If it is not a fair deal, and if it is not good for Canadians, then we will not sign it.

## ATOMIC ENERGY OF CANADA LIMITED—RADIOACTIVE WASTE DISPOSAL RESEARCH. (B) UNITED STATES DUMP SITE

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I would like to follow up on a question I asked of the Minister of Energy, Mines and Resources (Miss Carney) on January 27 last. I suppose the Minister of Energy is so used to hearing me ask questions in which I seek assurances that the site of AECL's underground research laboratory at Lac du Bonnet, Manitoba, will not become the eventual site for a Canadian radioactive garbage dump that when I got up to ask the question she did not pay all that much attention to it. She must have assumed I was asking the same question I have asked repeatedly. She went on to say that she had given assurances to the Manitoba Government that the AECL research site would not become a permanent site for radioactive waste disposal. However, that is not the question I asked.

I asked a question about the concern expressed by the Manitoba Government, and by others, about the list of potential American radioactive dump sites which was recently released. I asked her whether or not in view of the fact that many of those sites, if they were to be used, might have an effect on waters entering Canada—in particular, groundwater—she would consider instructing AECL not to enter into any further agreements with the U.S. Department of Energy for co-operating in research which is taking place at the Lac du Bonnet site. I am thinking particularly of those waters which are adjacent to the Red River Basin.

The reason I asked her the question is I think that we have a very good bargaining tool here insofar as the U.S. Department of Energy wants to participate in the research which is going on in Lac du Bonnet. My position is that we should say to the Americans: "Fine, if you want to use a Canadian site for research, then part of the price for being able to use that site is that you take off the list of potential American sites those sites which might affect Canadian watersheds". In my view this would give the Government some leverage with the Americans with respect to the issue of sites which might potentially damage Canada.

I might also say that this might be something which would be looked upon favourably by the people of Minnesota who have been successful, as I understand it, in preventing the American Department of Energy from carrying on in Minnesota the type of research that AECL is carrying on in Manitoba. By allowing the U.S. Department of Energy to do research in Lac du Bonnet we are effectively allowing it to circumvent the successful opposition which has been generated in Minnesota. Because the rock formations are similar, and by being able to conduct research in Lac du Bonnet, the U.S. Department of Energy is able to do an end run around the opposition in Minnesota and do the very type of research which, depending on what is found, might lead to the selection of the very sites in Minnesota with which we are concerned.

I say to the Government: Take this opportunity of leverage and instruct AECL not to co-operate any further with the U.S. Department of Energy until such time as those sites which potentially could affect Canada are removed from the American list. I might add that it is not just a question of responding favourably to the concerns of people in Minnesota. It is also the quite simple question of not co-operating, not helping people to dirty our own backyard or, in this case, dirty our groundwater and our watersheds. It is also a question of the extent to which, by co-operating with the U.S. Department of Energy, we involve ourselves in the whole American nuclear program. This waste does not all come from reactors. The waste the Americans are looking to dispose of comes as well from their nuclear weapons program. I think that the extent we co-operate with the U.S. Department of Energy in an uncritical way in finding ways to dispose of this waste is the extent to which we should be collaborators, if you will, in the American nuclear program of which, as we all know, many Canadians are critical.

● (1815)

I see this partnership that AECL has entered into with the U.S. Department of Energy *vis-à-vis* the underground research laboratory in Lac du Bonnet, Manitoba, as one more way in which Canada has become integrated into the whole American nuclear program. I regret that very much. For that reason, to be honest, I would be against co-operating with the Americans in an uncritical way even if these sites in Minnesota had not been released recently.

I say to those whose opposition to this may be more qualified that mine that this is another reason for bargaining toughly with the Americans about the ways in which we co-operate with them. At the very least, the Government should be now saying to the Americans: "Listen. Until you take those sites off the list, those in Minnesota and elsewhere, which could potentially affect Canada, we cannot possibly hope to co-operate any further". Otherwise, we could be open to the accusation that we were helping the Americans pollute our own backyard, and that is not acceptable to us.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I have carefully noted the Hon. Member's concerns relative to the potential location of radioactive disposal sites in the United States and American participation in tests at the Atomic Energy of Canada Limited underground research laboratories at the Whiteshell nuclear research establishment. We are all aware, I believe, of the Hon. Member's concerns about the nuclear issue in general. I recall a debate of his Private Members'

motion last fall in which he called for an inquiry into the entire nuclear fuel cycle.

Despite the presentation of solid scientific evidence in support of the nuclear cycle, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) remains convinced that nuclear power and nuclear research are inherently dangerous. If the truth were known, he would wipe out the nuclear industry in Canada tomorrow and the 30,000 jobs which go with it, wiping out a very important industry in which we have developed expertise in Canada.

**Mr. Blaikie:** Not the medical-related research. Not the whole industry.

**Mr. McDermid:** He hates nuclear energy.

**Mr. Blaikie:** Not the medical-related stuff.

**Mr. McDermid:** In a peaceful way, the Hon. Member is opposed to it in any way, shape or form.

**Mr. Blaikie:** I am opposed to nuclear power, nuclear weapons.

**Mr. McDermid:** Even when it comes to the medical end of things—

**Mr. Blaikie:** I am not opposed to nuclear medicine.

**Mr. McDermid:** —which he is not opposed to, there is still waste. We still have to do research into the safe storage of nuclear waste. That is what is going on now. Our Government is committed to the work that AECL is doing at the Whiteshell facility. I might say that it is doing a magnificent job. It has been very forthright with the Canadian people in its work.

The Hon. Member was not at the standing committee when the witnesses from Whiteshell appeared. They were very forthright about the work which is going on and how they are carrying it out. The Hon. Member was not there to question them—

**Mr. Blaikie:** I couldn't be there, John. Be fair to me.

**Mr. McDermid:** To be fair, he should not sit there and heckle and say that they are not being forthright because in fact they have been. I might say that it is a compliment to our Canadian scientists that the United States' Department of Energy has asked to participate in this research work. We are waiting for a formal signing of the agreement with the U.S. with respect to the co-operative research program. I will be quite honest with the Hon. Member, I would much rather have the United States in partnership with us in this very important research to find out how to safely store or dispose of nuclear waste than have the Americans do it in an untested manner in their own country. I would much rather have them gain the expertise we have in Canada in order to ensure that in fact when they do store nuclear waste, it does not affect our sovereignty, nor the Canadian Government. For the Hon. Member to rise in his place and suggest that we blackmail the United States into participating with us on a research program, I feel is ludicrous and I think he would admit that.

• (1820)

## TRADE—REMOVAL OF TARIFF ON COMPUTER PARTS

**Mr. Alan Redway (York East):** Mr. Speaker, you are aware, as I am, that ever since the Prime Minister (Mr. Mulroney) and the Government announced last September that they desired to enter into trade negotiations with the United States, the issue has been discussed very, very widely across this country. The issue has entailed a debate and discussions relating to the whole question of our negotiations or non-negotiations with the U.S.; the possibility of extending those negotiations right around the world to our other trading partners through the General Agreement on Trade and Tariffs, otherwise known as GATT; the whole question of tariffs, their removal, and non-tariff barriers and their removal.

In light of all those discussions, it came as quite a surprise to me that on January 20 the Government announced it was removing our own tariff barrier on computer parts. One would have thought that perhaps that tariff would have been part of the trade discussions which went on in a general way with the U.S. or our other trading partners through the GATT discussions. So, as I said, it was a surprise, at least to me, when the Government announced these tariff barriers were being removed.

This was particularly significant in my own constituency because located there is what is really the original home of IBM Canada. I suppose one might have described that as the typical American branch plant in Canada but it has gone far beyond that. There is now a considerable number of IBM plants in Canada. Even in my own riding, while we have I suppose the biggest IBM production centre, there are a number of other plants. They employ in my own constituency somewhere around 3,000 workers. About 2,000 are engaged in the manufacture of computer parts and the other thousand are engaged in computer research. I would venture to say that if there is an area involving the leading edge of computer technology, it is probably located right in my constituency in those IBM plants. Obviously, anything which impacts on their profitability is going to be of significance to my particular constituency and, indeed, to Canada itself.

It is interesting to note that although at one time, I suppose, those IBM plants manufactured complete lines of computers, they now specialize in particular parts of computers. Those plants have from IBM International a world product mandate for particular computer parts. They compete with other IBM plants around the world for the right to manufacture certain parts for computers. They export those parts right around the world. As a result, I am told, the export trade on their part is growing at the rate of about 20 per cent each year. That is a substantial trade for Canada and obviously for the company itself.

● (1825)

IBM is most interested in the whole area of trade negotiations, and particularly in the concept of tariff reduction. It is interested in the discussions with the United States because it sees some opportunities there to expand and further its own export markets. It is interested in the across-the-board negotiations which the Government is in fact proposing. I am told by the executives at IBM that they were most concerned about the approach that the former Government took with sectoral trade negotiations, but that they welcome the idea of across-the-board negotiations.

Therefore, it is particularly significant when we find that the 3.9 per cent tariff on Canadian computer parts has now been abandoned. It was as a result of that that I expressed my concern as to whether we were getting some comparable trade concessions from other countries. IBM and other Canadian computer parts manufacturers have to export and compete in foreign markets and, obviously, are interested in having the tariffs reduced.

At the same time, I was interested and asked the Minister what the impact would be on our computer industry, particularly on IBM, of dropping that particular tariff barrier. When I asked that question on January 27 the Minister assured me that the tariff barrier that was being removed was also being removed in Japan and in the United States. I was pleased to hear that. I did not get from the Minister the actual impact that it could have on our industry and on the computer industry in my riding in particular.

I hope that the Parliamentary Secretary will have some information tonight as to what that impact will be because the Government has computer models to indicate what impact that sort of tariff reduction will have on particular sectors. I would be most interested to hear that from the Parliamentary Secretary tonight.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, in response to the comments made by the Hon. Member for York East (Mr. Redway) concerning the elimination of our tariffs on computer parts, I would first like to give a little history to indicate how this came about.

During the Quebec Summit the Prime Minister (Mr. Mulroney) and the President of the United States directed that action be undertaken to resolve specific impediments to trade. One of the areas to be examined was the feasibility of mutual elimination of tariffs on high technology goods including computers, computer parts, and semiconductors. At the same time, the U.S. and Japan were examining ways to improve two-way trade in high technology products and Canada was asked to join with those two countries in removing tariffs on computer parts and semiconductors. In fact, the U.S. and Japan eliminated tariffs on semiconductors on March 1, 1985.

The Department of Finance undertook a review of this issue, including a survey of Canadian manufacturers of computers, computer parts, and semiconductors. Almost all respondents, including IBM which is in the Hon. Member's constituency, and which I have had the pleasure of touring a couple of times—is a great plant—expressed strong support for reciprocal elimination of tariffs on these products. The desire on the part of Canadian computer manufacturers to have duty-free entry of computer parts and semiconductors is, of course, based on the fact that they have to import many of these articles and feel that free entry will enhance their competitiveness.

Although our industry is in favour of eliminating all tariffs on computers, computer parts, and semiconductors, the U.S. informed us that it was not prepared to remove its tariff protection on computers. In view of this, it was decided that Canada should not proceed in this area at this time.

The elimination of the Canadian tariffs on computer parts and semiconductors was effective, as the Hon. Member mentioned, January 20, 1986, and paralleled action taken by the United States on or shortly before that date to remove its duties on computer parts. Japan removed its tariffs on computer parts on January 20. By the way, it also took similar action on computers themselves.

Trade data for 1984 show that imports of computer parts amounted to about $1.1 billion of which $1 billion was from the U.S. and $16 million from Japan. About $1.3 billion of semiconductors were imported in 1984. Of these only $25 million worth were subject to duty. In the same year, our exports of computer parts were valued at about $300 million, most of which went to the United States. Semiconductor exports were valued at $565 million, of which $497 million went to the United States and $4 million to Japan. These statistics show that while our imports of computer parts are far in excess of our exports of these products, the tariff elimination on semiconductors provides a more balanced package of concessions.

● (1830)

I might say that representatives of IBM and other members of the Canadian Business Equipment Manufacturers Association recently met with Finance officials and expressed their complete satisfaction with the action taken by the Government. They see the removal of these tariffs as benefiting their industry by reducing the cost of components they import for their manufacturing operations and by increasing the opportunity to penetrate the United States and Japanese markets.

In conclusion, we believe that this tariff elimination is an important step in demonstrating Canada's strong commitment to trade liberalization and represents a positive follow-up to the Quebec summit.

[*Translation*]

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:31 p.m.

# HOUSE OF COMMONS

**Wednesday, February 5, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### UNEMPLOYMENT INSURANCE

EFFECT OF REGULATION CHANGE ON CANADIAN ARMED FORCES PERSONNEL

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, let me share with you a letter from a constituent who explains just how unfair and wrong is the Government. The letter reads as follows:

The logic of relating pension benefits, paid for and earned by a worker in a previous position, to unemployment insurance benefits to which the worker is otherwise entitled eludes me.

I am a retired member of the Canadian Forces drawing an annuity. I am, and have been since my retirement employed fulltime in a job in the private sector. I pay the same unemployment insurance premiums as other workers earning the same salary. In the event I left this employment—for whatever reason—the fact that I am drawing a pension from a previous career should have no bearing on my unemployment insurance benefits.

In effect, this proposal would force me and others in my position to pay a premium for a benefit to which I would not be entitled. It seems to me that this is hardly free enterprise thinking.

I might point out that serving members of the Canadian Forces pay full unemployment insurance premiums and this proposal could have a serious effect on many members who are forced to retire as early as age 50 and may well have no entitlement to unemployment insurance benefits, despite the fact that they have paid premiums for 20 or more years.

It is unlikely that much can be done to stop this proposal, as our current majority Government's cavalier treatment of the individual and the individual's rights seems cast in concrete.

**Mr. Speaker:** May I ask the Sergeant-at-Arms to ensure that the doors to the galleries are opened, please?

* * *

### MINES AND MINING

LAY-OFFS AT EAR FALLS, ONT.

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, on November 16, 1984, the Minister of State for Mines (Mr. Layton) assured the House that the people of Ear Falls, Ontario, would receive the same assistance and benefits made available to communities in Quebec which were caught in mine closures. It has been over 14 months now since the Minister made that promise. Approximately two-thirds of the workers at Stelco's Griffith iron ore mine have already been permanently laid off, with the rest to get the axe between now and April, and this in spite of a major tax remission granted to Stelco by the then PC provincial Government.

• (1405)

Moreover, the Minister of Finance (Mr. Wilson) on November 8, 1984, announced that he would be providing tax relief for people facing plant closures, particularly in single-industry towns. Income tax time is approaching and the people of Ear Falls wonder whether the Minister of Finance will come through on his promise. The Minister has had the Ear Falls situation under study for months. The people of Ear Falls need and deserve an answer. They need it now.

* * *

### CHILDREN

DEATH OF MONCTON BOY DESPITE COMMUNITY'S EFFORTS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I rise to bring to the attention of the House the life struggle of a young boy and the response of Canadians to this human tragedy.

One-year-old Patrick Drisdelle of Moncton died Sunday in Boston after a valiant community effort to raise funds to provide the necessary medical care for a successful liver transplant. Although a donor was found, two subsequent operations were necessary and the liver failed to function, leading to the tragic end of a long and hard-fought battle.

I am sure other Members of the House join with me in expressing our sympathy to Roland and Cheryl Drisdelle and their family. Patrick's fight for life leaves me and others torn between feelings of sadness and pride, sadness because, despite the best efforts of all, Patrick's struggle was lost. The feeling of pride emanates from the tremendous moral and financial support provided by the people of Greater Moncton and throughout Canada. This tragedy has once again brought the kindness and compassion of Canadians to the fore. I take particular pride in the response of our Prime Minister (Mr. Mulroney). Not only did he call personally to express his condolences, he also facilitated immediate arrangements by providing staff assistance and transportation to the family.

Mr. Prime Minister, I appreciate your thoughtfulness, which I know expressed to the Drisdelle family the thoughts of a number of Canadians who shared their grief. Your understanding and sympathy exemplified the sorrow felt by many who were touched by Patrick's fight for life. Your actions, and those of the many people involved in Patrick's struggle, reaffirm the ability of the Canadian people to open their hearts in a united effort on behalf of a child in need.

*S.O. 22*

[*Translation*]

## THE ECONOMY

GOVERNMENT PERFORMANCE

**Mr. André Harvey (Chicoutimi):** Mr. Speaker, Opposition Members continue to undermine the confidence of all Canadians, traipsing through our ridings and doing phoney consultations on a number of issues to which our Government has already begun to respond constructively.

They talk about fair taxation but conveniently forget to say that ours is the first Government to impose a minimum tax on the rich whose additional $300 million tax contribution will go a long way towards helping widows and funding our already successful employment programs.

They keep harping on employment yet shy away from admitting that our Government has set a record—25,000 new permanent jobs every month, against 1,200 created by the Liberals over their last five years.

Gas prices are the current topic. The numerous measures taken by our Government in the past twelve months are common knowledge, but our Opposition colleagues would rather not tell Canadians that the provincial tax in Quebec will go up by 16 cents while the federal tax will increase by only 6.9 cents.

I hope the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) will lead his bus load of protesters to the Quebec City National Assembly, not to Ottawa.

Opposition Members crisscross our ridings, questioning Statistics Canada figures on job creation in each of our constituencies.

Perhaps the Japanese are doing better than we are, Mr. Speaker, but in 1985 we did manage to create 8,000 jobs in our region, a record which the Liberals would rather not mention.

Worse still, in my judgment, is the following issue raised in yesterday's *La Presse*:

Can a Government be—

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

* * *

[*English*]

## YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, for the youth of Canada and for the Katimavik program, the dream is dead and the adventure is over. Katimavik, which means meeting place, and is a federal award-winning program to employ youth between the ages of 17 and 21, has been summarily cancelled by the Tory Government. This program, which has already attracted over 20,000 youth, and which continues to receive over 500 applications per week, has been slammed closed by the Government.

It is incredible that with more than 600,000 youth unemployed on this very day, the Tories, in their confusion and lack of direction, have seen fit to cancel Katimavik, and they have not told us what will replace it. The Government has made some vague promises to do something, but this will not help the 500 youngsters per week who were applying to get into this program, nor will it help the 279 staff members from losing real and productive employment.

• (1410)

Katimavik is cancelled because the Tories cannot recognize its value for job training. Yet Katimavik won a United Nations Award this year for leadership in improving and protecting the environment through its Youth Reforestation Program. Our youth in this program also do such things as help the handicapped and work with the elderly. Now if the Tories cannot recognize that the environment is a major problem for Canada and an excellent place to create jobs, and that working with the elderly and the handicapped provides needed services and superb job training experience for youth, if this Conservative Government cannot recognize these excellent job training experiences—

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

* * *

[*Translation*]

## THE ECONOMY

GOVERNMENT PERFORMANCE

**Mr. Gilles Bernier (Beauce):** Mr. Speaker, the most recent report of the Organization for Economic Co-operation and Development, or OECD, shows that the Canadian economy is more healthy than that of most Western countries. This powerful international economic organization published its latest report in mid-December 1985. The major points are as follows:

Canada is ranked first among the 25 member countries of the OECD in the area of job creation.

Based on our job creation figures, the OECD concludes that unemployment should continue on its downward trend in 1986.

Canada is ranked second out of 25 for individual purchasing power, its performance being exceeded only by that of the United States.

The competitivity of our country has greatly improved vis-à-vis the United States.

Contrary to many European countries, Canada is not affected by a discrepancy between manpower costs and productivity, which means that wage increases reflect productivity increases.

According to the OECD economists, the deficit has been under control since the budget was brought down last May and it will still be under control at the end of February.

The report also foresees sustained growth in the export sector following an increase in automobile, paper and natural gas sales. This last increase, say the experts, is due to the implementation of the Western Accord signed recently by the Conservatives.

Mr. Speaker, there are grounds for rejoicing in the figures published by the OECD. Canada is truly on the right track. This is something that the population should know.

To conclude, I wish to point out that we, in Beauce, are buoyed up by feelings of optimism, trust in the future and confidence.

* * *

## ENERGY

PRICE OF GASOLINE IN QUEBEC

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, Quebec men and women who were expecting to pay less for gas were sorely tried yesterday when they learned that the new Liberal Government had raised the tax on gas, thereby causing its price at the pump to go up again.

After hearing so many hypocritical speeches by Liberals here in Ottawa, Quebecers could rightfully expect that the new provincial Government would lower the prices instead of increasing them, especially at a time when gas is already ten cents a litre cheaper in Toronto than in Montreal.

Ontario and Quebec have at least one thing in common: both provinces have a Liberal Government. But there is also a difference between those two provinces: the New Democratic Party in Ontario has managed to force the Peterson Government to withdraw its gas tax increase proposal.

It is clear that Quebec men and women need the New Democratic party in Quebec and in Ottawa to stop any gas tax increase and to fight against the Liberals and Conservatives for a price reduction.

* * *

## ENERGY

PRICE OF GASOLINE IN QUEBEC

**Mr. Vincent Della Noce (Duvernay):** Mr. Speaker, yesterday in Montreal, a new group came into being, the Canadian National Committee for the reduction of gas prices.

I would like to congratulate its chairman, Mr. Joseph Gilles, a man from Laval who has my full support and co-operation.

This Conservative Government has taken every step needed for that process to materialize. I can assure you, Mr. Speaker, that lower gas prices will come to the pump very soon.

This morning people could read reports of a new price increase in Quebec, the Province in which the price of gasoline already is the highest in Canada, from 12.9 cents to 13.9 cents a litre, whereas the Federal tax is only 7.1 cents a litre.

The Committee must urgently turn to Quebec City rather than to Ottawa, because here the process has been more than initiated. It is too bad that Quebec should announce a rise when we, in this Conservative Government, have worked for months on a deregulation process that would result in lower prices working their way through to the gas pumps.

Mr. Speaker, I tell my two colleagues: the buses are ready! Get on board for Quebec City. I will join you.

* * *

• (1415)

[*English*]

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF CONSUMER AND COMMERCIAL RELATIONS OF ONTARIO

**Mr. Speaker:** Order, please. May I signal the presence in our gallery today of the Minister of Consumer and Commercial Relations of the Government of Ontario, the Hon. Monte Kwinter.

**Some Hon. Members:** Hear, hear!

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# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

EXCHANGE VALUE OF DOLLAR

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Finance. He will know that although the Canadian dollar was up marginally this morning, the crisis is far from over. While he has adopted in this House the attitude of blaming everyone else for his problem, he must recognize that he, as the fiscal adviser to the Government, has the sole responsibility of dealing with this matter. Will he today, Wednesday, February 5, tell this House what he is going to do to solve the dollar crisis?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this Government takes full responsibility for the economic policies we brought in. We are proud of them and we think they are doing the job. I will tell the Hon. Member the sort of

things we have been doing which are contributing to our economic strength. This is clearly evidenced by the fact that 1,000 jobs have been created every day since we came into office.

We initiated our program with the November economic statement. This set out in a very clear way the sum total of our economic policies. We brought in policies to increase investment, both foreign and domestic. We brought in policies to invigorate the energy sector and the small business community. We have followed a—

**Mr. Speaker:** Order, please. I hope questions and answers will be shorter than yesterday.

[*Translation*]

MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** I have a supplementary question, Mr. Speaker. The answer does not relate to the question, so I will rephrase it, in French this time.

The Minister of Finance has the authority to solve the problem. What concrete step will he take to put an end to the Canadian dollar crisis?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member, a former Minister of Finance, says, to use his words, that my response was not relevant to the question. He asked what we were going to do to introduce a degree of stability into the Canadian dollar as well as strengthen the Canadian economy. For him to say that shows that he fails to understand the effect of the policies we have brought in and their impact on job creation, investment, housing starts, and inflation. All of these things are very, very clear.

If he cares to read not what I say but what expert economists have to say, he will see that they say the economy is strong and on the right track. They say they do not understand why there is a weakness in the dollar in the face of the strength in our economy and the fact we are taking action on the deficit, something which is long overdue after 10 years of mismanagement—

**Mr. Speaker:** Order, please.

**Mr. Wilson (Etobicoke Centre):** —by the previous Liberal Government.

MINISTER'S POWERS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the financial markets in Canada and abroad do not appear to be too impressed with the Minister's style of answer because the dollar is still under tremendous pressure. My question is very simple. Does he feel he is powerless to deal with this situation?

**Mr. Gauthier:** He sure does.

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, I do not feel that way at all. And the childish remarks from the person right behind the Leader of the Opposition are totally unwarranted. The dollar today is up; 70.37 cents is what I heard just before I came down to Question Period. I think that is—I beg your pardon? No, it is 70.37 cents. I would ask the Leader of the Opposition to go and check the record again because yesterday, when he asked his first question, he said the dollar was down at a record pace unknown in our history. That was totally wrong. I said it was wrong at the time and asked him to check his records again, because his records are always wrong. The peak was in 1977 at 8 cents. When he was the Minister of Finance it was down 5.73 cents. That is far greater than it has gone down now. Get the facts!

• (1420)

**Some Hon. Members:** Hear, hear!

INTEREST RATE LEVELS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, one thing which is not wrong is that the Minister was given a 70-cent dollar in September of 1984.

**Some Hon. Members:** Oh, oh!

**Mr. Clark (Yellowhead):** You should have stuck to the piano.

**Mr. Speaker:** Order, please. Order!

**Mr. Johnston:** He was given a 77-cent dollar in September of 1984. The Minister has said that the dollar is undervalued and that it will rebound. If he truly believes that, he must also believe that there is no need to continue a policy of increasing interest rates. He should be prepared to protect homeowners who are renewing mortgages and consumers who are taking out—

**Mr. Speaker:** Order, please. I am sure the Hon. Member has a question.

**Mr. Johnston:** Why is he following a policy of jacking up interest rates?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, maybe I could quote two eminent observers of the political scene. The first is David Peterson who said, in his words, that we were presented with one hell of a mess on September 4, 1984.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The second is his former colleague, Marc Lalonde, the former Minister of Finance who, in referring to the deficit, said: "Ottawa will be completely hamstrung by the size of the deficit". That is what we were presented with on September 4, 1984.

In response to the specific question—

**Some Hon. Members:** Order!

**Mr. Speaker:** Order, please. Order, please!

**Mr. Chrétien:** The 69-cent man.

**Mr. Speaker:** Order, please!

**Mr. Johnston:** Mr. Speaker, Mr. Peterson was probably referring to the mess in the policy directions of the Government in September of 1984.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** He was referring to your Government.

REQUEST FOR ASSURANCE FROM MINISTER

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Will the Minister assure Canadians and Members of the House that there will be no increase in interest rates tomorrow, given his belief that the dollar is undervalued and that it is rebounding?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this is a ludicrous question coming from the Hon. Member who was a Minister at the time the previous Government was pushing interest rates up to 20 and 25 per cent per annum. There is no credibility whatsoever in that type of question.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** As has been demonstrated, our policy is to get interest rates down. We are encountering pressures in the exchange markets which overlap into financial markets here in Canada, which has resulted in interest rates going up in Canada. However, as we indicated at this time last year, our policy is to get interest rates down by stabilizing markets. That is what we are doing right now, and we will be following through with a reduction of interest rates in due course.

INVESTMENT OUTFLOW

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Minister of Finance and it is also with regard to the continuing problems with the dollar. Yesterday the Minister told the House that his Government is doing all the right things. He reiterated that today when he said he is proud of his policies.

I did some checking on numbers produced by the Government yesterday. Will the Minister confirm that there was a net outflow of Canadian direct investment of $5,290 million, which is over $5 billion, last year, which was a 50 per cent increase from the year before? Will he confirm that there has been that kind of outflow of Canadian investment?

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, I will not confirm that figure. I do not know what the Hon. Member is reading from, but there has been a good inflow of investment capital from foreign investors. Yes, there would be some outflow by foreign investors who are investing to broaden their market-place. We are not going to try to stop that. That is a normal function in the market-place.

• (1425)

I said in 1982 that the balance of these policies were necessary in this country to encourage both foreign and domestic investment in Canada, to get control of the federal deficit problem, to deal appropriately with the federal-provincial stresses and strains, as well as to generate a climate where interest rates would be lower. These were the policies I was advocating then and that is what we have followed through on.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I want to tell the Minister that I am quoting figures produced by Statistics Canada.

BUDGET INQUIRY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister has been boasting about his policies. Considering that the outflow of Canadian direct investment actually increased following last year's Budget, at an alarming rate in the third quarter—the last quarter for which we have figures—will he admit that this outflow of Canadian investment is a major factor in driving down the value of the Canadian dollar and, therefore, announce that he will bring in a Budget that will encourage Canadians to invest in Canada to keep our dollar up and keep jobs here?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not want to have to remind the Hon. Member again, because he does not like the news, but we have been creating jobs in this country at a rate of 1,000 per day, some 450,000 jobs since we took office.

The specific response to his comments on investment is that investment activity in Canada was down for a period of time after the recession. It stabilized in late 1983 and early 1984. This past year, 1985, investment took off, growing at 11 per cent per annum, and the projections are that this will increase to over 12 per cent during the course of this year. That is what we mean when we say our policies are designed to encourage investment in Canada and to create jobs in Canada.

**Mr. Broadbent:** The rhetoric of the Minister of Finance will not hide the reality of the Government's own statistics which show that last year Canadians invested more abroad than the previous year, and that tendency is increasing to our disadvantage.

REQUEST THAT MINISTER INTRODUCE NEW POLICIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, this morning we learned that the Government of Canada spent $800 million in the last month buying up Canadian dollars, just to bribe speculators in the United States with our money. Instead

of wasting that money in a spurious effort to prop up the dollar, will the Minister bring in new policies to encourage investment at home that will keep our dollar up? That is what he should be doing.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I just indicated to the Hon. Member what we are doing and what we have done to encourage investment in Canada.

**Mr. Broadbent:** It's not working.

**Mr. Wilson (Etobicoke Centre):** I believe it was a year ago that the Hon. Member's Party said that they wanted to see 300,000 jobs created. We created more than that as a result of the combination of policies that we undertook. The rhetoric that the Hon. Member is throwing out on the floor of the House is false. The true facts are there for him to check.

**Mr. Broadbent:** I have them.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Oshawa should check them. The figure of 450,000 jobs is very, very real and, as I said yesterday, 450,000 Canadians are saying: "Thank you Michael Wilson; you're doing the right thing".

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## ENERGY

### PRICE OF CRUDE OIL—GOVERNMENT POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I would like to remind the Prime Minister that on several occasions his Minister of Energy, Mines and Resources stated in this House that it would take up to three months before lower crude oil prices might benefit Canadian consumers at the pump. Well, this morning I came across some documents which make it crystal clear that crude stocks of Canadian refineries will be depleted within 20 days at most. I would therefore ask the Prime Minister whether he would commit himself to take decisive steps so that Canadian refiners will immediately reduce gas prices at the pump, to the benefit of consumers.

● (1430)

[*English*]

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, in reply to the Hon. Member's question, I find that stance rather peculiar coming from the Liberals. Their current Leader, when he was Minister of Finance, suggested that when price increases come through, reserves should be used up and it would take at least a minimum of 45 days to do that, which was later transferred into 60 days. Now he is saying prices should drop in a shorter period of time, that is in 20 days. It just does not add up, and the Hon. Member knows that.

**Some Hon. Members:** Hear, hear!

[*Translation*]

### INQUIRY WHETHER GOVERNMENT IS PREPARED TO TAKE MEASURES TO BENEFIT CONSUMERS

**Mr. Jacques Guilbault (Saint-Jacques):** Back to the Prime Minister, Mr. Speaker, because his Parliamentary Secretary did not understand that current stocks will not last more than 20 days. He should do his homework.

I want to ask the Prime Minister whether he is prepared to take immediate steps to make sure that lower crude prices will not lead to excessive profits for Petro-Canada or any other oil company, and that consumers will reap the benefit of cheaper crude oil, as they should.

[*English*]

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, when the Hon. Member talks about 20 days of reserves, it is interesting to note that the Province of Quebec has always asked for 60 days of reserves because of emergency rationing. They are on hand, and the Hon. Member has been told that time and time again.

It is interesting to hear the Member talk about gasoline prices. He was in Montreal the other day and did not say anything about the one penny a litre raise on gas which the Liberals imposed in that province, twice the amount of tax which the federal Government has—

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** The Member does not say anything about reducing that.

**Some Hon. Members:** Hear, hear!

* * *

## THE ECONOMY

### LEVEL OF INVESTMENT

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is also for the Minister of Finance. Does he deny that not only has there been a 50 per cent increase in the numbers of Canadian dollars leaving Canada for investment purposes, the difference between 1984 and 1985, but there has also been a $1.7 billion decrease in the numbers of foreign dollars being invested in Canada? How does the Minister explain that when he talks about his policies working to create a better investment climate in Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member must understand that in balance of payments statistics there are pluses and minuses—

**Mr. Broadbent:** Yes. They are both minuses.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** The Hon. Member says they are both minuses. There are a lot of pluses, Mr. Speaker.

**Mr. Broadbent:** And the dollar is going down.

**Mr. Epp (Provencher):** Give him the books.

**Mr. Wilson (Etobicoke Centre):** Let me respond to the Hon. Member's question. It is not appropriate to take one statistic and not look at the global effort at raising investment activity in this country. Investment activity is the broadest measure of investment activity, which creates jobs. It shows that last year, after four years of very, very poor performance, suddenly there was an upturn of 11 per cent. As I indicated in my last answer to the Member's Leader, it will be up about 12 per cent this year—

**Mr. Speaker:** Order, please. These answers are getting very long.

GOVERNMENT POLICIES

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I listened to the Minister's answer to my Leader very carefully. He said that his policies were designed to increase investment, both foreign and domestic. How then can he explain, with his policies in place, an increase by 50 per cent of investment dollars leaving Canada and a decrease by $1.7 billion of investment dollars coming into Canada if his policies are working?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not know how many times the Member wants me to answer the same question.

**Some Hon. Members:** Just once.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is pulling specific statistics out of context without looking at the broad picture. The broad picture is one where investment activity was up 11 per cent last year after three or four years of either going down, or staying flat at very low levels.

It has been the policies of this Government to regenerate that investment activity to create the jobs, improving job prospects for Canadians and improving the competitive position. Last year in Canada we had an improvement in productivity and an improvement in the cost structure, something that we had not seen for the last 15 years.

**Mr. Deans:** $7 billion short.

*Oral Questions*

## ENERGY

PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Right Hon. Prime Minister. Recently the Prime Minister received a telegram from the Canadian National Committee for the Reduction of Gas Prices headed by Mr. Joseph Gilles. They are demanding that the Government reduce taxes on gasoline immediately, and they are joined in their demands by the Canadian Automobile Association. Is the Government going to act on their request, or does the Prime Minister plan to ignore the concerns of so many Canadians?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I want to thank the Hon. Member for the question because this gives me an opportunity to say that we are concerned about gas prices as well. We expect them to be dropping once the supplies get through the pipelines.

It is completely irresponsible to ask a Government to reduce gas prices in the amounts they are asking for, not taking into consideration supplies that cost extra money, or profit and loss statements of companies, or anything else. Everybody would like to see lower prices in everything, but what is being asked for is completely unrealistic.

**An Hon. Member:** Bourassa.

REQUEST FOR REDUCED PRICES

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, if the hon. Parliamentary Secretary does not agree with the committee's figure on reduction, why does he not set one of his own and at least start the ball rolling to reduce gasoline prices?

Since coming into power the Government has increased taxes on gasoline by 3.09 cents a litre. When, Mr. Speaker, is the Government going to reduce gasoline prices, or is the Government going to gouge the Canadian consumer constantly?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, this matter was fully debated in the House yesterday. The Hon. Member led for his Party and did not have enough guts to stand up and say whether or not the Liberals supported the motion brought in by the Hon. Member for Vancouver-Kingsway.

I can tell the Hon. Member that when the Liberal Government was in power gas in Montreal went from 30 cents a litre to 58.1 cents a litre during the time of the National Energy Program, an increase of 94 per cent.

What is the Hon. Member talking about? Such hypocrisy.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member for Vancouver-Kingsway.

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** One question.

**Mr. Speaker:** Order, please. I would very much like to be able to hear this question.

**Some Hon. Members:** Oh, oh!

* * *

## PETRO-CANADA

### CLOSURE OF SERVICE STATION AT GRAVENHURST, ONT.

**Mr. Ian Waddell (Vancouver-Kingsway):** Thank you for recognizing me, Mr. Speaker.

I have a question that I would like to pose to the Prime Minister. I would like him to answer it personally on behalf of a couple of ordinary Canadians.

In view of the fact that Canadians are probably paying 6 cents to 10 cents a litre too much, about $4 a tankful, why did the Prime Minister allow Petro-Canada to close the gas station of Cora and George McAra of Gravenhurst, Ontario, when that couple wanted to lower the price by two-tenths of a cent a litre?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member beat a hasty retreat yesterday from the House of Commons but he sneaked back in afterwards for the debate.

**Ms. Copps:** Totally out of order.

**Some Hon. Members:** Shhh!

**Mr. McDermid:** This question was fully answered and it is to be found on page 10441 of *Hansard*. It deals with the particular problem that the Member brings to the attention of the Government. The question was answered yesterday. The Member is playing politics with these people's lives.

**Mr. Waddell:** Mr. Speaker, these people are paying with their life savings.

### ANTICIPATED REDUCTION IN PRICE OF GASOLINE

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I would like to ask the Prime Minister a supplementary question. I dare him to show some leadership and some guts and answer the question himself.

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** I have to put the question every ordinary Canadian is asking. When, in view of world prices dropping dramatically as they did again yesterday, is the Canadian motorist going to see it reflected at the pump?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will answer that question very quickly so the Hon. Member can hear the answer before he shoots out of the House like a rabbit again.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** I tell you nothing so became the Hon. Member as the elegant way in which he beat a retreat yesterday.

**Some Hon. Members:** Oh, oh!

**Mr. Young:** Where were you on Friday?

• (1440)

**Mr. Mulroney:** I can tell the Hon. Member that the Minister—

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** The Hon. Member will be aware of the telex which was sent by the Minister to the various companies, conveying the strong views of the Government with regard to the passing on of the reductions that we expect will take place. That will begin countering in substantial measure the 80 per cent increase in petroleum prices which occurred when the NDP got together with its Liberal sweethearts and drove prices up 80 per cent during the NEP.

**Some Hon. Members:** Hear, hear!

* * *

## THE CONSTITUTION

### ENTRENCHMENT OF PROPERTY RIGHTS

**Mrs. Mary Collins (Capilano):** Mr. Speaker, my question is directed to the Minister of Justice. As the Minister will be meeting with the provincial Attorneys General in Vancouver next week, can he assure the House that high on his agenda will be the entrenchment of property rights in the Constitution? Will the Minister agree to urge his provincial colleagues to support such an amendment, a move which is sought by Canadians in all parts of the country?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, this is the toughest question we have had all session.

**Mr. Deans:** Just answer it quickly.

**Mr. Crosbie:** At the urging of the Hon. Member and other members of our Party, I have caused to be put on the agenda for our meeting next week in Vancouver the question of the protection of property rights, which our Party supported when the constitutional discussions were under way, and which the Official Opposition and the unofficial opposition both opposed, although the Official Opposition backslid when it was too late for anything to be done to include the protection of property rights in the Constitution. We will be looking at this question, particularly keeping in mind the necessity for the protection of

the rights of women and taking into consideration the fears which women expressed with reference to that entrenchment.

* * *

## BOARD OF INTERNAL ECONOMY

REPORTED TAMPERING WITH RECORDING SYSTEM IN LIBERAL CAUCUS ROOM

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Hon. Member for Mission-Port Moody in his capacity as the designated Member to reply on behalf of the Board of Internal Economy. In light of further media reports that the electronic system in the Liberal caucus room had been tampared with, will the Hon. Member undertake, on behalf of the Board of Internal Economy, to table immediately in the House the report of the incident which was originally presented to the Sergeant-at-Arms? If not, will he, on behalf of the board, undertake to have an immediate inquiry into the situation established?

**Mr. Gerry St. Germain (Mission-Port Moody):** Mr. Speaker, on behalf of the Board of Internal Economy, if the Hon. Member has a presentation he would like to make to us as a Board, we will take his representation. We will hear it before the Board of Internal Economy and deal with it immediately.

**Mr. Boudria:** Mr. Speaker, my supplementary question—

**Mr. Speaker:** Order. This is a new procedure, putting questions to the Board of Internal Economy. It is certainly allowed; I have no problem with that.

**Mr. Boudria:** I have a supplementary question.

**Mr. Speaker:** No. Because it is an internal matter with regard to House administration, I think I will not grant a supplementary—

**Ms. Copps:** Oh, come on!

**Mr. Speaker:** Order, please. I am not going to grant a supplementary.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. It is a brand new procedure. I think that is the way we should start. That is the way I am going to start. If Hon. Members want to discuss that with me later, that is fine. The Hon. Member for Winnipeg North Centre.

* * *

## ENERGY

PRICE OF GASOLINE IN DETROIT AND WINDSOR

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, my question is for the Prime Minister, if I can get his attention.



**Some Hon. Members:** Oh, oh!

**Mr. Crosbie:** Stand up.

**Mr. Speaker:** Order, please.

**Mr. Benjamin:** Now what?

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

**Mr. Keeper:** Yes, Mr. Speaker, I have a question for the Prime Minister. He will know that yesterday gas was selling in Detroit at 32 cents per litre—

**Some Hon. Members:** Oh, oh!

**Mr. Keeper:** —while in Windsor it was selling at 51 cents per litre. It is not hard to understand why Canadians were going to the gas pumps in Detroit. What is difficult to understand, and what requires explanation—

**Mr. Speaker:** Order, please. Given the way this has started, perhaps the Member could just come to his question, please.

**Mr. Keeper:** Why has the price of gas fallen dramatically in Detroit, by 10 cents since last November, while it stays stable and high in Windsor? When will the Prime Minister give an explanation of that?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I can tell the Hon. Member, without being able to verify his figures, that certainly there is a difference in prices between the United States and Canada for very many reasons. One of them, of course, is the taxation, both the federal and provincial taxation. In Quebec, for example, the provincial tax was raised by the Liberals a penny per litre yesterday, and I guess this morning it showed up at the pump. It makes a big difference in those gas prices.

**Mr. Deans:** How does that affect Windsor?

**Mr. McDermid:** However, I can tell the Hon. Member that any of the Americans with whom I have talked would gladly have more pennies on the litres of gasoline down there if they had the social safety net which we have here in Canada. If they had medicare, if they had the Guaranteed Income Supplement and the other social security programs—

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I don't believe it; that is coming from a Conservative.

**Mr. Nystrom:** McDermid for Prime Minister.

**Mr. Rodriguez:** Smile, McDermid. How can you say that with a straight face?

**Mr. Speaker:** Order, please.

*Oral Questions*

REQUEST THAT PETRO-CANADA BE INSTRUCTED TO REDUCE PRICES

**Mr. Cyril Keeper (Winnipeg North Centre):** The Minister knows that the taxes on gas have gone since they have come to office.

[*Translation*]

Mr. Speaker, just how long will Canadian consumers continue to lose $8 million a day? And when will the Government be prepared to use Petro-Canada as a means to reduce prices and provide fair prices to Canadian consumers?

[*English*]

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, it is very true that taxes on gas in Canada have gone up. They have gone up because of the mammoth debt with which the Government was left from the previous administration that was supported by that little red rump over there called the New Democratic Party. We are taking our responsibilities seriously. Let me answer the question this way: You are going to see drops in prices very soon, very soon.

* * *

[*Translation*]

## JUSTICE

ALLEGED IMPOSSIBILITY OF APPOINTING FRANCOPHONE JUDGE TO ONTARIO COURT OF APPEAL

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question today is directed to the Minister of Justice.

Yesterday, the Minister indicated to the House that he had appointed Mr. Justice Krever, a unilingual Anglophone, to a position traditionally held by a Francophone in the Ontario Appeal Court. He went on to say that it was essential to have a first-class person. I do not doubt that! But does the Minister feel he was unable to find a well-qualified Francophone for this position?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, just in case the hon. gentleman is genuinely worried, there are 18 judges at the appeal level in Ontario, three of whom are bilingual, or 17 per cent. There are an additional four bilingual judges who can be used on appeals from the High Court. Of these seven, four are Francophones. In 1985 there were two appeals among 1,400 applications which required a French panel. To date 43 per cent of all judges appointed across Canada by the Mulroney Government they have been Francophone or had French capabilities.

**Some Hon. Members:** Hear, hear!

[*Translation*]

NEED TO APPOINT BILINGUAL FRANCOPHONE JUDGE

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, my question is directed to the Prime Minister.

Mr. Prime Minister, people say that each and every appointment by your Government is verified by you twice before being final.

Do you support the appointment of an Anglophone unilingual judge to the Ontario Appeal Court, indicating that it is impossible to find a bilingual Francophone judge in Ontario today? Was such a judge impossible to find? Do you agree with the Minister's suggestion that a bilingual Francophone could not be found for this traditionally bilingual position, Mr. Speaker?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, together with the Hon. Minister of Justice, I personally contacted a number of distinguished Ontario Francophones and offered them this position. For health reasons or other considerations, they had to decline.

* * *

● (1450)

## CROWN CORPORATIONS

FUTURE OF CANADAIR

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. Before the Government gets involved in a fire sale in the case of Canadair just as it did in the case of de Havilland, could the Minister clarify the confusion concerning the future of that company? Have bids been made for the purchase of Canadair, yes or no? What will be Canadair's profits for financial year 1988? Finally, will the Government consider as a valid option keeping Canadair as a public concern—

[*English*]

**Mr. Speaker:** Order, please. This is several questions in one. I think the Minister should at least be allowed to answer the first part.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, this is perhaps the eighth time I have been asked if there are any offers with respect to Canadair. As I informed the House earlier, we to date do not have any firm offers for Canadair. At the present time I would say that there are two groups that are at least considering a possible deal involving Canadair. I think the House will be pleased to learn that both are Canadian groups.

[*Translation*]

CANADAIR—MINISTER'S POSITION

**Mr. Mike Cassidy (Ottawa Centre):** I have a supplementary question, Mr. Speaker. Tomorrow, my leader and I will visit Canadair and meet its president, Mr. Desmarais. Will the Minister recommend to Mr. Desmarais to provide us with such essential information as Canadair's profits, or does he feel that we will witness a fire sale in the case of Canadair just as we did in the case of de Havilland?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, when the Hon. Member for Ottawa Centre visits Canadair tomorrow, he would do a great service if he told those he meets that when we took over government Canadair had a hangar full of finished, unsold planes. It was operating at a loss after a huge deficit was run up by the former Government. I am pleased to tell the House that today Canadair has a backlog for aircraft production. Employment is on the upswing. We have just announced programs that will result in 400 more jobs. In short, I hope the Hon. Member will tell those there that the unfounded rumours that opposition Members have been spreading are totally wrong, and that their jobs are more secure today than they were when we took power.

* * *

## TRADE

CANADA-UNITED STATES NEGOTIATIONS—
FEDERAL-PROVINCIAL DISCUSSIONS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, I have a question for the Secretary of State for External Affairs. Are we making any progress on the federal-provincial talks so that when we go to the trade negotiations with the United States all the provinces will stand four-square behind the federal lead?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the House will know that after the federal-provincial conference in Halifax a continuing committee of officials to deal with trade negotiations was established at the instigation of this Government. That committee was extended to include officials from the Yukon and the Northwest Territories. The House will be very pleased to know that that committee met for some six hours in Ottawa yesterday in a very harmonious and constructive atmosphere. The committee has tentatively agreed to meet again on March 4 to carry on the co-operative progress in this preparatory phase of the trade negotiations.

## AGRICULTURE

PLIGHT OF POTATO FARMERS IN ATLANTIC PROVINCES

**Mr. George Henderson (Egmont):** Mr. Speaker, my question is directed to the Minister of Agriculture. I am sure the Minister is well aware of the serious financial crisis facing the potato farmers of Prince Edward Island and New Brunswick. I know he has met with a number of organizations which have pointed that out quite clearly to the Minister. What assistance is the Minister prepared to offer the potato farmers of Prince Edward Island and Atlantic Canada to help them through this most serious situation?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I certainly appreciate the Hon. Member's interest in the plight of the Atlantic Canadian potato farmers. As he knows, a number of representations have been made to me by provincial Premiers and by my provincial counterparts in Atlantic Canada. At the moment, we are looking at three options. I appreciate the difficulties the farmers are experiencing, but to this point in time we have not made any final decisions.

INSPECTION FEES

**Mr. George Henderson (Egmont):** Mr. Speaker, last year for the first time the Government imposed inspection fees of three cents a hundredweight on potatoes. Will the MInister confirm that negotiations are once again under way to increase those inspection fees over the next four years to 20 cents a hundredweight?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I am sure that the Hon. Member will know that we sat around a table to discuss the matter of imposing inspection fees. Indeed, we will continue to negotiate that issue with representatives. We did not act unilaterally last year, nor is it our intention in 1986 unilaterally to impose increases on inspection fees for the potato farmers or any other group as far as that is concerned.

* * *

## EDUCATION

FUNDING OF POST-SECONDARY EDUCATION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Minister of Finance. I wonder if the Minister of Finance agrees with Terence Donahoe, Nova Scotia's Minister of Human Resources, who reacted to the federal Government's intention to reduce the level of funding for post-secondary education and medicare by saying the following:

—if Ottawa goes ahead with the reduction in grants, "it simply will emasculate the post-secondary education system.

"It is going to be chaos and chaotic . . . the system is simply going to fall apart.

Does the Minister of Finance agree with his Conservative colleague?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not agree with the remarks that were just made. I will say to the Hon. Member that when the Budget comes forward in due course, he will see very clearly by the degree of spending we are putting into post-secondary education, research and development, and health care, that these represent clear priorities of the Government. They will continue to be clear priorities. That is the policy of the Government.

LEVEL OF FEDERAL FUNDING

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Minister does not agree with his Conservative colleagues in Nova Scotia. Does he agree with the Newfoundland Conservatives who, in a Green Paper, indicated that they are looking at privatization of the medicare system, in part or in whole, as a result of the Minister's cut-backs in the level of funding for established programs financing?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think that the Hon. Member has been listening carefully to the responses to questions. There are no cut-backs in funding. There is a reduction in the rate of growth, but as the Prime Minister indicated in Halifax the Government will be spending $25 billion more by moving the amount of spending on post-secondary education and health care from $65 billion over the last five years to over $90 billion in the next five years. That surely is not a cut-back in spending.

* * *

## THE ECONOMY

EFFECT OF LOWER OIL PRICES

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, my question is directed to the Minister of Finance. Yesterday in committee the Economic Council of Canada, and today in *The Globe and Mail* the data resources indicated that there would be a great benefit to Canada in reduction of inflation, increase of employment, increase of Gross National Product, and reduction of the deficit as a result of reducing oil prices. I was wondering if the Minister will be reflecting those changes in his Budget presentation which will occur later this month.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is looking for a sneak preview and I will try to give him one. The effect of the drop in international oil prices is not an easy one to measure. Yes, as the drop in prices flows through to the consumer there will be benefits felt by the consumer. There will be offsets to that as the Government's revenues go down as a result of lower corporate taxes and lower PGRTs. However, the net effect is probably fairly balanced when taking into account the over-all nature of those changes.

## CROWN CORPORATIONS

CANADAIR—PARAMETERS FOR SALE

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Yesterday when I asked the Minister to issue new instructions for the sale of Canadair, instructions which would ensure that Canadair remains Canadian, he did not make any commitment on that point but he did say the following:

> However, the conditions under which we feel it should be privatized have been made abundantly clear. There are very strict parameters which we are interested in, when entertaining possible bids for Canadair.

What are those conditions and parameters which are very clear? Will the Minister make them public by tabling them in the House?

• (1500)

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, if the Hon. Member had an opportunity to come to the committee which reviewed the sale of de Havilland to Boeing, he would have heard, of course, the type of parameters to which I referred yesterday.

**Mr. Speaker:** A very short supplementary question.

SALE OF DE HAVILLAND

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, is the Minister telling us that the same parameters and conditions which pertained to de Havilland pertain to Canadair? If that is the case, then de Havilland was sold for a song. It was sold outright to foreigners. Will the Minister tell the House whether or not the same conditions and parameters are to be applied to Canadair as applied to de Havilland?

**Some Hon. Members:** Hear, hear!

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, first, de Havilland was not sold for a song.

**Mr. Allmand:** Damn right it was!

**Ms. Copps:** Half a song!

**Mr. Deans:** It was only a chorus; it wasn't even a song.

**Mr. Stevens:** de Havilland was sold to a very reputable aircraft company—perhaps the finest in the world—at a fair price. I think Hon. Members will find that it will work to the advantage of the employees of de Havilland, the Government, and the people of Canada. I wish members of the Opposition would quit being such downers as far as the aircraft industry in this country is concerned.

**Some Hon. Members:** Hear, hear!

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, February 4, 1986, meet the requirements of the Standing Orders as to form.

* * *

**Mr. Speaker:** I am in receipt of one or two notices with respect to questions of privilege and points of order. I will take them in the order in which I received them. I have notice of a question of privilege from the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

* * *

## PRIVILEGE

### NATIONAL ENERGY PROGRAM

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question of privilege is with respect to the Prime Minister (Mr. Mulroney), who I think has inadvertently misled the House. If he were to check the record he would find that the NDP voted with the Conservatives against the National Energy Program. The Prime Minister should check that out before making these misleading allegations.

**Mr. Hnatyshyn:** That is revisionist thinking!

**Mr. Speaker:** The Hon. Member has made his point, which is not a question of privilege.

The next notice I have received is with respect to a point of order from the Hon. Member for Windsor West (Mr. Gray).

* * *

## POINT OF ORDER

### DISALLOWANCE OF SUPPLEMENTARY QUESTION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I am raising a point of order with respect to your ruling on whether or not the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) should have been allowed a supplementary question. I recognize that this was the first occasion on which a question had been put to the designated spokesperson for the Commissioners of Internal Economy. However, may I respectfully suggest, Sir, that one should not have anticipated that somehow or other the supplementary question might have been to the same person and, therefore, not permissible. It could well have been the case—and I tell Your Honour it would have been the case—that the supplementary question would have been directed to a Minister on an aspect of the matter related to the original question.

May I suggest, Sir, that on occasions such as this you might wish to consider at least allowing the Hon. Member to say to whom he wishes to ask his supplementary question of, thereby assisting you in making rulings in what are admittedly very tough and stressful situations.

*Point of Order—Mr. Gray (Windsor West)*

**Mr. Speaker:** I thank the Hon. Member for his support. I would be happy to consider the matter. As I indicated at the time, it was a difficult one. I would appreciate it if the House Leaders, who have some involvement in this matter, would give me some advice on the matter, through the usual channels.

I may say that the point the Hon. Member is making gives me some cause for concern. In other words, if questions can go both to the Board of Internal Economy and to a Minister on the same matter, then matters could be put to the Board of Internal Economy which could at the same time be regarded as matters under ministerial accountability. It is difficult to find that a matter can be in both places.

However, I suggest I will think about the matter again. It was the first time the matter arose. I would appreciate any further advice I can get on the matter. Can we leave it at that?

**Mr. Gray (Windsor West):** Yes, Mr. Speaker. I just want to add this one comment, Sir. May I say, most respectfully, it would have been easier to make a decision in this type of difficult situation which you have just described had it been possible for you to actually hear the Hon. Member's question. You would have then been able to see more easily whether or not there was an over-lapping, which would have made it obvious that the question should not have been permitted.

**Mr. Speaker:** I will now hear the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for St. John's East (Mr. McGrath).

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I had intended to rise on much the same point. However, I rise for a somewhat different reason than that which caused my colleague, the Hon. Member for Windsor West (Mr. Gray), to rise.

I must confess that when I had imagined that there would be questions to the representative spokesperson of the Board of Internal Economy, I had imagined that those questions would be absolutely non-partisan in nature. It would be difficult for me to imagine how, then, a supplementary question could be put to a Minister of the Crown. Therefore, I would like to have some further discussion on the point. I also urge some consideration on this point: If questions to be put to the representative of the Board of Internal Economy are for information purposes, as I had imagined they would be, then it would be reasonable to think that on most occasions a single question might be sufficient. However, that ought not rule out the possibility that there could be a supplementary question. I will take the opportunity which Your Honour has offered to make my own views known to you privately.

**Mr. Speaker:** Is the Hon. Member for St. John's East (Mr. McGrath) rising on the same point of order?

**Mr. McGrath:** Mr. Speaker, my point has been covered by the Hon. Member for Hamilton Mountain.

**Mr. Speaker:** The President of the Privy Council (Mr. Hnatyshyn).

*Point of Order—Mr. Gauthier*

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I might add a word to what has been said by the Hon. Member for Hamilton Mountain (Mr. Deans). When we are discussing these matters in terms of the new procedure, we are grateful to the committee chaired by the Hon. Member for St. John's East (Mr. McGrath) for recommending it. I think it is working well. In effect, it has now democratized the Board of Internal Economy so that all Parties are now represented on the Board.

It might be helpful too, when we consider these matters, to consider the practice of giving notice if information is required. Of course, it would be difficult for any Member responding on behalf of the Board of Internal Economy to do anything more than simply take the matter as notice, unless the matter had already been adjudicated upon or resolved.

I think we should talk about the matter. I think it has nothing to do with asking supplementary questions. It has to do with the process of asking representatives of the Board of Internal Economy for information in which all Members of the House are vitally interested and concerned. I look forward to that discussion, Mr. Speaker.

**Mr. Speaker:** I thank all Hon. Members. I repeat my suggestion that I would like some guidance on the matter. I am sure the House Leaders will provide me with that.

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## POINT OF ORDER

USE OF ALLEGED UNPARLIAMENTARY TERM

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I rise on a point of order. During Question Period today the Hon. Member for Brampton-Georgetown (Mr. McDermid) referred to the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) as having no guts. My House Leader drew my attention to Citation 320 of Beauchesne's Fifth Edition where that term is listed as unparliamentary. I ask that the remark be withdrawn from the transcript of today's proceedings.

**Mr. Speaker:** The Hon. Member will know that the term was used in this Question Period by more than one Hon. Member. Certainly, it is language which in normal debate would not be allowed. The Question Period always has its different tensions. I would be happy to think about the matter and look into it. Perhaps the wisest course of action would be to remind all Hon. Members of our obligations with regard to language in Question Period. The Hon. Member has asked me to look into the matter and I will do that.

# ROUTINE PROCEEDINGS

[*English*]

## LEGISLATIVE COMMITTEE—BILL C-86

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

**Mr. J. R. Ellis (Prince Edward-Hastings):** Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-86.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

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## PETITIONS

EFFECT OF FREE TRADE NEGOTIATIONS ON AGRICULTURAL PROGRAMS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I have a petition to present signed by 1,454 electors from the riding of Glengarry-Prescott-Russell. The 1,454 signatures added to the signatures which have already been tabled make a grand total of 3,397 electors from my riding who ask for a commitment from the Prime Minister of Canada (Mr. Mulroney) to ensure that agricultural programs will not be sacrificed in free trade negotiations with the United States of America.

● (1510)

CAPITAL PUNISHMENT

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, I present a petition from constituents in my riding of Scarborough Centre. They strongly recommend that the House of Commons consider the reinstatement of capital punishment for murders of law enforcement officers, for known paedophile sex murderers and persons convicted for the second or third time of armed robbery where the death of an innocent person occurs.

FULL INDEXATION OF FAMILY ALLOWANCES AND REPEAL OF TAX

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have three petitions from citizens of Regina and Saskatoon, Saskatchewan. Even though the legislation has passed in the House of Commons the petitioners still hope that Honourable Members of the other place will amend the legislation to restore full indexation of Family Allowances and rescind unfair tax increases, sending the Bill back to this place.

**Mr. Speaker:** Is that in fact a petition to the Senate?

**Mr. Benjamin:** No, it is a petition to this House.

FULL INDEXATION OF FAMILY ALLOWANCES AND REPEAL OF TAX

**Mr. Dan Heap (Spadina):** Mr. Speaker, the voters of Spadina also do not accept the decision which was made. They find the deindexation of family allowances very unfair and they petition this Honourable House to reinstate full indexation of universal Family Allowance and to rescind the unfair tax increases.

ASSESSMENT OF MAINTENANCE FACILITIES—CN SHOPS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, once again I have the honour to present a number of petitions to this House, signed by residents of the federal constituencies of Moncton and other areas in southeastern New Brunswick. The petitioners are expressing their concern with regard to the assessment being conducted on the maintenance capacity of the CN shops throughout Canada. They are concerned that any negative ramifications of that assessment would have a great effect upon the economy of the area, the unemployment rate and, certainly, upon the lifestyle those people have grown to enjoy over the years.

[*Translation*]

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I also have the honour to present a petition signed by residents from southeastern New Brunswick, more especially from Moncton, Dieppe, Richibouctou and Riverview. This shows, Mr. Speaker, that people are quite concerned about conditions at the CN shops and that increasingly they would like to obtain the assurance from the Government that those jobs will be protected.

* * *

[*English*]

## SECHELT INDIAN BAND SELF-GOVERNMENT ACT

MEASURE TO ENACT

**Hon. David Crombie (Minister of Indian Affairs and Northern Development)** moved for leave to introduce Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*Order Paper Questions*

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 443 will be answered today.

[*Text*]

CRIMINAL CODE

Question No. 443—**Mr. Parry:**

Since January 1, 1978, how many charges under Section 84(2) of the Criminal Code (*a*) were laid (*b*) resulted in a conviction (*c*) were reversed on appeal?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** The information sought is not available, as the necessary or relevant statistics are not kept.

[*Translation*]

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

**Mr. Speaker:** The question indicated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Mr. Nunziata:** Mr. Speaker, I should like to ask a question from the Solicitor General. I asked—

[*English*]

Several months ago, with respect to Question No. 296 on the Order Paper, the Solicitor General (Mr. Beatty) indicated he would look into the answer to that question personally. I was wondering whether the Solicitor General could indicate to the House today as to the progress of that question?

**Mr. Speaker:** Order, please. It would be out of order for the Hon. Minister to reply at this time. It would be in order for the Parliamentary Secretary to reply.

**Mr. Nunziata:** Mr. Speaker, I did on a previous occasion ask a question o the Solicitor General and Your Honour permitted the question to be answered by the Solicitor General.

**Mr. Beatty:** I sit here day after day, Mr. Speaker, and we don't get any questions from him.

**Mr. Speaker:** I would be glad to review it, but I have a feeling that if I did that—which I do not doubt because the Hon. Member said I did—then I made a mistake. Therefore, at this point I am going to recognize the Hon. Parliamentary Secretary to reply to the question.

**Mr. Nunziata:** I take it then, Mr. Speaker—

**Mr. Speaker:** Order, please. I will recognize the Hon. Member on a point of order after, perhaps.

**Mr. Lewis:** Mr. Speaker, I have looked at the question referred to and there are some 36 to 40 parts to it which involve several different departments. That is causing difficulty in responding sooner.

**Mr. Nunziata:** Well, Mr. Speaker, some time ago the Solicitor General gave his undertaking that he would personally involve himself in the answering of that particular question. You did permit him to answer and through his answer he gave his undertaking. I would like to put my question to the Solicitor General.

**Mr. Speaker:** I believe I have just ruled. I do not believe that is possible.

Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

* * *

## MOTIONS FOR PAPERS

**Mr. Speaker:** Shall the Notices of Motions for the Production of Papers be allowed to stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof, as reported (with amendments) from a Legislative Committee.

**Mr. Speaker:** There are eleven report stage amendment motions listed on today's Order Paper concerning Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof.

The Chair has examined the motions and found them procedurally acceptable, except one, namely Motion No. 5 in the name of the Hon. Member for Burnaby (Mr. Robinson).

Motions Nos. 1 and 2 will be debated and voted on separately.

Motions Nos. 3, 4, 6 and 7 will be grouped for debate and voted on separately.

[*English*]

Motion No. 5 seeks to introduce a new concept into the Bill, that of collective bargaining, which is clearly beyond the scope of the Bill. I refer the Hon. Member to the Beauchesne's Fifth Edition, Citation 773(1).

In addition, the motion tries to bring in provisions of the Public Service Staff Relations Act, which specifically excludes members of the Royal Canadian Mounted Police, and by so doing indirectly tries to broaden the scope of that Act. As the Hon. Member knows, Beauchesne's Fifth Edition, Citation 773(8)(*a*) clearly states that this cannot be done. Therefore, I must rule the motion out of order.

[*Translation*]

Motions Nos. 8, 9, 10 and 11 will be debated and voted on separately.

[*English*]

**Mr. Hnatyshyn:** Mr. Speaker, I would like to put forward very briefly my concerns with respect to Motions Nos. 9 and 11 with respect to the preliminary ruling made by the Chair.

Having reviewed the report stage, I just want to question, if I may, the procedural acceptability of these motions. Motion No. 9 standing in the name of the Hon. Member for Burnaby (Mr. Robinson) appears to broaden the nature of complaints to include those about "the activities of the Force in general".

Since the clause in question deals with the actions of specific individuals and not of the Force, it is hard to see how it is relevant to the clause. I would find it difficult to think of a way of complaining about an activity of an inanimate organization without having a complaint against a member of that organization.

Our past practice in this regard, as outlined in *Beauchesne's Fifth Edition*, Citation 773(1) is as follows: "An amendment is out of order if it is irrelevant to the Bill or beyond its scope". Therefore, I would argue that the motion is irrelevant to the Bill and ought not to be put to the House.

Motion No. 11 seeks to ensure that the Public Complaints Commission has the final decision in the case of appeals from the public with respect to members of the RCM Police. You will be aware, Mr. Speaker, that the House agreed in principle to granting this power to the Commissioner of the RCM Police when it agreed to the Bill at second reading.

In light of this, Mr. Speaker, I think you might find that the motion is contrary to this principle and ought not to be put to the House if we are to be consistent with the practice which is amply outlined in Citation 773(2) of *Beauchesne's Fifth Edition*, which reads as follows:

An amendment must not be inconsistent with, or contradictory to, the Bill as so far agreed to—

Thank you, Mr. Speaker.

**Mr. Robinson:** Mr. Speaker, I wanted to respond to the suggestion which was made with respect to Motions Nos. 9 and 11, and comment briefly with respect to Your Honour's preliminary ruling on Motion No. 5.

First, with respect to the comments of the President of the Privy Council (Mr. Hnatyshyn) on Motion No. 9, the clause in question seeks to introduce a new Section 45.35 of the RCMP Act which is headed "Public Complaints". That section sets out a mechanism for the receipt of complaints by members of the public who certainly could complain either with respect to the specific conduct of an individual member of the RCMP or, indeed, might very well wish to complain in a more general

sense about particular operational policies, for example, of the RCMP.

• (1520)

I would note that a predecessor Bill, Bill C-50, given first reading in April of 1978, with a similar provision, made reference to the activities of the Force in general. Therefore, I suggest to my colleague, the President of the Privy Council, that this is well within the scope of the particular clause proposed for amendment.

With respect to Motion No. 11, once again this seeks to extend certain provisions of this Bill. As it is now worded, the Bill would establish a mechanism whereby there would be a Public Complaints Commission which could hold a hearing and make recommendations to the Commission.

This amendment was discussed at great length in committee and is well within the scope of the clause it seeks to amend because it would merely include the additional step, as it were, of allowing a final appeal and decision by the Public Complaints Commission. I suggest that Your Honour's ruling is certainly well within the scope of this particular motion.

Finally on that point, when the House adopted the Bill at second reading it adopted the broad principles of the legislation. It would be inaccurate to suggest that the House adopted in principle a whole series of individual clauses. Surely the job of the committee is to examine the representations made by witnesses and make improvements in the legislation. If one if unsuccessful, then at report stage, one should make an effort to improve the Bill again on a serious question such as this. That, after all, is the purpose of report stage.

With respect to Your Honour's preliminary ruling on Motion No. 5, I respectfully suggest that Your Honour reconsider this particular matter. It suggested that the motion seeks to introduce a new concept into the Bill, that of collective bargaining. However, the Bill itself very clearly deals with the whole question of the nature of the relationship between the 14,000 members of the RCMP and their employer. This proposed motion would provide an alternative to the mechanism established in the Bill. It is not fundamentally different in principle; rather, it is once again an attempt to incorporate in the Bill, through changes to two other pieces of legislation, the representations made by, in particular, the Association of 17 Divisions seeking the right to collective bargaining, which is currently denied to members of the Force. Therefore I hope that on reflection perhaps Your Honour might see fit to allow Motion No. 5 to be in order and debated as well.

**Mr. Nunziata:** Mr. Speaker, I rise to support the comments of the Hon. Member for Burnaby (Mr. Robinson). I would like as well to concur in your preliminary ruling, specifically with respect to Motion No. 9. The Government House Leader indicated he felt that that particular motion, which has the effect of changing the definition of a complaint, was beyond the scope of this legislation. I have some difficulty with his submission because it would mean that it would be beyond the scope of any legislative committee to change the definition of a particular word in any particular piece of legislation. The purpose of this motion is simply to expand the definition of complaints in order to allow a member of the public to complain generally about the conduct of the Royal Canadian Mounted Police. The Marin Commission recommended a definition that would allow for a general complaint. Therefore, I hope that you will confirm your preliminary ruling with respect to Motions Nos. 8, 9, 10 and 11, and in particular Motion No. 9.

**Mr. Speaker:** I will of course reserve on Motions Nos. 9 and 11. I have to say to the Hon. Member for Burnaby (Mr. Robinson) that whatever his arguments are with regard to Motion No. 5, his argument that the tactic used is to amend another Act in consequence thereof I think is admitting that he knows he is going beyond what Beauchesne allows. I therefore confirm my ruling that Motion No. 5 is ruled out of order and I will come back to the House as quickly as I can on Motions Nos. 8 and 11. The rest of the ruling therefore stands.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 1

That Bill C-65, be amended in Clause 7 by striking out line 30 at page 5 and substituting the following therefor:

"with pay and benefits."

He said: Mr. Speaker, I am pleased to rise in support of this important motion which would amend the provisions of the RCMP Act to ensure that in circumstances in which a member is suspended from duty, that suspension will be with pay and benefits. Clearly the circumstances in which members of the RCMP are suspended are rare. However, in those circumstances it would seem to me that we should recognize the implications of suspension without pay, particularly when that suspension may last for several months or, in some cases, for more than a year. This can cause grave hardship for the individual involved. At the end of the process he could be found to be completely innocent of any wrongdoing. He may very well have had to give up his home and perhaps be unable to afford legal counsel because he has no income.

The committee which studied this legislation with care heard strong representations from both the Association of 17 Divisions and the divisional representatives on this important point.

[*Translation*]

Mr. Speaker, I would like to emphasize that the Association and the RCMP Division Staff Relations Representatives were unanimous in their contention that suspensions without pay are not required to ensure the sound administration of the RCMP. They were unanimous. Mr. Speaker, these people are elected by RCMP members throughout Canada to defend their interests.

As well, Mr. Speaker, I might point out that the Association of 17 Divisions, based in Quebec but with members in all regions of Canada, is made up of some 2,800 members of the RCMP, and this organization also supports the motion.

Mr. Speaker, there are at least five reasons to support this motion. First of all, just like any other Canadian citizen, a member of the RCMP is presumed to be innocent until found guilty. If he is presumed to be innocent, it is unfair that he be suspended without pay and benefits.

[*English*]

I would note that suspension with pay during an investigation into an alleged offence is an acceptable administrative process and was recommended by the Marin Commission. You will recall that Commission reported to the Government in 1976 after having carefully studied all aspects of this question. At page 154 of the Report is found the following:

● (1530)

During a criminal investigation or a service investigation of a serious nature and any subsequent proceedings, a member should be either suspended with pay or assigned to other duties.

In addition, Mr. Speaker, I would note that suspension without pay, in effect, presupposes guilt and constitutes immediate punishment. Suspension without pay is perceived as exerting extreme pressure, in many cases, on the member to resign, thus denying the member a proper hearing.

Finally, Mr. Speaker, to those who argue that it is not fair to keep a member on the force if he or she is accused of having committed serious wrong-doing, I would note that a member who is alleged to have committed a very serious wrong-doing or a criminal offence, and whose services can no longer be accepted within the force, can be processed for discharge on an urgent basis. Clearly such discharges would be rare indeed, Mr. Speaker. I would hope that the Government will recognize the injustice of the proposal in the Bill and will accept the unanimous representation of the divisional representatives on this question as well as the strong views expressed by the Association of 17 Divisions.

[*Translation*]

Mr. Speaker, I hope that after consideration of this motion the Government will accept it so that justice will be done to all members of the RCMP.

[*English*]

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, I want to support this amendment very strongly. I moved a similar amendment to the Bill when it was in committee. I have a very strong interest in this issue because, as Minister, I appointed the Marin Commission in the 1970s. The recommendation that members of the force should not be suspended without pay and benefits was one of the recommendations of the Marin Commission.

As my hon. colleague pointed out, this sort of treatment of members of the force is really in contradiction to our Canadian Charter of Rights whereby an individual is considered to be innocent until proven guilty. It is contrary to many other basic principles of justice. I will not prolong the debate, but I feel this is an amendment that should be accepted by the Government if it wants to respect the principles of the constitution and the principles that are inherent in our dealings with employees and our labour relations policy generally. I urge the Minister to give serious consideration to this amendment and to accept it.

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I clearly would not dismiss lightly any recommendation made by Judge René Marin in his report. I happen to be a good friend of Judge Marin. I am a supporter of his and I worked with him at the Canada Post Corporation. He is the chairman of that corporation and a very highly regarded individual who produced an excellent report.

I think it is appropriate for us to look at the proposal that is being made by my colleague, the Member for Burnaby (Mr. Robinson), which is flawed in at least two regards. One is a policy matter, and the other is the structure of the amendment that he is proposing.

Section 13.1 of the Act presently reads:

Every member who has contravened, is found contravening, or is suspected of contravening the code of conduct or an Act of Parliament or of the legislature of any province, may be suspended from duty by the Commissioner.

What would be the effect of the amendment proposed by my hon. friend across the way? My hon. friend would remove the words "by the Commissioner" and substitute for that the following: "with pay and benefits".

The first concern that Members of the House should have is a technical concern. I do not understand why the Hon. Member for Burnaby would propose to strip away from the Commissioner the right to make any suspension. That is not at all clear to me from the Hon. Member's amendment. By removing the individual who has the authority to make the suspension and specifying no one, how is the interest of the member served? Is he suggesting that no one within the force has the authority to suspend a member with or without pay, or is he suggesting that the authority to suspend a member with or without pay should be broadened and should be conferred on a broader category of individuals than just the Commissioner?

I suggest to the Hon. Member that if he is concerned about the welfare, the well-being, and the feelings of members of the force, surely the rank and file members of the force would be interested in hearing from him why he would take away an authority which is vested in one individual, the head of the organization, and leave us in a position where, presumably, the effect would be to simply broaden the authority to suspend a member. What is the reason for this sort of amendment?

There is also a policy consideration here, Mr. Speaker. I listened with interest to my colleagues arguing in favour of the principle that when members of the force are suspended they should be suspended with pay as opposed to without pay. Indeed, the committee looked at this when the matter was before it and the committee decided to reject the amendment which has been proposed.

There are a number of reasons for that. The first is that in the majority of cases where an individual is suspended, he is suspended with pay. It is perhaps appropriate to do that. However, there are some instances where an offence which has

been alleged is so serious that it would be appropriate to suspend a member without pay. For example, if a member of the force is charged with bank robbery and there is photographic evidence, then there is the potential that over a protracted period of time the officer could find himself in court charged with a serious criminal offence with sufficient evidence to merit suspending him from his duties. Yet, he would continue to be paid during that period if the Hon. Member's amendment were to pass.

This raises questions about the appropriateness of this sort of action and whether or not it brings the administration of justice into disrepute. Our concern is that nothing should be done which would bring the administration of justice into disrepute.

If the Hon. Member for Burnaby and the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) want to make an argument in terms of whether or not there is a presupposition that an individual is guilty, they could logically extend that argument to being one against suspension either with or without pay. They would make the argument that surely the court will decide whether the individual who is charged under the Criminal Code is guilty or not guilty and it is not up to the RCMP to suspend the individual at all. However, they are not arguing that. They are saying that it is appropriate, even before a conviction has been secured, for the force to suspend an individual in some cases. The only issues in dispute here are who will do the suspension and whether the suspension should be with or without pay.

There are a couple of other points I would like to make as well, Mr. Speaker. I think the Hon. Member would be concerned about the possibility of creating a special class for the RCMP with privileges and rights which extend beyond those which are granted by Parliament to other public employees. When other public employees in the public service are suspended, the authority is there to suspend them without pay under some circumstances. Yet, the effect of the Hon. Member's amendment would be to create a privileged class in this instance and to confer benefits on members of the RCMP which simply are not conferred upon other federal employees. I suggest that that sort of double standard would be unfair.

There is one other point that I would like to make before sitting down, Mr. Speaker. I gave the members of the committee the assurance that we would bring in amendments to the regulations that would ensure that any suspension of pay of a member is grievable and that, if there is an injustice being done by the administrative action, the member would have the authority to grieve and take advantage of the various provisions under the regulations. We intend to keep that commitment and to ensure that rights of members of the force are protected.

However, we do not believe that a privileged group should be set up with special rights and privileges not conferred on other public employees. We do not believe that any action should be taken by Parliament which would have the effect of bringing the administration of justice into disrepute.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have listened with a good deal of interest to the Solicitor General (Mr. Beatty). What he refuses to recognize is that for many years now there has been a feeling among many people, and members of the force in particular, that the RCMP is a law unto itself, that the rules under which it operates were modeled after the rules and laws of the armed forces of the 17th or 18th century.

Before I proceed to the comments I want to make, I will deal with one point which the Minister made a few moments ago. He said that if we do this for the RCMP we will have two classes of public employees, that these people will have conditions which do not apply to all other public servants. I suggest the fact is the exact opposite, because all other public sevants except employees on Parliament Hill have the right by law to belong to unions, whether it is the Public Service Alliance or the Professional Institute. When they are accused of wrongdoing or disciplined by suspension or firing, they have a right to ask their unions to grieve on their behalf and deal with it through a number of steps.

• (1540)

However, the RCMP force has no organization and the Commissioner does not want them to have one. The Minister and the Government agree with the Commissioner, so that when the Commissioner or senior officials in the RCMP believe that an ordinary member of the force has done wrong, the Commissioner shall be the prosecutor, the judge and jury to decide on the penalty. That is unacceptable.

Let me briefly cite for the record the views expressed in a very fine presentation on this subject by the committee of seventeen. They say:

> Our reasons for recommending that a member be suspended with pay and allowances are as follows:
>
> 1. The Constitution Act, 1982, presumes every person to be innocent until proven guilty by due process of law.

The RCMP Commissioner wants the exact opposite. When he suspends an officer without pay he has already made a judgment. There is no due process of law or consideration by a committee of peers or outside supervisory group. The committee goes on to state:

> 2. Suspension from duty with pay pending completion of an investigation for an alleged offence or a breach of the Code of Conduct is an acceptable administrative process. This was a recommendation of the Marin Commission.

The Minister says he is proud of his friendship with the Marin Commission, but he is quite prepared to ignore Justice Marin's recommendation when it does not suit him. The committee goes on to state:

> 3. Suspension from duty without pay presupposes guilt and may constitute immediate punishment before due process of law has been completed.
>
> 4. Suspension from duty without pay is perceived as exerting extreme pressure on a member to resign from the Force.

They go on to describe an actual case of an officer who was suspended without pay. Fortunately, the Commissioner subsequently agreed that the officer should be paid while he was

suspended. However, it took two and a half years until the case was finally settled. The Committee states:

> In view of the fact that current proceedings are lengthy, most in excess of two years, it may be realistic to conclude that the member will not be in a financial position to contest the discharge proceedings.

Of course, the member must do this on his own because he has no union or association to support him in his difficult time. The Minister wants to continue this procedure, but as far as we are concerned that is completely unacceptable.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I rise to make a brief intervention in this debate on this amendment. I am not a former Solicitor General like the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), but I did spend some pleasurable time as a Crown attorney and defence counsel in Vancouver. I have called RCMP officers as witnesses for my cases and I have cross-examined them in other cases, so I believe I have some experience with these officers in their day-to-day work.

I believe they should receive salary and benefits while under suspension. I suggest that the Solicitor General (Mr. Beatty) is not considering this issue in human terms. I might say that he is a bit too stuffy when he says this brings the administration of justice into dispute.

**Mr. Beatty:** Disrepute.

**Mr. Waddell:** That it brings the administration of justice into disrepute. That is a rather high-sounding principle but it does not mean anything in the context of this very human situation.

**Mr. Beatty:** It does to me.

**Mr. Waddell:** It is a very high-sounding principle. Let us consider the human situation. These officers are very special and have a very difficult job. There is a greater possibility for them to get into trouble than the average public servant. I make the case that it is a rather unique job and if special cases must be made for them, let us do so. It will not set a precedent for the whole public service.

As my colleagues have pointed out, the civil service has a better grievance procedure and union protection. Let us look at it in the context of human terms and the special job that these police officers must perform. If there is an allegation by which they can be suspended, they are helpless. They are not rich people but ordinary Canadians with families. They cannot afford to hire expensive lawyers to help them when they are under suspension.

The Hon. Solicitor General pays great tribute to Justice Marin and his report. Why do you not follow the report if you have such great respect for the judge, because he clearly saw the human side of the issue? With respect, the Minister ducks behind the technicalities. I believe that these technicalities can easily be rectified and I wish to propose a subamendment to the amendment by my hon. friend, the Member for Burnaby (Mr. Robinson). I move, seconded by the Hon. Member for Broadview-Greenwood (Ms. McDonald):

> That Bill C-65, be amended in Clause 7 by striking out line 30 at page 5 and substituting the following therefor:
>
> "by the Commissioner, with pay and benefits".

The Commissioner can still apply the suspension but it will be with pay and benefits. The Minister would not be able to duck behind that technicality.

I ask the Minister to consider the human terms because these people face special and difficult circumstances. It is easier for them, compared to other public servants, to get into trouble but they are left unprotected. It would be no detriment to the Government to exercise some human kindness and allow for suspension with pay and benefits. There is a principle which we must take into consideration besides the money that such a provision would cost, and I suspect that Conservative back-benchers would agree, if they were here listening to what I just said. I ask the Solicitor General to consider this subamendment.

**Mr. Alan Redway (York East):** Mr. Speaker—

**Mr. Beatty:** Mr. Speaker, I rise on a point of order. I would simply seek your guidance about the rules of the House with respect to moving an amendment to a report stage motion. Could you give us guidance in that respect?

**The Acting Speaker (Mr. Paproski):** That is exactly what I am doing. I am taking it under advisement at this time and carrying on with debate. I hope to come back with a ruling for the Hon. Solicitor General (Mr. Beatty).

**Mr. Waddell:** Mr. Speaker, I rise on a point of order. I am sure you will be advised that the subamendment arises from what the Solicitor General (Mr. Beatty) suggested in his last intervention.

**Mr. Redway:** Mr. Speaker, I wanted to rise to assure the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that Government Members are present, attentive and know what the substance of this debate is all about. What strikes me is that perhaps the Hon. Member and his colleagues are either confused, do not understand the meaning of the words in the Bill itself, or perhaps are getting carried away with themselves.

However, it is quite clear that the clause of the Bill we are dealing with does not say that a member of the Force is to be suspended without pay. It merely says they are to be suspended from duty. It does not say whether it is with pay or without pay. It leaves it quite flexible. There is the opportunity to suspend with pay or the opportunity to suspend without pay.

● (1550)

If the occasion arises—it may rarely and it may never,—the Hon. Minister has indicated that when someone is suspended without pay then he has made an undertaking that the regulations are to be amended so that that particular matter can be grieved.

The Hon. Member for Winnipeg North (Mr. Orlikow) indicated that, in effect, there was no grievance procedure in the Act, but actually there is. With the combination of that

grievance procedure, the Minister's undertaking and the working in the Act, it leaves us with the flexibility that we are looking for. It may be that no one will ever be suspended without pay. There is that flexibility and that option if it is necessary. If it is not necessary, it will not be used because the Act as it now stands allows the Member to be suspended with pay.

**Mr. Orlikow:** Mr. Speaker, could I ask the Hon. Member a question?

**The Acting Speaker (Mr. Paproski):** No. The Hon. Member for Winnipeg North (Mr. Orlikow) must know that there are no questions or comments during this part of the debate.

Let me come back to the Hon. Member for Vancouver-Kingsway (Mr. Waddell). What is happening is that the Hon. Member for Burnaby is deleting something and the Hon. Member for Vancouver-Kingsway is adding something.

Clause 13.1 reads:

—the legislature of any province may be suspended from duty by the commissioner.

Let me read the Hon. Member's amendment:

That Bill C-65 be amended in Clause 7 by striking out line 30 at page 5 and substituting the following therefor:

"with pay and benefits"

The Member is asking that we add the words "by the Commissioner with pay and benefits". I see no problem with that sub-amendment.

**Mr. Towers:** Mr. Speaker, I rise on a point of order. Is it within the power of a Member of Parliament to make a motion that has to do with the expenditure of Government funds?

**The Acting Speaker (Mr. Paproski):** Yes, it is perfectly in order.

**Mr. Robinson:** Mr. Speaker, I rise on a point of order. I just want to clarify something. I believe this will assist the Solicitor General and Members of the House. I have a copy of the amendments as they were given to the Clerk. I believe the difficulty arose because the amendments that were filed to the Bill in the original form referred to the Bill as it was tabled in the House of Commons on June 27, not to the reported version of the Bill.

Unfortunately, it would appear in translating these amendments to the reports stage of the Bill that perhaps an error was made in deleting those words. I have checked the original Bill and it did include the words "by the Commissioner".

It was a difficulty in the interpretation of that amendment to the extent that I was responsible by virtue of the fact that we proposed amendments to the lines of the Bill as it was originally tabled. I certainly regret that. However, I would note that those amendments were translated by others.

**Mr. Nunziata:** Mr. Speaker, I rise on a point of order. During the submission of the Solicitor General (Mr. Beatty) to this House, he based his objection to the motion on the elimination of the words "by the Commissioner". One would suspect that he would look favourably upon an amendment that would include the words "the Commissioner".

If the Hon. Member for Burnaby (Mr. Robinson) indicates that in his amendment the words should be there, I imagine that you have no alternative, Mr. Speaker, but to allow debate based on the words included.

**Mr. Waddell:** That is what he is saying.

**The Acting Speaker (Mr. Paproski):** Is the seconder for the motion the Hon. Member for the Winnipeg North?

**Mr. Waddell:** Yes, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for York South-Weston (Mr. Nunziata) is speaking on the sub-amendment to the amendment.

**Mr. Nunziata:** Yes, Mr. Speaker. I understand that I will have an opportunity to speak to the amendment as well?

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, during the submissions of the Solicitor General (Mr. Beatty) he said: "Nothing should be done to bring the administration of justice into disrepute". If there is anything that would bring the administration of justice into disrepute, it is the presumption of guilt before a fair hearing by a particular tribunal.

I cannot help but point out the hypocrisy in the position of the Solicitor General. When he was the Minister of National Revenue, he put together what was known as the Declaration of Taxpayer Rights. I am sure you recall when he put that out, Mr. Speaker. He said that henceforth the taxpayers of Canada would have certain rights and he proceeded to point out what those rights are.

One of those rights, and this is a document put out by the Solicitor General when he was the Minister of National Revenue, was the presumption of honesty. He said: "You are entitled to be presumed honest unless there is evidence to the contrary". He went on to say that "you are entitled to every benefit allowed by the law".

One could ask the Solicitor General why taxpayers should be allowed every benefit allowed by the law yet members of the Royal Canadian Mounted Police not be entitled to every benefit allowed by the law? The law of Canada is the Canadian Charter of Rights and Freedoms which states at Clause 11(*d*) that a resident of Canada:

to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent and impartial tribunal.

The Solicitor General says nothing should be done to bring the administration of Justice into disrepute. His position of not allowing members of the Royal Canadian Mounted Police to be suspended with full pay and benefits brings the administration of justice into disrepute because it presumes that an officer is guilty of some offence. Why else would you suspend an officer without pay? One could conclude that by suspending

an officer without full pay and benefits that the particular officer is guilty of some offence.

The Solicitor General says that in certain cases the infraction might be so serious that it demands the officer be suspended without pay. The Solicitor General then cited the example of a bank robbery.

A person is presumed and assumed innocent, regardless of the evidence prior to a trial. Yet the Solicitor General is suggesting that in the case of someone charged with bank robbery he or she should be suspended without full pay and benefits. Is the Solicitor General not saying that the commissioner, in this particular case, has the authority to condemn an officer or a member of the Force who is still innovent according to the law of Canada? It is a basic and fundamental principle of our justice system that one is presumed innocent until proven guilty. I cannot understand why the Solicitor General is so adamant in his position that he wants to suspend members of the Force without pay and benefits.

• (1600)

The Hon. Member for Burnaby (Mr. Robinson) and other Hon. Members have indicated why an individual should not be suspended without full pay and benefits. We in the Official Opposition believe—and I am sure the NDP would agree—that all members who are in the midst of an investigation should be suspended with full pay and benefits or assigned to other duties. Otherwise, the person is being convicted before he or she is given a fair hearing, before the person's final guilt is determined. It is a preliminary finding of guilt if the person is suspended. It is not only contrary to the basis of the justice system in Canada, but on humanitarian and compassionate grounds, and on those grounds alone, one could argue that a member of the Force should not be suspended without full pay and benefits and that indeed one should be suspended with full pay and benefits.

Can we imagine the hardship involved for a member of the Force who is suspended without full pay and is subjected to a long hearing or investigation? Let us say that it takes from six months to a year before the RCMP conducts its own investigation into a particular allegation. What is the particular member who is presumed innocent supposed to do? He or she is denied full pay and benefits. Presumably some of the benefits are for the member's family, so the family suffers as a result. Is he or she to go on welfare? Is he or she to go on unemployment insurance? We can see how serious the matter is, if the commissioner is allowed to suspend an individual without full pay and benefits.

After the final determination of the particular allegation, if the person is found to have contravened the code of conduct or the Criminal Code of Canada, after he or she has been found guilty, we all agree that then and only then should the commissioner be allowed to suspend the person without pay. Otherwise it would create considerable harship.

In closing, I reiterate my very serious concerns about the hypocrisy of the position taken by the Solicitor General. When he was Minister of National Revenue he had what is known as the "Declaration of Taxpayer Rights". It was a high-faluting document. He had it framed. It went across the country. He was very proud of it. He was also proud of the fact that there was a presumption of honesty and that every taxpayer was entitled to every benefit allowed by the law. What has changed his mind since he was made the Solicitor General of Canada? Why should RCMP officers and members not be afforded the same rights as any other Canadian is afforded? Those rights include the right to be presumed innocent until proven guilty. I, for one, cannot understand that blatant and obvious hypocrisy.

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, I simply want to respond to the arguments of the Hon. Member for York East (Mr. Redway). He pointed out that the Bill before us indicates that the member may be suspended from duty by the commissioner but that it does not specify whether he should be suspended without pay and benefits or with pay and benefits. Consequently he said that it could be done either way, that the member of the RCMP could be suspended with pay and benefits and that would respond to the law as proposed in the Bill. That is not enough.

I respond to the Hon. Member by telling him that that is not enough because of the abuses present in the RCMP where members were suspended without pay and benefits for long periods of time until their cases were heard. It was exactly for that reason that the Marin Commission very specifically recommended that if they were to be suspended, they be suspended with pay and benefits until the matter had been decided.

It was also for that reason that the Association of 17 Divisions and RCMP divisional staff relations representatives—and both these groups represent members of the force who are not officers—recommended that if there were suspensions, it be written into the law that the suspensions be with pay and benefits. It is not enough that we accept what is written in the law at the present time. It was not enough for Judge Marin when he wrote his report, and it is not enough for the men in the RCMP who would like us to legislate otherwise. I wish the Government would listen to the good reason of the men in the Force and to Judge Marin.

**Mr. Robinson:** And to the women as well.

**Mr. Allmand:** And to the women of the Force as well.

**The Acting Speaker (Mr. Paproski):** We cannot forget the women. The House has heard the terms of the amendment. Is the House ready for the question on the amendment to the motion?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those against will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it, and I declare the motion defeated.

Amendment (Mr. Waddell) negatived.

**The Acting Speaker (Mr. Paproski):** The question is now on Motion No. 1. The Hon. Member for York South-Weston (Mr. Nunziata) on debate.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, at committee we had the benefit of listening to RCMP divisional staff relations representatives in respect of their views on Bill C-65, an Act to amend the Royal Canadian Mounted Police Act. On behalf of the Internal Affairs Committee, RCMP divisional staff relations representatives presented a brief to the committee. One would suspect from the comments of the Solicitor General (Mr. Beatty) that he did not take the time to read it. It was well-written and well-researched and made some very cogent arguments in respect of certain amendments to Bill C-65.

After the introduction in their submission to the committee, the first area of concern expressed by them was the issue of suspension without pay. One could conclude, therefore, given the fact that it was the first item they raised, that it is one of the most important, if not the most important, concerns of the RCMP divisional staff relations representatives in respect of the Bill. It is obvious why this would be a very serious concern.

I should like to quote from the particular submission. They started off by saying:

> The question of whether the Commissioner of the RCMP needs the authority to suspend a member of the force without pay has been a major issue for discussion since 1973.

They referred to an administrative bulletin which was issued last year and said:

> Prior to the passage of this regulation, the commissioner did not have clear authority for suspension without pay. The RCMP divisional staff relations representatives unanimously feel that suspension without pay is not necessary for the proper administration of the force.

They gave their reasons for saying it.

It goes on to list five important reasons why a member of the Force should not be suspended without pay and, if anything, should be suspended with full pay and benefits. First, they say that a member of the RCMP is a Canadian citizen and as such is presumed innocent until proven guilty by due process, the point I raised earlier. The second point they raise is that suspension with pay during an investigation into an alleged offence is an acceptable administrative process as recommended by the Marin Commission.

● (1610)

The Marin Commission spoke about this very issue and recommended that during a criminal investigation or service investigation of a serious nature, and any subsequent proceedings, a member should be either suspended with pay or assigned to other duties.

The commission also recommended that no more than 45 days should normally elapse between the commencement and termination of any service investigation, and that if the investigation cannot be concluded within that time the member should be advised of his position and of the current status of the investigation.

The Marin Commission spent a lot of time putting this report together. As you know, Mr. Speaker, as you were a Member of the House at the time, the commission was instituted by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) who was then Solicitor General. The members of the commission spent a lot of time researching the terms of reference and coming up with recommendations.

The Solicitor General has said that he is a friend of Commissioner Marin and that he has respect for him. The Solicitor General has not given any good reason why we should not adopt the recommendations of the Marin Commission. The Solicitor General has dismissed these recommendations in a very frivolous manner without giving good solid reasons why an officer should not be suspended with full pay and benefits. He cited the example of the bank robber, but that is just not good enough.

The third item raised by the representatives of the RCMP at committee was that suspension without pay presupposes guilt and constitutes immediate punishment. Once again, authority is being given to the Commissioner of the RCMP to be investigator, prosecutor and executioner all at the same time and that is not fair.

The fourth item raised by the representatives is that suspension without pay is perceived as exerting extreme pressure on a member to resign, thus denying a proper hearing. That is an interesting point. This committee is composed of very responsible individuals. Staff Sergeant Fred Davis, Corporal Ron Thurston and Staff Sergeant Rick Preston were, I believe, the authors of this particular report and they suggest that the potential exists for the Commissioner to use his authority in order to pressure a member into resigning. If a member wanted to seek other employment, he or she might not have any alternative but to resign. That is something worth noting.

The fifth and final point raised by the representatives is that any member alleged to have committed so blantant an act that his services can no longer be tolerated can be processed for discharge on an urgent basis, and such instances would be so infrequent that unique methods could be justified. I for one cannot think of any activity that is so blatant that it requires immediate dismissal on an urgent basis. If one is charged with a criminal offence, one is presumed innocent until proven guilty. I suppose if there was a case of continual insubordination, that might be a reason to suspend an officer. However, a mere breach of the code of conduct should not give the Commissioner the authority to suspend without pay because that is a very serious action.

In closing, I would ask the Solicitor General rethink his position. There is still time for him to do so. The Solicitor General appears to be a reasonable person. He says that he is a reasonable person and he says that he has consideration for the administration of justice. He says that he has taken great strides in the Department of National Revenue by giving the taxpayers of Canada their declaration of taxpayer rights. I would call on him to put together a declaration of rights for RCMP members. If the Solicitor General truly believed in entitling every benefit allowed by law to the taxpayers when he was the Minister of National Revenue, then surely he should be consistent, since he is a reasonable individual, and afford members of the RCMP the same rights afforded to every other Canadian.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 1 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it. I declare the motion negatived on division.

Motion No. 1 (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Paproski):** The Chair has reviewed the arguments of the Hon. President fo the Privy Council (Mr. Hnatyshyn) with regard to Motions Nos. 9 and 11. Motion No. 9 would allow complaints against the RCMP in general. Clause 45.35 allows complaints against any member of the force. Conceivably, one could file individual complaints against all members of the Force for an activity common to all members. In my opinion, Motion No. 9 is within the scope of the clause and therefore is in order.

Motion No. 11 attempts to substitute the final authority on a complaint from the Commissioner to the Public Complaints Commission, as provided in Clause 45.29(1), and therefore is within the four corners of the Bill. The ruling made earlier this day will therefore stand.

We will now deal with Motion No. 2.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 2

That Bill C-65, be amended in Clause 15 by striking out line 36 at page 10 and substituting the following therefor:

"(5) No member or former member of the Force is eligible".

He said: Briefly, in support of this motion, I would note that the amendment reflects the concern of witnesses appearing before the committee and, in particular, the Association of 17 Divisions, that the external review committee should be seen to be completely unbiased and free of any perception of bias by requiring that former members not be eligible for appointment to the external review committee. The fundamental concern here is to safeguard the appearance of independence of the external review committee.

I would note that the Bill as it is currently worded prevents any serving member from being a member of the external review committee. One would certainly hope that that would be the case. The review committee process is supposed to be external to the RCMP itself, and obviously any internal involvement would be a contradiction in terms. However, I think we have to look at the credibility of this process. The Bill as it is worded would ensure that the external review committee would have the opportunity to review grievances of members of the RCMP. However, it will still be able to make recommendations to the Commission. It will be the Commission which decides whether to accept or reject the recommendations of the external review committee.

• (1620)

For that reason, it is essential that this external review committee not be perceived either by members of the public, who may be involved in this process, or by members of the RCMP, to be in any way linked, either directly or indirectly, to the RCMP itself. Therefore, the amendment would ensure that former members of the RCMP would not play a role in the external review committee. Surely, there are many other outstanding Canadian men and women who could be appointed to this external review committee, without the necessity of tainting the perception of the public by including former members of the RCMP.

I note that the fundamental objective which we in the New Democratic Party have sought to achieve in our review of this legislation is an assurance of the basic right to freedom of association which is accorded all other Canadians. This means that the provisions of various laws which currently deny that freedom of association deny the RCMP the basic right to full and free collective bargaining and that those provisions would be struck down. The Government has refused to accept that. It has refused to allow members of the RCMP to choose for themselves whether or not they want full and free collective bargaining without the right to strike.

[*Translation*]

Mr. Speaker, again I repeat that there is now the Association of 17 Divisions. It has members in all regions of Canada, but most of them are in the Province of Quebec. The Association of 17 Divisions has a membership of 2,800 and, as I

understand it, roughly 90 per cent of RCMP "C" Division members recently voted in favour of collective bargaining and the right to be represented by the Association of 17 Divisions.

Mr. Speaker, the approach of this Government is to deny Quebec RCMP members the right to choose their own representatives. The Association made it clear that it is not asking for the right to strike. But I think that the attitude of the Government, the basic role—

[*English*]

The external review committee must be seen to be totally independent. If we are to deny fundamental rights to collective bargaining then, at the very least, the body which is seen to be external to the RCMP which is reviewing complaints must not include former members of the RCMP, just as it must not include serving members of the RCMP.

The objective of this amendment is to ensure that the perception of independence is an accurate one. We obviously would liked to have seen the opportunity for full collective bargaining. At the present time, there are about 14,000 members of the RCMP. It is true that the vast majority of those members—well over 10,000 of them—have decided at this point that they accept the divisional representative system of representation. Certainly, I would not in any way quarrel with their right to make that decision for themselves. However, what we are saying to the other approximately 3,000 members is that they do not have the right to seek free collective bargaining and representation. In the case of the members in the Province of Quebec—

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

**The Acting Speaker (Mr. Paproski):** The Hon. Solicitor General (Mr. Beatty) rises on a point of order.

**Mr. Beatty:** Mr. Speaker, however much I admire my hon. friend's ingenuity in arguing Motion No. 5 under the guise of debate on Motion No. 2, Mr. Speaker has ruled Motion No. 5 out of order. The comments of the Hon. Member with regard to collective bargaining in the RCMP are totally irrelevant to the particular issue as to whether or not former memebrs of the RCMP should be allowed to serve on the external review committee.

**The Acting Speaker (Mr. Paproski):** I appreciate what the Solicitor General is saying. I know that the Hon. Member for Burnaby (Mr. Robinson), who has been here for a long time, realizes what he is doing. Therefore, I think that the House is now ready for the question.

**Mr. Nunziata:** Mr. Speaker—

**The Acting Speaker (Mr. Paproski):** The Hon. Member for York South-Weston (Mr. Nunziata).

**Mr. Nunziata:** Mr. Speaker, I defer to the Hon. Member for Burnaby (Mr. Robinson), unless he is finished. He was in the middle of his submission.

**Mr. Robinson:** Mr. Speaker, I would like to conclude my brief remarks.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Burnaby still has one minute remaining. Does he wish to carry on with his remarks?

**Mr. Robinson:** Yes, Mr. Speaker. In conclusion, with respect to the amendment which would ensure that the process of the external review committee be seen to be completely free of any suggestion of involvement, either by current members of the RCMP or former members, I point out once again that the reason this amendment is so important is that day, after this committee has in fact made its recommendations, it is still the commission which has the final say. Given the rather primitive system of labour relations within the RCMP, surely the Government would accept this very reasonable amendment to the proposals with respect to the composition of the external review committee.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I would like to speak briefly to this particular amendment. I am of two minds with respect to it. I will indicate the dilemma in which I find myself.

I understand what the Hon. Member for Burnaby is suggesting. He is saying that no member or former member should be allowed to be a member of the external review committee. If it is truly to be an external review committee, then it should not include as part of its membership someone who is a former member of the RCMP. That can work both ways, and I would like to indicate why I think it can work both ways.

The Hon. Member for Burnaby is suggesting that if a former member sits on the external review committee then, in some way, the individuals who are being investigated might be affected by the fact that there is a former officer who sits on the review committee. That can also work the other way. That is to say if a former member of the RCMP sits on the external review committee, then he or she might have a greater understanding of the issues before it.

I am sure most Hon. Members will agree that when one deals with labour relations, for example when a matter proceeds to arbitration, it is quite normal for labour to appoint a representative to the arbitration board. It is also normal for management to appoint a representative to the arbitration board and then for there to be a neutral chairman, a neutral third person, appointed. I suppose the reason this system has developed in labour law in Canada is to ensure that at any particular arbitration hearing there is at least one representative who is sympathetic to the cause of labour, one who is sympathetic to the cause of management and a third representative, presumably the one who has the deciding vote of the three, who will look at both sides and who has a balanced view of the particular matter being considered.

The reason I raise this matter is that there is a purpose for trying to seek out someone who is sympathetic to labour and management when it comes to labour arbitrations, and that

might make some sense when one deals with an external review committee. I agree that a person who is a member of the Force—not a former member—should not sit on the committee. However, I do not have the same difficulties with respect to a former member.

As Hon. Members know, this external review committee is to be made up of five individuals. There is to be a chairman, a vice-chairman, and not more than three other members. People appointed to the board are appointed by order of the Governor in Council. That creates some problem, since we know the track record of the Government when it comes to political appointment, to patronage and to partisanship—

**Ms. McDonald:** They had a good example to follow!

**Mr. Nunziata:** Notwithstanding the fact that the Conservatives campaigned against it in the last election campaign, the moment they came to office they started appointing their friends, relatives, Party hacks and bagpeople. Thus, they have a long track record when it comes to patronage. Our friends to the left say that we were not any better. Well, we did not promise—

• (1630)

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** —during that election campaign to change the system of patronage.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** I do not want to be diverted from the substance of my submission except to say that I have concerns when we give to the Conservative Cabinet the authority to appoint people to various boards and commissions, because, given the opportunity to appoint a friend and relative, those Hon. Members will appoint a friend or relative to any board or commission.

When we are dealing with an external review committee dealing with the RCMP, we must ensure that the people who are appointed to this committee are people with unimpeachable integrity. We have heard those terms before, of course. They are often used by the Right Hon. Prime Minister (Mr. Mulroney) in defence of all of those people on the other side of the House. They all have unimpeachahble integrity, notwithstanding the abysmal poor judgment which is often displayed. But I do not want to get sidetracked on this issue.

The Division Staff Relations Representative Committee recommended that consideration be given to an amendment giving the Governor in Council the authority, upon the approval or in consultation with the National Executive Committee of the Division Staff Relations Representative. It wants some say as to who is appointed to this external review committee because it, too, no doubt, has a concern with respect to the type of individual who might be appointed by this Conservative Government. Page 6 of its submission states: "Members of the Force and the public expect a balanced, objective, non-partisan review of matters presented". It then recommends that it have some say about who is appointed to that committee.

The reason the committee made that recommendation is that it does not have the faith and trust that this Conservative Government would appoint an external review committee which has a balanced, objective, non-partisan approach to the matters which might be before it.

In conclusion, I would like to say that I do not share the concerns of the Hon. Member for Burnaby with respect to this particular motion. I think that a former member of the Force, as a member of this external review committee, might serve to provide some experience and understanding of a particular issue which might be before the committee. I would hope as well that we will not give authority to the Conservative Cabinet, or any cabinet, for that matter, to appoint the external review committee. If this particular committee should be above suspicion with respect to partisanship, and truly independent, the committee should not be appointed by Cabinet. Perhaps it should be appointed by Parliament. Some other body should be permitted to make some contribution to the appointment of the external review committee.

If you were the chairman of the committee, Mr. Speaker, I would not have any problem because all of us in this House respect your judgment and balanced approach to the deliberations.

**Some Hon. Members:** Hear, hear!

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I did not intend to participate in this particular discussion but I must say I was inspired by my colleague opposite who, in his usual friendly and thoughtful way, made a useful intervention in the proceedings of the House. I would like to indicate that I will certainly send down for framing the statement made by the Hon. Member in defence of the Liberal Party. He pointed out that no Canadian will ever be disappointed in the behaviour of the Liberal Party because it never promised anything better than it delivered. In matters of morality, it never disappoints.

**Some Hon. Members:** Oh, oh!

**Mr. Beatty:** If my hon. friend could get a grip on himself, at least temporarily, perhaps we could get back to the subject at hand which is the motion proposed by my friend, the Hon. Member for Burnaby (Mr. Robinson). The issue seems to be whether there is the potential for a conflict of interest to exist in the case of members of the external review committee. Clearly, in an instance where a current serving member of the Force is appointed to the external review committee, there would be the potential that, in matters coming before the review committee, he might very well have a direct interest in the decision being taken. The question, then, which remains is whether, in the case of former members of the RCMP, they are deemed to have some continuing personal conflict of interest that for all time would forbid them serving on the committee.

I would suggest, Mr. Speaker, that if you look at the conflict of interest regulations which involve Members of Parliament, members of the Cabinet and other federal appointees, you will find that the conflict of interest regulations relate to their present activities. If someone is engaged in some activity which is in conflict with his or her professional responsibilities, a conflict of interest exists. There is also a provision for a cooling-off period for senior Government officials when they leave and go to the private sector in terms of the work they can accept. But no attempt is made to bar for all time federal employees from the ability to pursue activities after they leave their present responsibilities. Nor is there an attempt made to bar for all time people with a background and experience in the private sector and other areas who come to Ottawa and who have an interest in serving on government boards and commissions. There is no assumption that one carries with one for all time some scarlet letter which is going to taint and prevent one from discharging one's responsibilities in a fair and effective way.

What is important is that we ensure that no conflict of interest can exist, and the Bill, as it is written today, does precisely that. Second, the Government should have the scope to appoint the most qualified people in Canada to serve on the external review committee. The submission I would make to the House is that surely anyone who looks at a situation like this would recognize that perhaps the people with the greatest expertise in terms of the activities of the Force are former members of the RCMP themselves. Are we simply to exclude a whole class of Canadians on the basis that they are somehow tainted by having served their country well as members of the Royal Canadian Mounted Police?

I note that the Hon. Member for Burnaby makes no effort to bar former members, or even present members of other police forces, from serving on the external review committee. There is no belief on his part that the mere fact of having been a police officer taints one and makes one unqualified for participation on the external review committee. The only group he would seek to exclude are former members of the RCMP. I would suggest that that sort of exclusion is unfair. It casts doubt upon the integrity and independence of former members of the Force. What is more, it would deny the external review committee the ability to draw upon people who may very well be the most qualified people in Canada to serve on the committee.

For that reason, Hon. Members on this side of the House cannot accept the motion which is proposed by my hon. friend.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 2 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 2 (Mr. Robinson) negatived.

• (1640)

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 3

That Bill C-65, be amended in Clause 15 by striking out line 6 at page 13 and substituting the following therefor:

"(3), where any member or members are aggrieved by". Motion No. 4

That Bill C-65, be amended in Clause 15 by striking out line 8 at page 14 and substituting the following therefor:

"any level in the grievance process, and in any event, within 30 days the".

Motion No. 6

That Bill C-65, be amended in Clause 15 by striking out line 27 at page 14 and substituting the following therefor:

"court except in accordance with section 18 or 28".

Motion No. 7

That Bill C-65, be amended in Clause 15 by striking out line 21 at page 18 and substituting the following therefor:

"36. The Governor in Council may make regulations".

He said: Mr. Speaker, I appreciate the fact that these four motions have been grouped for debate. The combined effect of all four motions would be to enhance the procedural safeguards available to members of the RCMP, strengthen their rights, and ensure that the grievance procedure is more effective. Motion No. 3 would ensure the possibility of group grievances. As the Bill is now worded, only individual members of the RCMP can file a grievance. This amendment would include the words "or members" and ensure that group grievances could be filed. A similar proposal was made by the Marin Commission. They said that a group of members with a common cause of complaint should be allowed to have a single grievance lodged on behalf of the group. As it is now, if a single grievance affected many other members, they would all of course have to file similar grievances. As the Marin Commission points out, the divisional staff relations representative program has given some recognition to the question of group concerns, but nevertheless I believe the Bill should reflect that recommendation as well.

There are a number of potential areas of group grievances. For example, at the time the divisional representative system was put into place in 1974, there were 14 specific promises made to members of the RCMP. They were asked to vote on whether or not they wanted to have a divisional representative system or collective bargaining. One of those very important promises, which might very well be the basis of a group

grievance today, was promise number nine. That promise was as follows.

[*Translation*]

The Government had promised that a division representative would be directly involved in negotiations with Treasury Board. Well, Mr. Speaker, that was in 1974 and today, eleven years later, it is still not the case since no representative sits at the bargaining table with the Treasury Board.

So the promise was made all right, but it has yet to become reality for members of the Royal Canadian Mounted Police.

And then, Mr. Speaker, if salaries had been reviewed on the basis of the average salary paid by other major police forces in Canada, as RCMP members were promised, then the RCMP membership would not be trailing behind other law enforcement officers in Canada.

[*English*]

So an illustration, as it were, of the kind of group grievance which might very well be brought forward is that grievance with respect to the promise solemnly made by the Government of the day in 1974. It stated that one divisional representative shall be directly involved in pay negotiations at the bargaining table. That was the promise made and broken by the Liberal Government, and unfortunately it remains unfulfilled by the Conservative Government today. That was one of the premises which underlay the concept of divisional representatives.

[*Translation*]

And that, Mr. Speaker, is undoubtedly one of the reasons why more than 90 per cent of Quebec RCMP members voted in favour of the right to collective bargaining through the Association of 17 Divisions.

Mr. Speaker, I stress the fact that the Government now refuses to acknowledge that basic right of Quebec RCMP members.

[*English*]

**Mr. Beatty:** Are we on Motion No. 5?

**Mr. Robinson:** In addition, dealing with, as I have been, this important Motion No. 3 with respect to group grievances, another example of the kind of grievance which might very well be brought if there were an opportunity for group grievances is with respect to the surveillance of the Association of 17 Divisions which it is alleged took place. The association has filed a complaint with the office of the Information Commissioner. As a result, it received some 867 pages of documentation concerning the association—

[*Translation*]

—and there are still 197 pages which the RCMP has so far refused to make public.

If the motion were to be adopted, Mr. Speaker, many RCMP members would probably insist that the Commissioner reconsider his refusal to publish those pages of material concerning unions within the RCMP and the Association of 17 Divisions, and make that information available to the Association.

[*English*]

I find it most interesting that at the same time as the RCMP insists there was no surveillance of the association, it refused to make available to the association almost 200 pages of documentation concerning collective bargaining rights and concerning the association. Once again, that is the kind of grievance which should be allowed as a group grievance and would be allowed if the amendment in Motion No. 3 were adopted.

Motion No. 4 would ensure that there is a time limit for the consideration of grievances. It would impose a 30-day time limit, just as Motion No. 8 would ensure a 90-day time limit after the hearing of the grievance before a decision is rendered. These are additional safeguards for the protection of members of the Force.

Finally, with respect to Motion No. 6, this would in effect broaden the scope of potential review by the courts. As the Bill is now worded there could only be review under Section 28 of the Federal Court Act, a fairly narrow review. Motion No. 6 would in effect broaden the scope of review and ensure that members of the RCMP would be accorded the same rights as members of the civilian security service. Those members do have the right to review under Section 18 as well as Section 28 of the Federal Court Act.

The net effect of these four motions would be to enhance the protection of members of the RCMP during the grievance process, once again bearing in mind the fact that the Government still refuses to grant to members of the RCMP the basic rights to which all other Canadians are entitled, namely the right to full collective bargaining and freedom of association.

**The Acting Speaker (Mr. Paproski):** Before I recognize the Solicitor General, may I point out that the Hon. Member, having been a Member of this House since 1979, realizes that even *en français* he cannot come back to Motion No. 5. He has done that to me twice and I hope he will not do it a third time.

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, I do however think we should applaud my hon. friend's artistry and ingenuity in doing that.

I would like to comment briefly on these four motions. Motion No. 3 purports to provide for group grievances in addition to individual grievances. Group grievances are possible at the present time. Grievances on the same issue which are filed by a number of members would be consolidated by the Force if practicable. The issue here is whether a class grievance on behalf of a number of members of the force should be able to be filed. The concern which the Government has is that it wants to do whatever it can to avoid a situation where one member of the Force, purporting to speak on behalf of a number of his colleagues, files a grievance when, in fact, he does not speak on their behalf. It is for this reason that we cannot support Motion No. 3.

• (1650)

Motion No. 4 provides that each level in the grievance process should render a decision within 30 days. We believe that at the same time as pressure is put and should be put on the system to ensure that decisions are taken as rapidly as possible, we should also not create arbitrary deadlines which, in some cases, simply could not be met. Clause 46(2) of the Bill provides that all proceedings before a board must be dealt with expeditiously. There may be some instances where it is simply impossible to deal with a particular grievance within 30 days. As a consequence, it would possibly be doing an injustice to the individual involved if a decision were forced in less than that period of time. That is why it is important to allow sufficient flexibility for the system to work properly.

The issue in Motion No. 6 is a highly technical one. It is whether or not it is necessary, as proposed by my hon. colleague from Burnaby, that wherever a review is permitted of the Commissioner's decision under Section 28 of the Federal Court Act, review should also be explicitly provided for under Section 18 of that Act.

The Government has looked at this and feels that the provision in question relates to the right of a member to appeal the final decision of the Commissioner to the Federal Court of Appeal. Second, under the Federal Court Act there are two avenues for appeal, the first through Section 18 and the second through Section 28. Section 18 provides for appeals to the Federal Court Trial Division of decisions of an administrative body and/or interlocutory motions such as *mandamus, certiorari*, etc. Section 28 provides for appeals to the Federal Court of Appeal of decisions made on a judicial or a quasi-judicial basis.

An appeal from the Commissioner's decisions, because they are judicial or quasi-judicial in nature, accordingly, must be brought before the Federal Court of Appeal pursuant to Section 28. It would be legally contradictory to provide for an appeal of the Commissioner's decision under both Section 18 and Section 28 of the Federal Court Act given the varying nature of appeals provided for under these sections.

The fact that Bill C-65 is silent with respect to a Section 18 appeal does not preclude a motion under that section from being filed when it is appropiate, for example, when a purely administrative issue is to be determined. For that reason, the proposal that is made by the Hon. Member is redundant and unnecessary in this particular case. On the other hand, specifically providing a reference to Section 18 in this section, dealing with appeals from the Commissioner's decisions, would not only be legally incorrect but would also undoubtedly mislead some members into launching an appeal under this section. Accordingly, in order to avoid members using the wrong appeal provision, reference to Section 18 has been deliberately left out.

Finally, the issue with regard to Motion No. 7 is whether the Governor in Council, rather than the Commissioner, should make regulations governing the presentation and consideration of grievances. It is the Commissioner who is charged with the control and management of the force. The grievance system is an integral part of the internal management of the Force, and to divest the Commissioner of the power to make rules respecting the representation and consideration of grievances would be to dilute his control and management of the Force.

Having the Commissioner make rules governing the grievance process in entirely consistent with the general principle that a body normally seized with a judicial or quasi-judicial function makes its own rules regulating the proceedings before it. For example, the Federal Court Act and the Supreme Court Act provide for these judicial bodies to make their own rules of practice and procedure. For this reason, Mr. Speaker, the committee and the members of the Government felt that the procedures in the Bill today are the correct procedures.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I would like to restrict my comments to Motion No. 4 with respect to the time period. The motion moved by the Hon. Member for Burnaby (Mr. Robinson) would amend Section 31(6) to read as follows: "as soon as possible after the presentation and consideration of a grievance at any level in the grievance process, and in any event, within 30 days the member constituting the level shall render a decision". The operative words are: "in any event, within 30 days".

This particular amendment is suggested to put a timeframe on the grievance procedure and, in my view, relatives to Motion No. 1. We spent a considerable amount of time dealing with that motion which deals with a member of the Force being suspended. It was my submission, and that of the Official Opposition, that a member of the Force should be suspended with full pay and benefits for the reasons I gave earlier.

As I pointed out in my earlier submissions, on page 154 of the Marin Commission it is recommended:

> During a criminal investigation or a service investigation of a serious nature and any subsequent proceedings, a member should be either suspended with pay or assigned to other duties.

In his so-called wisdom the Solicitor General (Mr. Beatty) decided not to adopt this particular suggestion by the Marin Commission, which recommendation was a good one. I hope the Solicitor General will continue to rethink his position. I am sure that reason will prevail in the long run.

However, if, after serious deliberations, the Solicitor General decides that he will not agree to suspending a member of the RCMP with full pay and benefits and affording a member the same rights as any other Canadian, surely he will consider limiting the period within which the RCMP can investigate a particular complaint.

The Solicitor General went over Motion No. 4 rather quickly. He dismissed it almost summarily, I would suggest. He indicated that he did not want to put any impediment in the way which may affect the investigation of a particular alleged offence. What is needed is some method through which those who are conducting the investigation within the RCMP can move a little faster. We all know how slow an investigation could be in certain cases. The investigation can be speeded up

or slowed down depending upon certain circumstances that should not, in my view, be taken into consideration.

If you impose a time period and tell the invetigating body that it must report within the given limited period, that particular step in the procedure will be completed within that time. However, if you do not set out a time, the steps may take weeks, months, or perhaps even years while the officer is suspended without full pay and benefits. You are nodding your head in agreement, Mr. Speaker, and I know that you agree with me. If you were given the opportunity you would make submissions to support what I am saying.

In the portion of the Marin Commission dealing with suspension with pay and benefits it says:

> No more than 45 days should normally elapse between the commencement and termination of any service investigation. If the investigation cannot be concluded within that time, the member should be advised of his position and of the current status of the investigation.

That is pretty reasonable, Mr. Speaker, and I see that you are nodding your head again in agreement. It seems that you are agreeing with everything I am saying here today. I would only hope that given the position you occupy in this House you might somehow persuade your junior, the Solicitor General, to see it our way, as well. I cannot understand why the Solicitor General will not agree to at least the Marin Commission recommendation which provides for a time limit of 45 days.

If the investigation cannot be completed within 45 days, Commissioner Marin suggested that the member should be advised of his position and the current status of the investigation. That is all that is being recommended. It is not being said that if the investigation cannot be completed within 45 days it should be terminated. It is being said that if you cannot do it within 45 days you must advise the member of the status and position of the investigation. I suggest that the principles of natural justice would demand that a limitation period be put on the investigation. Any person who is under suspicion and alleged to have committed a breach of the code of conduct or the Criminal Code of Canada is entitled to an investigation and a hearing within a reasonable period of time.

• (1700)

That is another basic and fundamental principle of our criminal justice system. Section 7 of the Charter of Rights and Freedoms deals with legal rights. I will not take the time of the House to read it but it says that an accused person is entitled to a trial within a reasonable period of time.

I suggest that Mr. Justice Marin's time period or the 30-day period suggested by the Member for Burnaby is a reasonable time within which the RCMP should complete its investigation.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Motions Nos. 3, 4, 6 and 7 were grouped for debate but must be voted on separately. Therefore, the question is on Motion No. 3 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 3 (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Paproski):** The next question is on Motion No. 4 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 4 (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Paproski):** The next question is on Motion No. 6 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed to the motion will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 6 (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Paproski):** The next question is on Motion No. 7 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 7 (Mr. Robinson) negatived.

**The Acting Speaker (Mr. Paproski):** Motions Nos. 8, 9, 10 and 11 are to be debated and voted on separately.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 8

That Bill C-65, be amended in Clause 15 by striking out line 14 at page 35 and substituting the following therefor:

"possible, and in any event, within 90 days render a decision in writing on an".

He said: Mr. Speaker, in making my remarks with respect to Motion No. 3 and the subsequent motions in the previous package—

**Mr. Nunziata:** Mr. Speaker, I am sorry to interrupt the Hon. Member. I believe you just indicated that they were separate motions and would have a separate debate. The ruling of the Chair is that Motion Nos. 8, 9, 10 and 11 should be debated and, according to my interpretation, voted on separately. Are you suggesting that there will be a separate debate on each of the four motions?

**The Acting Speaker (Mr. Paproski):** That is exactly what I said. They will be debated separately and voted on separately.

**Mr. Robinson:** Mr. Speaker, I trust that this motion will meet with the same ringing success as the previous motions. The thrust of this motion is to ensure that in fairness to members of the RCMP, the Commissioner deal expeditiously with grievances.

I made similar arguments with respect to the proposed Motion Nos. 3, 4, 6 and 7. I would simply note that in some cases grievances have dragged on for far too long. The 90-day limit would ensure that the Commissioner would move quickly to deal with these important grievances. Once again, it is an additional safeguard to members of the RCMP.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 8 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the house to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 8 (Mr. Robinson) negatived.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 9

That Bill C-65 be amended in Clause 15 by striking out line 34 at page 49 and substituting the following therefor:

"having a complaint concerning the activities of the Force in general or the con-".

He said: Mr. Speaker, this important motion would implement a recommendation which was made by the Marin Commission in 1976, to which there has been previous reference, and by the McDonald Commission which reported some years later. The Marin Commission recommended that the definition of complaint be the following: "Any communication received from a member of the public either orally or in writing which criticizes the behaviour of a member of the Force or alleges the failure of the Force itself to meet public expectations".

As well, the McDonald Commission suggested that any complaints with respect to RCMP operations administration which may relate to questionable behaviour on the part of members or generally should be subject to review by the Public Complaints Commission.

This amendment would permit members of the public to put questions to the Public Complaints Commission concerning the hiring policy of the RCMP or policies with respect to a particular detachment which might not necessarily be related to an individual member's activities. It would ensure that the Public Complaints Commission would investigate such policy oriented complaints as opposed to complaints about the specific conduct of one individual member of the Force.

Another example would be a case in which members of a group in a small community might feel that inadequate resources had been allocated to their community. It is not a complaint about a specific member but nevertheless it is a complaint which should be reviewed by the Public Complaints Commission. This amendment would enable them to complain about these matters.

Another illustration of the kind of complaint which could be brought if this amendment were adopted but could not be brought if the wording of the Bill remains as proposed by the Government, is a complaint with respect to hiring policies. I had the honour to serve as a member of the Special Subcommittee on Equality Rights. One of the issues that came before that subcommittee was the hiring policy of the RCMP and its policy with respect to individuals who happen to be gay or lesbian.

I remind the House that the committee was made up of five Conservative Members of Parliament from different provinces in Canada, one Liberal and one New Democrat. The equality rights subcommittee unanimously recommended to the Government that the hiring policies of the RCMP be amended and that qualified men and women not be denied the right to join the RCMP solely on the basis of their sexual orientation but should be judged on their merits as all other applicants are judged.

This amendment would allow members of the public who are concerned about that hiring policy to make submissions to the Public Complaints Commission. We can hope, Mr. Speaker, that perhaps the Government, in responding to the unanimous recommendations of the equality of rights subcommittee on February 25, will implement that important recommendation and ensure that equality is a reality for all Canadians and is not denied to those who happen to be gay or lesbian.

● (1710)

In the event that that important recommendation is rejected by the Government, then surely it should be open to members of the public to complain about those neanderthal and destructive hiring policies of the RCMP. The purpose of this amendment is to allow that kind of policy issue to be dealt with by the Public Complaints Commission.

We have heard from the Commissioner of the RCMP his reasons for opposing this suggestion. I would hope the enlightened Solicitor General (Mr. Beatty) might recognize that his colleagues on the equality rights committee were persuaded that the current policies of the RCMP are unjust and must be repealed.

The wording of the amendment in question is very much the wording of the original Act in 1978. In 1978, Bill C-50, one of the many predecessor Bills to this legislation, stated that any person having a complaint concerning the activities of the Force in general or the conduct of any member in particular may make a complaint to the Public Complaints Commission.

Somewhere along the line someone got to the Government and persuaded it that questions of policy should not be brought before the Public Complaints Commission. I would hope the Government will recognize the significance of the proposal made by the Marin Commission and the McDonald Commission and ensure that it is not only individual complaints of wrongdoing that can come before this Commission but as well members of the public can raise concerns about general policy questions.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I will speak briefly to this motion. The Opposition has always supported an expanded definition of a complaint for reasons that were indicated at committee. I do not believe there is any necessity to reiterate arguments I made at committee with respect to why we should have an expanded definition of what a complaint is.

As you know, Mr. Speaker, the Bill before Parliament today establishes an independent public complaint system or structure. The very guts of this new creation is a definition of what constitutes a complaint. In order to set the machinery in action, you need a complaint.

The Government in its at times questionable wisdom decided to provide a particular definition of complaint. It says that any member of the public having a complaint concerning the conduct in the performance of any duty or function under this Act of any member or other persons appointed or employed under the authority of this Act, whether or not that member of the public is affected by the subject matter of the complaint, may make the complaint to, and it goes on to list how a particular individual can file a complaint.

It certainly provides for third-party complaints. It says: "Whether or not the member of the public is affected by the subject matter of the complaint". If you have an RCMP officer punching someone in the nose, the victim does not necessarily have to complain. Someone who saw the incident, or any other person, could complain of the conduct. To allow third party complaints is a step in the right direction.

The restriction causes considerable concern. The complaint has to concern the conduct in the performance of any duty or function under the Act. As was pointed out previously, it does not allow for a member of the public to complain generally about RCMP policy with regard to any particular matter.

I would like to quote again from the report of the Commission of Inquiry relating to public complaints. I referred to it previously as the Marin Report. It provides for a more expanded definition of complaint.

The Marin Report recommends that a complaints system be set up that would essentially be remedial in nature. At page 73 we find:

> A public complaint system is remedial when it emphasizes the positive aspects of corrective action and encourages the use of other-than-punitive measures to achieve a change in individual behaviour or performance. Such a system will make possible the identification of changes that are necessary and which affect groups or members of the Force as a whole in response to public complaints.

On page 74 the following is found:

> We must begin with a definition of "public complaint" sufficiently comprehensive—

Let me emphasize the words "sufficiently comprehensive". It continues to read:

—to serve the remedial design of the new procedures. Accordingly, we recommend that the Commission's own working definition of a public complaint be adopted.

I would like to provide you, Mr. Speaker, the Marin definition of a complaint. It says:

The Royal Canadian Mounted Police should adopt as their definition of a complaint the following: "Any communication received from a member of the public, either orally or in writing, which criticizes the behaviour of a member of the Force or alleges the failure of the Force itself to meet public expectations".

We all agree that one should be entitled to complain about the conduct of a particular member of the Force. Where we disagree is whether the public can complain or allege the failure of the Force itself to meet public expectations. Surely the public should have a right to complain specifically about certain policies of the Royal Canadian Mounted Police.

The Solicitor General (Mr. Beatty) no doubt would argue, "Well, I am in charge. I will make sure that policies are developed and rules are followed that are in the best interests of Canadians in Canada generally". That would suggest an opinion of himself that perhaps is undeserved.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** I do not know whether Canadians or I—given the Solicitor General's track record with respect to other very reasonable amendments to this legislation—would put our faith in the Solicitor General to ensure that practices are followed in keeping with the best interests of Canadians and that meet public expectations. I think the public should have the opportunity to decide when the Force is not meeting public expectations.

The Hon. Member for Burnaby (Mr. Robinson) cited certain situations that might arise that should provide for triggering the complaint mechanism as provided in Bill C-65. I would like to advance one further situation. It was a situation that we in this House dealt with last week concerning certain allegations of sexual harassment by members within the Force. We all know of a newspaper article that originated in British Columbia which alleged that six members of the RCMP had indicated to a particular officer that there was harassment of sorts within a detachment.

We asked the Solicitor General to initiate an external investigation of the complaints. He refused. We indicated how we felt about that refusal in this House and elsewhere.

**An Hon. Member:** You went galloping off.

**Mr. Nunziata:** We, in the Opposition, had no alternative but to file a complaint under the Human Rights Act. We filed a third party complaint with respect to those allegations. My colleague, the Hon. Member for Hamilton East (Ms. Copps) and I were prompted to do so by the inaction of the Government with respect to what we considered to be very serious allegations.

• (1720)

The Solicitor General, speaking for the Government of Canada, decided that it would allow the Force to investigate itself and that it had full faith and confidence that the investigation would be conducted with dispatch and in an objective fashion, notwithstanding that the Force would be investigating itself, notwithstanding that the allegations appeared to be widespread. Obviously the Commissioner of the RCMP got to the Solicitor General. It appears that the Solicitor General often marches to the tune of the Commissioner of the RCMP. At times one wonders whether he exercises independent judgment when it comes to certain matters of extreme importance facing Canada and Canadians generally. In that particular case one would have expected that the Solicitor General would have initiated an external review of the allegations of certain individuals.

The evidence was there to suggest the very serious problem in respect of the role of women in the RCMP. The evidence, uncontradicted, was that in a two-year period some 68 female members joined the force; that within the same period 67 resigned from the force, leaving a net gain of one additional female RCMP member during that two-year period; and that the male resignation rate was five times less. The point I am trying to make is that if one allows for an expanded definition of "complaint", as recommended by the Marin Commission, and given the situation of the allegations of sexual harassment within the RCMP, any Canadian could have filed a complaint and could have triggered the mechanisms provided in Bill C-65 in order to ensure that there was an independent review of the policies and public expectations of the RCMP.

The public expects the RCMP to be non-sexist. The public expects that there will be no harassment, sexual or otherwise, within the RCMP. I see Mr. Speaker is at the edge of his chair. My time is up, but in closing I say that surely the public should have the opportunity to lay a more general complaint against certain practices, including allegations of sexual harassment, or any other general policy of the Force which is not in keeping with the best interests of Canadians. I would hope that the Solicitor General, being the reasonable person he claims to be, will reconsider the particular amendment, regroup with his colleagues behind the curtains, come back and give the amendment unanimous support.

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, let me turn briefly, first of all, to the substantive issues which were raised by the Hon. Member for Burnaby (Mr. Robinson). If there is a difference between the presentation which has been made this afternoon by my colleague from Burnaby and the one from the Hon. Member for York South-Weston (Mr. Nunziata), it is that there is some substance in what was said by the Hon. Member for Burnaby, and I think he is entitled to a serious response.

The issue here is whether or not there is merit in a proposal which would allow for general complaints about general matters of policy relating to the RCMP—

**Mr. Nunziata:** The kid is sensitive; Golden Boy can't take it.

**Mr. Beatty:** Mr. Speaker, is there some disturbance in the House?

**Mr. Nunziata:** Boy, is he sensitive.

**Mr. Beatty:** Mr. Speaker, there appears to be a loud noise coming from the other side.

**The Acting Speaker (Mr. Paproski):** Order, please. The Solicitor General (Mr. Beatty) has the floor. I hope he can finish his part of the debate.

**Mr. Beatty:** Thank you very much, Mr. Speaker. The issue here is whether or not the commission reviewing public complaints should be looking at broad policy matters and should have the ability, on the basis of a complaint, to initiate such a review, or whether it should be responding to an individual complaint related to an individual case of behaviour on the part of a member of the force. It is certainly possible for this body to take a look at policies which are relevant to a particular specific complaint. Indeed, the specific issue raised by the Hon. Member related to the hiring practices of the force. Obviously, if an allegation were made in a particular case that an injustice had been done or that the behaviour of the Force was improper, they would have the ability to look beyond the immediate circumstances in the case and back to general policy, if they had an influence on the behaviour in the particular instance. I do not think it would be desirable for us to set up a permanent body of inquiry into policy matters within the RCMP. I think it is more appropriate that we should have a complaints commission which, in looking at specific complaints of specific behaviour, would have a chance to review that and to look at any related information it felt was appropriate. There is no question that it would have the ability to make findings which reflect on policy, and so it should.

Let me now turn briefly to the intervention of the Hon. Member for York South-Weston—

**Mr. Nunziata:** You said you wouldn't.

**Mr. Beatty:** —which, I say with compassion, was as thoughtful and as intelligent as all the previous interventions he has made today.

**Mr. Nunziata:** Why respond, then?

**Mr. Beatty:** It is interesting to listen to the Hon. Member, because again he cited a case in which he exhibited deplorable behaviour two weeks ago, in alleging to speak on behalf of members of the Force and in making a complaint with the Canadian Human Rights Commission in which he cited an individual member of the RCMP without ever having received from her, her consent to do so. What we saw taking place was a gross invasion of the privacy of an individual member of the Force by two irresponsible Members of Parliament.

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

**Mr. Beatty:** Now there appears to be a sensitive Member on the other side.

**Mr. Nunziata:** The Solicitor General insists upon misinterpreting facts. Given the fact that he claims to be a reasonable person, I would simply ask that he state the facts as they were. Any Canadian is entitled to file a complaint under the Human Rights Act. If he had the common courtesy to read the Act before he speaks—

**The Acting Speaker (Mr. Paproski):** I regret that that is not a point of order; it is debate. The Solicitor General has the floor.

**Mr. Beatty:** The Hon. Member referred to facts. Let us go back on the facts here. The fact is that without consulting with the individual in question—

**Mr. Nunziata:** I didn't have to, Perrin.

**Mr. Beatty:** The Hon. Member says that it is not required under the law that he should respect her privacy. The Hon. Member says that it is not required under the law that he should extend some courtesy to the member in question. The Hon. Member says that it is not required under the law that he should respect her most basic rights.

**Mr. Nunziata:** God, are you obtuse.

**Mr. Beatty:** Yet, what is at stake here is whether there is an obligation on the part of Members of Parliament to act in a way which respects the rights of other Canadians, or whether the sort of disgraceful behaviour that was exhibited was something which simply should not be tolerated.

**Mr. Nunziata:** Read the Act.

**Mr. Beatty:** What is instructive here is that in this particular case, which the Hon. Member cited as justification for building similar provisions into the RCMP Act, after he and the Hon. Member for Hamilton East (Ms. Copps) went off "half-Coppsed" and filed a complaint purporting to represent the feelings of members of the force, the constable in question specifically said that she wanted no such complaint whatsoever filed. She specifically did that.

**Mr. Nunziata:** She thanked us for filing the complaint, publicly.

**Mr. Beatty:** She said that it should be withdrawn. Have they withdrawn it? No. Have they extended an apology to a member of the Force who is a well-regarded member of the force? No. Have they demonstrated any respect for basic human rights? No. Yet, the Hon. Member says that right now Parliament should be amending the RCMP Act to give irresponsible people like the Hon. Member for York South-Weston the ability to invade people's privacy on a continuing basis; the ability to smear the force, as was done in this particular instance; the ability to abrogate the basic rights of individual members of the force, without any respect for the feelings of the members of the Force themselves.

If the Hon. Member wanted to defend the position taken by the Hon. Member for Burnaby, perhaps the very worst exam-

ple he could cite in support of his case was his own behaviour in the case of the alleged sexual harassment on behalf of members of the force. Certainly the Bill provides, if there are instances where members of the Force believe that they have been subjected to sexual harassment, that they would have the ability to file as complaint and have it fully and fairly investigated. That is the way it should be. However, what the Hon. Member is suggesting is that we should build in a provision which says that in future the Hon. Member for Hamilton East and the Hon. Member for York South-Weston should be able to violate contemptuously the basic rights of Canadians who are members of the RCMP.

**Mr. Nunziata:** What do you know about rights?

• (1730)

**Mr. Beatty:** It is precisely on the basis of that behaviour that one would have concerns about building in this sort of provision.

The Hon. Member purports to be speaking on behalf—

**Mr. Nunziata:** Save that for the Marin Report.

**Mr. Beatty:** Obviously the Hon. Member is dissatisfied with the presentation he made earlier because he cannot keep silent now and listen to the truth.

He said that we should hear about the facts. Let us indeed hear the facts. About five minutes ago, the Hon. Member—

**Mr. Nunziata:** Read Marin.

**Mr. Beatty:** —who cannot listen with his mouth as wide open as it is at the present time, falsely said that the attribution rate among women in the RCMP was five times the rate of that of men.

**Mr. Nunziata:** That's right, five times.

**Mr. Beatty:** He repeats it and acknowledges to the *Hansard* reporter that that is precisely what he said.

**Mr. Nunziata:** That's what we were told.

**Mr. Beatty:** That is absolutely false. The attrition rate is twice the rate. The Hon. Member was 250 per cent too high.

**Mr. Nunziata:** That's not what your officials said.

**Mr. Beatty:** The Hon. Member would ask if we think it is acceptable for the attrition rate to be twice the rate, forgetting the fact that he gave us a false figure that was two and a half times too high. I certainly do not defend an attribution rate among women that is higher than that among men. Indeed, that is precisely why we are acting to bring in measures to protect the position of women within the Force. If the Hon. Member purports to present facts to the House of Commons, let him do his homework first and let him ensure that what he presents as facts is truthful. If he expects support for his case, he must be able to back it up with the facts.

**Mr. Nunziata:** Read Marin.

**Mr. Beatty:** It comes down to a question of basic credibility. Two Members of Parliament were attacking all the members of the Force and the policies of the Force. Two Members of Parliament were depriving an individual and respected member of the Force of her most basic right, the right to privacy and the right to be consulted before her name was used in the way it was. The Hon. Member is making representations with regard to women when it is clear that he simply does not even know what the attribution rate is among members of the Force.

**Mr. Nunziata:** That's what your officials said. You had better replace your officials then, Perrin.

**Mr. Beatty:** Yet the Member who has done this in such an irresponsible way is now throwing his support, on the basis of these powerful arguments, to the Hon. Member for Burnaby. It is often said that cases have been won until defence counsel rises to speak. Where the Hon. Member for York South-Weston is concerned, that certainly applies. I do not know whether or not the Hon. Member for Burnaby solicits the support of the Hon. Member for York South-Weston on this matter, but I say on behalf of the Government that the argument that was made by the Hon. Member certainly does not convince us.

**The Acting Speaker (Mr. Paproski):** I regret to inform the Hon. Member that his time has expired.

**Mr. Alan Redway (York East):** Mr. Speaker, in considering Motion No. 9, a motion to amend a new procedure which is being introduced by this Bill, the RCMP public complaints procedure, it seems to me that we should look back to the root of this procedure to see why it is being recommended in the first place. The first police public complaints procedure established in Canada was established in Metropolitan Toronto in the late 1970s. It came about after an incident which occurred in Toronto that caused a great furor, and that was, the shooting of a black man named Buddy Evans by a police officer on the Metropolitan Toronto Police Force.

As a result of the shooting and the subsequent coroner's investigation, racial tensions in Metropolitan Toronto virtually exploded. It was a very tense period of time. People were demonstrating throughout the city. Great crowds were coming before Toronto City Council and various municipal councils in Metropolitan Toronto and great demonstrations were going on in Nathan Phillips Square. In an effort to work out a solution to this situation, the Attorney General of the Province of Ontario proposed a procedure that had been adopted and utilized in some parts of the United States previously, and that was, the citizens' complaint procedure.

This procedure was introduced after a good deal of discussion and negotiation with the various community groups in Metropolitan Toronto, the Police Department, the Police Commission, municipal councillors and the provincial Government. In introducing this procedure, a negotiation occurred in an attempt to balance off the concerns of the citizens and the concerns of the Police Department. There were competing interests and concerns. There was the concern on the part of

the public that police officers could do whatever they wanted to do, but there was the concern on the part of police officers that they could very well be shafted by this whole process and be wronged unjustly.

The procedure that was worked out is the same procedure that appears in this Bill, a procedure in which individual complaints dealing with individual officers may be brought before a complaint board to be dealt with and solved on an individual basis and not on a policy basis. It was not an attempt to pillory the entire Police Department or to introduce some procedure whereby one could debate policy. It was simply designed to deal with individual police complaints. That is the procedure that is before us today and it seems to me that that is the procedure we should adopt rather than considering the amendment that has been put forward by the Hon. Member for Burnaby.

If we consider the Hon. Member's amendment, we will tamper with the entire theory of the complaint procedure. We will tamper with the confidence the police and individual citizens have in the procedure. If we destroy that confidence, we will destroy all benefit of this procedure. It has been proven in the past, and certainly in Metropolitan Toronto, that this procedure has solved a really serious problem. We have before us a mechanism by which we can head off serious problems which may occur with the RCMP, and I think we should certainly adopt the Bill as put before us and reject the motion.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I rise to support the amendment put by my colleague, the Hon. Member for Burnaby (Mr. Robinson). I would like to deal with two or three reasons for my support.

Let me begin with the question of hiring practices. In my time here, I have supported the concept that Canada is bilingual and I have supported the proposals put by the former and present Governments to encourage more Fracophones to become members of the federal Public Service. I cannot say the same of all Manitoba Members of Parliament who sit on the government side.

I received a complaint recently from one of my consistituents. At a time when the RCMP is encouraging applications and hiring people, he applied to become a member of the RCMP. He met all the qualifications except for one. The RCMP was engaged in an effort to increase the number and percentage of Francophone members of the Force.

I made inquiries about this matter and found that the situation is quite an interesting and complicated one. In Ontario and Quebec, the Provinces of Canada which are the largest in size and population, there are provincial police forces and therefore the RCMP plays a relatively limited role in those two provinces. It deals only with matters which comes under federal jurisdiction. However, in all the other provinces, and particularly in the rural areas, the provinces contract with the RCMP to do all the regular police work.

Many people, not just in Manitoba but in other provinces I am sure, are concerned about the policy of the RCMP to increase rapidly the number of Francophone members. Although roughly 30 per cent of the country's population is Francophone, in terms of the policing which the RCMP carries out in the eight provinces and the territories, the Francophone population is very small. I am not saying they are wrong. I am saying that it was a legitimate question asked by my constituents. It was a difficult problem for me to try to think through. I think it would be helpful for the RCMP, and for the people of Canada, to have an independent review committee look at this type of problem, and not having necessarily to wait for an invidual person to make a complaint.

• (1740)

I would now like to deal with two other matters. I recognize there is a problem with respect to drugs. The illegal use, purchase and distribution of drugs is a tremendously complex problem. I do not pretend to be an expert on the matter, or to have an answer as to how this type of problem can be dealt with. However, I can remember not so many years ago when the public, the courts and police forces considered possession of marijuana, for example, much more seriously than it is now considered. It was the belief that the possession and distribution of marijuana should be dealt with in a much more tough way than it is today. I am sure defence lawyers received many complaints concerning allegations that RCMP officers working in the drug field were frequently involved in entrapment. I repeat, I am not an expert on this matter. I am not prepared to say that, perhaps, the RCMP had to do the things which they did at the time. I suggest to the Minister that when this type of problem arises, an independent review board could look at it and lay down some general principles as to the way the Force should deal with the situation. That would be helpful both to the RCMP and to the public in general.

The last illustration I wish to draw is with respect to complaints which frequently arise from Indian reserves in different parts of the country. I am speaking of complaints from individual members of groups of people who live on the reserves who are not satisfied with the treatment they have received from the RCMP. I recognize that there are tremendous problems with alcoholism, and all sorts of other problems which I will not go into, which occur in and around native reserves. I recognize that the police forces which deal with these problems have an extremely difficult task. However, I suggest to the Minister that if some independent board could look at the complaints and lay down some general policies then it would make things much easier for the RCMP. Their activity would be much more acceptable to the public, particularly to the people who feel that they have been mistreated.

Without prolonging the debate, I have tried to give three illustrations which I think have some merit. I think an independent commission, given the powers which my colleague the Hon. Member for Burnaby has suggested they should be given, would be worth-while. This is an amendment which should be accepted by the Government.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I was not planning to participate in this debate in light of the fact that there are some very able representatives here, both from our

caucus and from the NDP caucus. However, I was sitting in my office listening to the Solicitor General (Mr. Beatty) and I felt it was incumbent upon me to come down to the Chamber, not only to set the record straight but to suggest that the Solicitor General in his about-face—and I would call it a complete about-face—with respect to the issue of sexual harassment in the RCMP shows what hypocritical action he has taken with respect to this issue. In fact, it shows how he has twisted his role as Solicitor General to serve his own political ends.

I make this challenge in the full knowledge that the Solicitor General some two weeks ago said that he was so concerned about published reports, which included comments from six women members of the RCMP who were concerned about the possibility of harassment, that he immediately ordered an inquiry. I remember that that was on a Sunday. The Solicitor General said that he wanted this situation investigated immediately, that these were serious charges and he wanted to move ahead with them. Two days later, when he was faced with questions in the House by the Opposition with respect to the question of harassment as it had been placed before the Subcommittee on Equality Rights, not only did he deny the existence of such allegations, and not only did he challenge us to put forward a name, but when a name, which had been provided as part of a public presentation, was submitted in the House he took the unprecedented and, I believe, illegal step of personally contacting that person to determine what that person's actions would be in respect of a general complaint to the Canadian Human Rights Commission. I ask the Minister how he expects the Canadian public to have any faith in his operation of the RCMP if, in fact, he has shown in other cases this same type of abject irresponsibility and, indeed, total disregard for the law as he did in this particular case.

I felt that there was enough evidence for a general complaint to be laid before the Canadian Human Rights Commission. That position has been supported by people such as Doris Anderson, former President of the National Action Committee on the Status of Women, who said that individual officers in the RCMP are afraid to speak out. I do not blame them. If I were a woman in the RCMP who was being harassed, I would not want to speak out either because I would not want to put my individual relationship with the force on the line.

Quite clearly, the combination of events, including the press reports and studies which have been conducted by Professor Linden of the University of Manitoba, which study was commissioned by the office of the Solicitor General, points out that the number of women who quit the Force is at least double that of the number of men who quit. It has been pointed out that the women in the Force have very low morale because they do not receive much support when they raise issues. This was pointed out in statements made before the subcommittee which dealt with equality rights. The Minister has refused to conduct an independent inquiry, or even to seek one from the Human Rights Commission. He has stood in his place in the House and said that he called this woman—and he knows of whom we speak—not once but twice. I ask Hon. Members this: If you were an ordinary constable in the RCMP and you received two calls within a couple of days from the Solicitor General of Canada, would you proceed with your complaint?

**Mr. Nunziata:** Of course not.

**Ms. Copps:** I suggest that that phone call was even more heinous—

**Mr. Beatty:** How do you spell that?

**Ms. Copps:** h-e-i-n-o-u-s.

**Mr. Beatty:** I thought it was pronounced "heenous".

**Ms. Copps:** The Minister knows about what I speak. That phone call was worse than the phone call which was made by the former Solicitor General, which ultimately led to his shuffle out of his position because he had shown himself to be so irresponsible. Elmer MacKay, the former—

**Some Hon. Members:** Order, order.

**Ms. Copps:** —Solicitor General received a phone call and met in private with a person involved in the events and about whom we are quite clearly aware. I wish to know why the Solicitor General took it upon himself to call a constable of the RCMP in an attempt—

**The Acting Speaker (Mr. Paproski):** Order, please. Is this relevant to the debate?

**Ms. Copps:** It is absolutely relevant.

**The Acting Speaker (Mr. Paproski):** I hope the Hon. Member will get back to the motion. I appreciate what is happening here. However, I think the Hon. Member should get back to the motion.

• (1750)

**Ms. Copps:** The motion deals, Mr. Speaker, with the possibility of an independent review, and quite clearly, when the Solicitor General, has taken the law into his own hands on this issue and has refused to consider any involvement, even from the Canadian Human Rights Commission, with the general problem faced by women in the RCMP he has failed in his responsibility to provide a mechanism for independent review. That is specifically the amendment as proposed by the Hon. Member. It calls not only for an independent review but for the outside capacity to investigate. By hamstringing the powers of review, as is currently the case without this amendment, the Minister and the RCMP will only be allowed to have internal investigations and the review board will be allowed to review that evidence but will not be allowed to conduct its own investigation.

I would suggest that the Minister should be more interested in getting to the bottom of problems within the RCMP and less interested in grandstanding and scoring political points—

**An Hon. Member:** You should talk.

**Ms. Copps:** —and less interested in tampering with justice in the way he has done with this particular case—and I will say it outside the House because I think the phone calls the Minister made to that particular constable were totally beyond the call of his duty—

**Mr. Nunziata:** He harassed her. He deliberately harassed her.

**Ms. Copps:** —and totally reprehensible.

**An Hon. Member:** You are out of your mind.

**Ms. Copps:** So I would suggest that the only way the public will have confidence not only in the RCMP Force as a Force, but also that justice is being done, is to provide a mechanism for independent review through an organization like the Canadian Human Rights Commission, or other similar organizations. That is provided for in this particular amendment.

If the Minister is really concerned about increasing participation of women in the Armed Forces, and if he is interested in looking at issues about the lack of Francophone representation in the Armed Forces—which was raised by the Hon. Member for Winnipeg—he will agree that in order to get to the bottom of some of these problems we sometimes need an outside investigation which looks at the general nature of the problem. By tying this particular Bill to individual complaints or third party complaints about a single specific action, the Minister is saying he does not believe that the Canadian Human Rights Commission should have the right to carry on general investigations.

If the Minister believes that women in the Armed Forces, in the RCMP and in other organizations are afraid to speak out, one way of facilitating the search for information in a general way in order to make positive changes would be to allow an independent external investigation. Without that particular external investigation we can continue to expect that those women who face harassment will remain silent. They will not be able to speak out because of the potential difficulties within the promotional system if they do speak out on their individual cases. All of us know that these problems exist. If we really want to get to the bottom of them, then let us provide for an external mechanism which would not only have the power to review internal investigations but also have the power to investigate in an external way.

I believe that is what this amendment calls for and that is why I support it.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 9 standing the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

Motion No. 9 (Mr. Robinson) negatived.

**Mr. Gordon Towers (Red Deer)** moved:

Motion No. 10

That Bill C-65, be amended in Clause 15

(*a*) by striking out lines 41 and 42 at page 53 and substituting the following therefor:

"has previously investigated, or instituted a hearing to inquire into, the complaint under section".

(*b*) by striking out line 45 at page 54 and substituting the following therefor:

"with the complaint before the report under subsection (3) or the interim".

(*c*) by adding immediately after line 48 at page 54, the following:

"(3) On completion of an investigation under paragraph 45.42(3)(*c*) or subsection (1), the Commission Chairman shall prepare and send to the Minister and the Commissioner a report in writing setting out such findings and recommendations with respect to the complaint as the Commission Chairman sees fit unless the Commission Chairman has instituted, or intends to institute, a hearing to inquire into the complaint under that paragraph or subsection."

(*d*) by striking out line 8 at page 58 and substituting the following therefor:

"subsection 45.42(3), 45.43(3) or 45.45(14), the".

**The Acting Speaker (Mr. Paproski):** It is unanimously agreed.

Motion No. 10 (Mr. Towers) agreed to.

**Mr. Svend J. Robinson (Burnaby)** moved:

Motion No. 11

That Bill C-65, be amended in Clause 15 by striking out lines 7 to 37 at page 58 and substituting the following therefor:

"45.46 The final decision on action with respect to public complaints will be made by the Public Complaints Commission."

He said: Mr. Speaker, I am pleased to rise in support of this motion which in many respects goes to the very heart of this Bill. There are two central elements to the legislation which is now before the House. The first, of course, deals with the question of establishing a grievance procedure to ensure that the neanderthal labour policies which are currently the case within the RCMP are at least brought forward somewhat. The Solicitor General (Mr. Beatty) still refuses to give the elementary right to full and free collective bargaining and freedom of association, but that is a debate for another day.

This motion deals with the second element of this question, and that is, who will have the final say on complaints made by the public with respect to activities by members of the RCMP, either individually or in a group. I want to read the motion

because I believe it sets out very clearly what our recommendation is "The final decision on action with respect to public complaints will be made by the Public Complaints Commission". As the Bill is now worded, it is the Commissioner who has the final word, so a member of the public who feels agrieved, whether on a policy question or an individual grievance, will file that grievance with the Public Complaints Commission. The Public Complaints Commission will investigate and perhaps hold a hearing and then will make a recommendation to the Commissioner. Following that recommendation, the Commissioner can accept or reject the recommendation. I believe that that totally undermines the integrity of this process. We have heard from a number of witnesses on this point. I would remind Hon. Members of the House of the representations which were made by a very distinguished criminal lawyer from Toronto on this particular motion. I am speaking, of course, of Mr. Clay Ruby. He said that the Government's Bill in leaving the final decision on a complaint by a member of the public against a member of the RCMP to be decided by the RCMP itself is completely unacceptable, and I quote:

> The independent commission of inquiry can be ignored by the RCMP. Based on their track record of ignoring ministerial directives, the law of the land, the Criminal Code and standards of ordinary decency, this does not give one much room for hopeful expectations.
>
> When will politicians understand that the public is no longer prepared to accept that it is proper, fair or just for a police force to investigate itself and make decisions about what disciplinary action to follow from its own misdeeds?

Of course, Mr. Ruby was referring to the sorry chapter in the history of the RCMP, which was very clearly documented by the McDonald Commission, the incidents of breaches of the law and, in some cases, very serious breaches, by the Security Service Operation Checkmate, for example, involving a series of breaches of criminal law and other federal legislation.

What did the Commissioner of the RCMP do in response to that, Mr. Speaker? He said that there will be no disciplinary action whatsoever. "But even if there is to be disciplinary action", said the Commissioner, "I am not going to tell the public what it is". Surely, in a democratic society that kind of response is not acceptable.

The purpose of this motion is to ensure that at the end of the day, after the complaint has been reviewed by the Public Complaints Commission, after there has been discussion with representatives of the RCMP—perhaps, including the Commissioner—the final decision will be in the hands of the Commission itself. I would note as well that the McDonald Commission very clearly and explicitly opposed the suggestion that it should be the Commissioner of the RCMP who had the final say on complaints. The McDonald Commission stated the following, and I quote:

> In this regard, we part company with the strongly held view within the RCMP and other police forces that the final judge in complaint matters should be the head of the force. In Bill C-50, to which we have previously referred, which was introduced in 1978 but not passed, the traditional approach was maintained.

Then it states:

> But we feel there cannot be public confidence in the complaint procedure if the final arbiter belongs to the force whose conduct is under review.

Surely, that must be the case. Surely, it is not acceptable that the individual in charge of the Force which is being reviewed, the individual in charge of the Force against which a complaint has been laid by a member of the public, should be the person who, at the end of the day, decides whether or not to accept the recommendations of the Public Complaints Commission on that complaint. That makes a mockery of any motion of independent investigation and review of complaints by the public. It undermines the whole thrust of this important step forward involving review by a Public Complaints Commission.

● (1800)

**Mr. Towers:** Mr. Speaker, point of order. There had been agreement that report stage and third reading would be completed today. I understood there was a gentleman's agreement and I am just wondering what happened to that agreement.

**Mr. Robinson:** Mr. Speaker, I want to indicate on behalf of the NDP that we are prepared to continue this debate, if necessary, in line with the understanding we had and conclude third reading and report stage today.

**The Acting Speaker (Mr. Paproski):** Only by consent. Is there consent?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** There is not consent.

It being six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.01 p.m.

# HOUSE OF COMMONS

**Thursday, February 6, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### WAYS AND MEANS

INCOME TAX ACT

**Hon. David Crombie (for the Minister of Finance)** moved that a Ways and Means motion with respect to the imposition of taxes in the Newfoundland Offshore Area and to amend the Income Tax Act, laid upon the Table on Tuesday, February 4, be concurred in.

Motion agreed to.

* * *

### ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 5, consideration of Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 11 (Mr. Robinson) (p. 10502).

**Mr. Speaker:** Motion No. 11 has been moved. Resuming debate?

Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on Motion No. 11 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

**Some Hon. Members:** On division.

Motion No. 11 (Mr. Robinson) negatived.

**Hon. David Crombie (for the Solicitor General)** moved that the Bill, as amended, be concurred in.

Motion agreed to.

**Mr. Speaker:** When shall the Bill be read a third time; by leave now?

**Some Hon. Members:** Now.

**Hon. David Crombie (for the Solicitor General)** moved that the Bill be read the third time and passed.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, I am pleased to have this opportunity to speak on behalf of the Government to Bill C-65, an Act to amend the Royal Canadian Mounted Police Act. Before reporting on the outcome of the hearings on Bill C-65 at committee stage, I would like to take a few moments to remind Members of the House of the essential features of this proposed legislation.

A most important feature of Bill C-65 is the establishment of the RCMP public complaints commission, and procedures for the handling of complaints by the public against RCMP members. The establishment of the public complaints mechanism is a contemporary response to the need for objective and open handling of complaints, which will undoubtedly command public confidence.

A second important feature of the Bill relates to the establishment of procedures to deal with matters internal to the Force, such as grievances of individual members, disciplinary and discharge matters.

The most significant aspect of these proposed procedures relates to the appeal process and, in particular, to the establishment of an external review committee. This review authority will be external to the Royal Canadian Mounted Police and independent of it. It will be able to look into certain grievance decisions, formal disciplinary sanctions and discharge or demotion.

In formulating the proposals in these areas, every effort has been made to balance the interests of the members of the public and of the RCMP against the need for continued effectiveness of the Force. There is not a more respected and efficient police force in the world. This legislation will only serve to enhance the operation of the Force.

During the legislative committee hearings on Bill C-65, which lasted for several weeks, the committee had the benefit of hearing from a number of witnesses who represented a

variety of interests in this legislation. These witnesses are to be complimented for their able presentations which very much assisted the committee. Special attention should be paid to the excellent submissions of the Division staff relations representatives who presented the views and concerns of the majority of the members of the Royal Canadian Mounted Police to Bill C-65. As a consequence of the witness' submissions, a number of important amendments to the Bill were adopted by the legislative committee. I propose to review these amendments briefly for the House at this time.

The first major change to Bill C-65 relates to representation before the external review committee. The Bill originally provided for representation by counsel only. The appropriate sections have now been amended to allow for representation by either counsel or a representative from within the Force at a hearing before the external review committee. This amendment is significant in that it allows those giving evidence before the committee to save substantial costs by being represented by members as opposed to counsel.

● (1110)

A second significant amendment to Bill C-65 relates to public complaints with respect to the conduct of a member of the Force. Previously, Bill C-65 provided that the public could complain about any conduct of an RCMP member. The appropriate sections of Bill C-65 have now been amended to restrict the type of conduct which can form the basis of a complaint to a member's conduct in the performance of any duty or function under the Act.

The purpose of this amendment is to ensure that public complaints relate only to conduct with respect to a member's statutory duties and is based upon the rationale that a member of the Force, like any other citizen, has a right to privacy.

Another amendment adopted in respect of the public complaints process relates to the authority of the Public Complaints Commission to investigate a complaint. In addition to these substantive amendments to Bill C-65, there were a variety of amendments adopted by the committee which, while of a more technical nature, will undoubtedly serve to enhance the legislation as a whole. I am positive that upon passage of Bill C-65, the new amended RCMP Act will represent comprehensive, progressive legislation which will benefit both members of the RCMP and the citizens of Canada alike for many years to come.

In conclusion, Mr. Speaker, I wish to remind the House that the passage of this Bill has been subject to several delays in the past such that the proposed amendments to the RCMP Act are now long overdue. Accordingly, I would urge Hon. Members of the House to co-operate in ensuring expeditious passage of this Bill so that the RCMP Act may be amended to bring it into line with modern times and with the current needs of the RCMP and its members.

**The Acting Speaker (Mr. Paproski):** The Hon. Member is entitled to questions or comments, or is he rising for debate?

**Mr. Robinson:** Debate, but I will defer to others who might have questions, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** Questions or comments? The Hon. Member for Burnaby (Mr. Robinson) does have a question?

**Mr. Robinson:** Mr. Speaker, I would like to ask the Parliamentary Secretary why he did not respond to the representations which were made by the divisional representatives and the association of 17 divisions with respect to the question of ordered statements? As the Parliamentary Secretary knows, the provision for ordered statements is one which has been harshly criticized by members of the RCMP and was, as well, criticized by the Marin Commission in 1974.

I wonder if the Parliamentary Secretary could respond as to why the Government did not in fact eliminate the provision for this ordered statement?

**Mr. Towers:** Mr. Speaker, the Government discussed this matter and decided that it was not in the best interests of either the public or the RCMP to propose that amendment at this time.

**The Acting Speaker (Mr. Paproski):** Supplementary question?

**Mr. Robinson:** No, I have a question in another area but perhaps I can defer to my colleague, the Hon. Member for York South-Weston (Mr. Nunziata).

**Mr. Nunziata:** Mr. Speaker, as the Parliamentary Secretary is aware, the Bill deals in part with members of the Force. A motion was moved with respect to the issue of collective bargaining for members of the RCMP. The Chair in its wisdom decided that that particular amendment was not in order, that it went beyond the scope and substance of this particular piece of legislation.

I would like to ask the Parliamentary Secretary, however, whether his Minister is considering the question of giving to members of the RCMP the same rights as any other Canadian with respect to collective bargaining except, of course, the right to strike? Is the Government at least considering that particular issue? The Parliamentary Secretary indicated in his comments that he wanted to modernize the RCMP and bring it into this century. I believe those were his words. If he is truly sincere, I would suggest to the Parliamentary Secretary that in order to modernize the RCMP and to bring it into this century, collective bargaining is the first step. I would like the Parliamentary Secretary to comment on that issue.

**Mr. Towers:** Mr. Speaker, much discussion was given to this subject in committee and it was my judgment, perhaps, as Parliamentary Secretary during the hearings, that the majority of members did not necessarily want to have collective bargaining. They were satisfied with the methods now used through their divisional representatives.

Further to that, the point did come out that the differential in payment between other police across Canada and the

RCMP was less than $500 on the average. If the members of the Force become members of a union or a collective bargaining unit, there would be a grave possibility that that $500 would be lost in union dues.

**Mr. Orlikow:** Mr. Speaker, I would like to direct a question to the Parliamentary Secretary on the same point. Given the fact that all other police forces, municipal and provincial, as far as I can tell, belong to organizations which bargain for them with the employer, whether it be the municipality or the province, and given the fact that the bargaining processes deal not just with the question of wages and hours but with grievances, along with everything else, surely the Government would accept the idea that the RCMP, like all other federal Public Service employees, should be permitted to belong to an organization if they so wish? Surely the question of whether it is worth it for them to belong, and whether that $500 would go towards union dues, is a question they should decide as free Canadians rather than having the Government make that decision for them.

**Mr. Towers:** Mr. Speaker, perhaps the Hon. Member did not hear my earlier comment in answer to a previous question. In our judgment, the majority of the members of the Force are not requesting that kind of legislation at this time. Therefore, being a democratic and open Government, we are not going to push this onto a group of people, especially the people who form the Royal Canadian Mounted Police. That force is not like other police organizations in our country. The Royal Canadian Mounted Police is unique. There is not another Force like it in the country. Certainly we are very conscious of its needs and requests and we react accordingly.

**Mr. Orlikow:** Mr. Speaker, I am puzzled by the answer I received from the Parliamentary Secretary. How does the Department know that a majority of the RCMP officers do not want to belong to a union? If I understand the labour legislation which applies both federally and provincially, when a union or association wants to represent a group of employees, it has to try to sign up the particular group. It has to demonstrate to the Labour Relations Board or, I suppose in this case, it would be the Public Service Staff Relations Board, that it has signed up a majority of the affected people. If there is then any doubt, a vote is called which is supervised by the proper Government agency, and if the majority indicates it wants to belong, it then gets certification.

If, as the Government says, a majority of the RCMP officers do not want to belong, then they could indicate that in a vote and that would be the end of it. But whenever the Government adopts its usual "we know best" paternalistic attitude, which does not apply to any other group of employees except, perhaps, the employees who work on Parliament Hill—and the Government is even proposing to give them the right to collective bargaining—I find it very strange.

**Mr. Towers:** Mr. Speaker, the Hon. Member is dead wrong. In the presentation made by the division of staff relations representatives—which represents 14,000 members of the RCMP—there was no such request made. I suggest that they represented a majority of the RCMP, and if they wanted any system such as collective bargaining I am sure it would have been in their submission. However, it was not.

• (1120)

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I do not intend to speak at length on Bill C-65. We in the Official Opposition have indicated on a number of occasions that we support the Bill. We supported it in principle at second reading. We took a very active part in committee deliberations. We attempted to improve the legislation. However, for some reason or other the Solicitor General (Mr. Beatty) and the Government have refused to adopt what we considered to be very good amendments put forward by both Opposition Parties. I have concluded that the Solicitor General is not in charge of the RCMP. In fact, he takes his marching orders from the commissioner. We have found time and time again that he has not exercised independent judgement concerning what would be in the best interests of Canadians. He seems to follow instructions from the commissioner to a "t". For example, yesterday during debate, and I know you were very much interested in the amendments proposed yesterday, Mr. Speaker—

**Mr. Boudria:** He always is.

**Mr. Nunziata:** You agreed with the Opposition. Well, it appeared that you agreed because you were nodding as I was making my submissions and one can conclude from your nod that you were agreeing.

**The Acting Speaker (Mr. Paproski):** Order, please. I appreciate very much the Hon. Member and his debate, but I would also appreciate if he would not reflect on whether the Chair agrees or disagrees with anyone in this Chamber. I know the Hon. Member will take that under advisement and act accordingly.

**Mr. Nunziata:** As Your Honour knows, we on this side of the House have the utmost respect for your rulings and deliberations. While we may not comment on whether or not you agree with us, I want you to know that we in particular always agree with you.

**Some Hon. Members:** Hear, hear!

**Mr. Nunziata:** If I may continue? As you know, the legislation was part of the previous Liberal Government's agenda. It is not new legislation. Two previous Solicitors General have introduced different versions of this Bill. The only difference now is that the Liberal Solicitor General was prepared to listen to Canadians who came forward with suggestions to improve the Bill. He came into the discussions in committee with an open mind.

However, time and time again we in the Opposition have found that legislation is introduced in the House, referred to committee, and for all intents and purposes committee deliberations are a farce. People take a lot of time to prepare submissions, as did members of the RCMP in this case. They spent a lot of time, money and effort to research this area. However, for the most part their recommendations are dismissed. I suppose this is because the Government is reluctant to improve legislation.

We all know that the present Solicitor General always wants to be the smartest kid in the class. When someone else comes up with a good suggestion to improve legislation he automatically goes into a negative mode because that would imply he did not think of improving it himself. Notwithstanding that, amendments were made and the Parliamentary Secretary urged us to co-operate. There is no need to urge. We indicated right from the start that we would co-operate. We recognize the majority the Government has, as of September 4, 1984. However, we all know that for a number of reasons Members opposite have frittered away that mandate. It appears they have lost touch with reality. This legislation is another example of that. The Government seems to be insensitive to the needs of Canadians.

I want to speak very briefly to some of the amendments we introduced and which were shot down by the Government. They were good amendments. They would improve an otherwise imperfect piece of legislation. You were listening very attentively, Mr. Speaker, and you know how the Opposition viewed some of those amendments.

The first one concerned whether the RCMP should be able to suspend a member of the Force without full pay and benefits. We tried to get the Solicitor General to reconsider his position. We indicated yesterday, and we repeat ourselves today, that his position would tend to bring the administration of justice into disrepute. By suspending an officer without full pay and benefits we are in effect convicting, condemning and hanging him or her before they have an opportunity for a full and fair hearing before an impartial tribunal. It is common practice that when someone is suspended in the Civil Service they receive full pay and benefits until a final determination is made as to their guilt or innocence. The fundamental principle of our justice system is that all persons are presumed innocent until proven guilty. Yesterday I pointed out the obvious hypocrisy of the Government with respect to that issue.

When the Solicitor General was occupying another portfolio, that of the Minister of National Revenue, he introduced what was entitled a Declaration of Taxpayer Rights. He probably sent one to your office as well. It contained some highfalutin principles. Given his position on this legislation today, you have to question his credibility over what is contained in this Declaration of Taxpayer Rights. He talks about the presumption of honesty. He says taxpayers are entitled to every benefit allowed by the law.

**Mr. Boudria:** Unless they are RCMP officers.

**Mr. Nunziata:** Yes, that is the point and it is an excellent point. Why would every other Canadian be entitled to be presumed innocent until proven guilty when RCMP officers are subject to another and lower standard of justice? It does not make sense. It is obviously a position which is inconsistent with that taken by the Solicitor General in his previous portfolio. I will not go on very much longer on this particular point, Mr. Speaker. I think that we have made our concerns known.

• (1130)

To conclude on this point, you are familiar with the Canadian Charter of Rights and Freedoms, as are all Members in the House. That is the supreme law of Canada now and we should all be very proud of it, indeed. That, too, says that an individual is to be presumed innocent until proven guilty according to law in a fair and public hearing. Therefore, when the Solicitor General speaks of being entitled to every benefit allowed under the law, surely members of the force should be entitled to the benefits, protections, rights, and freedoms, as enumerated in the Canadian Charter of Rights and Freedoms. The Government refused to move on that particular issue.

As you know, Mr. Speaker, the Marin Commission recommended that an officer should be allowed full pay and benefits when suspended. Not only is suspension without full pay and benefits contrary to the basic principles of justice, it would also create very serious hardship for the member as well as for his or her family. It would deny them the opportunity for a livelihood.

We also moved amendments to limit the period within which an investigation should occur. At least that would force the investigators to get the investigation completed as soon as possible. However, once again, the Solicitor General refused that particular amendment.

The other major area of concern was with respect to the definition of a complaint. As I indicated yesterday, the Marin Commission recommended a more expanded definition of "complaint" in order to allow members of the public to complain generally about certain policies of the Force. Once again, the Government has decided not to adopt the recommendations of the Marin Commission but, instead, to have a very restricted definition of "complaint". Why has the Government taken that position? I indicated earlier that in my view the commissioner is calling the shots rather than the Solicitor General.

Obviously, it is in the best interests of the commissioner not to afford Canadians the opportunity to file a complaint about a general policy. If that were allowed, there would be an independent review of a particular policy of the RCMP. I gave the example of sexual harrassment within the force. Another example is that of high-speed chases, and there are other areas which may be of concern. The commissioner obviously would not like it if Canadians were allowed to do that because it would erode his authority. It would call into question his decision with respect to any particular policy of the Force. Therefore, of course, he does not want to give Canadians the

opportunity to make a general complaint about policies of the Force.

Commissioner Marin was looking at the issue objectively in terms of the best interests of Canadians to determine what would be the best form of a citizens' complaint bureau. He felt that Canadians should have the opportunity to complain about policies. That recommendation is at page 74 of the report and I will read it again today because it was a good recommendation. It reads:

> The Royal Canadian Mounted Police should adopt as their definition of a complaint the following: "Any communication received from a member of the public, either orally or in writing, which criticizes the behaviour of a member of the Force or alleges the failure of the Force itself to meet public expectations".

The Marin Commission felt it was important that complaints be defined in such a fashion as to allow Canadians the right to complain if the Force did not meet public expectations. I would submit that the commissioner is not, at times, in a position to objectively determine what the expectations of the public are. We know that the RCMP is a paramilitary organization. I do not want you to misunderstand me, Mr. Speaker. We are very proud of the Royal Canadian Mounted Police. It is the finest police force anywhere in the world and I challenge anyone to name a better police force. We are trying to improve something that is already near perfect. We believe that a system which allows for general complaints would improve the public perception of the Royal Canadian Mounted Police. Marin made that recommendation and it was refused by the Government.

We have found that a number of recommendations of the RCMP division staff relations representatives were not adopted by the Government. I think they were not adopted because the commissioner was not happy with the recommendations so he spoke to the Solicitor General and was able to persuade him to see it his way. Obviously, there was a bias in the submissions of the commissioner. He did not want to have his authority eroded in any way. Some of the amendments suggested by the officers themselves would, I suppose, in some way, erode that authority and the commissioner was not too happy about it. It is obvious that the Solicitor General was once again taking instructions from the commissioner.

I spoke on the issue of suspension without pay. Yesterday I spoke on the issue of the external review committee. As you know, Mr. Speaker, the external review committee will consist of five individuals, and the concern of the RCMP officers was that they wanted some say in the appointment of these individuals in order to put them above suspicion. As you know, Canadians are very seriously concerned about the patronage practised by the Government over the last 16 months, notwithstanding the promises it made during the last election campaign. One cannot have full faith that the Government will appoint people based on merit rather than partisan views.

In their submission the staff relations representatives say that members of the Force and the public expect a balanced, objective, nonpartisan review of matters presented to this external review committee. They suggested that rather than simply allowing the Governor in Council to make the appointments, the Governor in Council should consult with the national executive committee in order to ensure that these individuals are not Party hacks and flacks. That is important, Mr. Speaker.

The legislation that was passed by Parliament in 1984 with regard to the Security Intelligence Service said that the members of the external review board were to be appointed by the Governor in Council in consultation with the Opposition. That was inserted and supported by all members of the Force because it was believed that when dealing with the Security Intelligence Service we could not make partisan appointments of political hacks to review the actions of that service. In order to put it above suspicion it was decided by the previous Liberal administration to consult with the Opposition before appointments were made. Indeed, we were consulted not too many months ago with respect to appointments to the External Review Board for the Security Intelligence Service. The Government sought our opinion, which we gave, and I assume that the New Democratic Party gave their opinion with respect to the proposed candidates for this Board.

● (1140)

Since this is a good system. Why would the Government not follow the example of the Liberal administration with respect to the Security Intelligence Service and say with respect to this legislation dealing with an external review board of RCMP complaints that the Opposition should be consulted about appointments to this External Review Board? That is not to say that the Opposition can veto particular appointments, but at least they are consulted and can ensure that individuals will have a balanced, objective and non-partisan perspective.

In conclusion, we in the Official Opposition support the legislation. It has been a long time in coming. We introduced it when we were in office not so long ago, but for a number of reasons the legislation was not passed. We believe that it is a step in the right direction, and while the RCMP officers themselves do not support every aspect of the legislation, they state in the conclusion of their recommendations that they are speaking for the majority of members of the RCMP and request that Hon. Members fully consider their recommendations and concerns when finalizing the amendments to Bill C-65. They request all-Party support in having this Bill finally passed as it contains benefits to their members and the public.

That sums up the position, but I would conclude by saying that their recommendations were not fully considered by the Government. If the Government adopted their recommendations and the recommendations of the Opposition, this piece of legislation would be better. It is flawed but it is a step in the right direction and we intend to support it.

**Mr. Robinson:** Mr. Speaker, I listened with interest to the comments of the Hon. Member for York South-Weston (Mr. Nunziata) with respect to the importance of, according members of the RCMP, the right to full collective bargaining. That is not to suggest that current members of the RCMP would vote for collective bargaining at this point. The Parliamentary Secretary to the Solicitor General (Mr. Towers) is quite right,

that a clear majority of members throughout Canada have opted to support a system of divisional representatives at the present time. I might note that part of the basis for that particular system, however, was a promise made in 1974 that there would be direct representation by members of the RCMP at the bargaining table. That was a promise made under a Liberal Government, a promise that was never kept.

Considering that the Hon. Member has indicated his support for the right to freedom of association and collective bargaining rights for members of the RCMP, why have previous Liberal Governments refused to introduce that fundamental principle of collective bargaining in their legislation? It is all well and good for him to stand up now in Opposition and say that they support collective bargaining rights for members of the RCMP, but the Hon. Member himself indicated that his Party introduced similar legislation on four or five previous occasions, but that each Bill his Government introduced denied members of the RCMP the right to collective bargaining. How can he stand up now and say that his Party supports full and free collective bargaining when, in the next breath, he points out that his Government introduced legislation which denied that fundamental right?

**Mr. Nunziata:** Mr. Speaker, therein lies the difference between the Liberal Party of Canada and the New Democratic Party of Canada.

**Mr. Robinson:** That is right.

**An Hon. Member:** There is none.

**Mr. Nunziata:** They come up with a policy and it becomes Party policy which every last member of the New Democratic Party of Canada must follow, notwithstanding whatever happens. They stick to that policy and do not change according to changing times. The NDP are caught in the past. They get caught up in their own rhetoric and policies. Is it any wonder that the NDP will never be in a position to govern in Canada and, indeed, are destined to third place?

On the other hand, the Liberal Party is a Party of reform. We are not slaves to the past but recognize that in changing times one has to continually review policy. The Liberal Party is a Party of thinkers.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** Hon. Members opposite laugh. They may joke about it but we in the Liberal Party are constantly reviewing policy.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** It is important to keep in touch with what Canadians are thinking. The Conservative Party, on the other hand, has no direction or policy.

I understand that the Conservatives will hold another convention in March. They get together for the sake of public relations. If you attend our conventions, Mr. Speaker, you will see that we work at our conventions because we are concerned about developing policies in the best interest of Canadians.

In response to the question from the Hon. Member for Burnaby (Mr. Robinson), I have indicated how I feel about the issue of collective bargaining for members of the Force. I have taken a position and will make every effort to convince my colleagues and other grass roots members of our Party to make it Party policy.

I believe that a principle is at issue. Notwithstanding the fact that a majority of members of the RCMP may not want collective bargaining rights, it is my view that they should be given that right if they decide in the future that they want to bargain as a collective unit. I believe it is a matter of principle and that they should have the right to choose to be represented by a union or association with all the rights accorded to other Canadians. Most other Canadians and other police forces have the right to collective bargaining.

I am not suggesting that the RCMP should have the right to strike, because it is an essential service, but I do not see why its members should not be afforded the right to bargain collectively and to have one organization represent the interests of all members of the Force so they may improve their lot as a unit.

I have indicated my position on the matter. I have asked the Parliamentary Secretary to indicate what the Government's position is. If its position *vis-a-vis* unions generally is any indication, it is obvious that the Government is opposed to affording the RCMP effective bargaining rights. If you left it up to the Government of Canada today, the Government would outlaw and abolish unions. That is the Government's mindset about organized labour.

• (1150)

I hope I have answered the question, Mr. Speaker.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** Comments are over. Debate.

[*English*]

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I had a number of other questions for my distinguished colleague, the Hon. Member for York South-Weston (Mr. Nunziata), but I will ask them on another occasion.

I am pleased to rise and participate in third reading debate on this important and long overdue legislation. It set out to accomplish two basic objectives. Initially the purpose of the legislation was to establish a system of review external to the RCMP of the complaints made by members of the Force, a grievance procedure of substance as opposed to the rather paternalistic and Neanderthal labour relations policies which are currently governing the RCMP.

The second major area of concern was the question of complaints made by members of the public about activities, either about the Force generally or about individual members. Those are the two basic objectives of the Bill.

The Bill is based very loosely on recommendations of the Marin Commission which was established in 1974. Your Honour will recall that that commission was established following certain allegations made by a number of disgruntled members of the RCMP about the practices and policies of the Force at that time.

Since the commission issued its report in 1976, almost 10 years ago now, there have been a succession of Bills by Liberal Governments and now the Conservative Government on this question.

There is no question that this legislation does represent an improvement over the *status quo*. We in the New Democratic Party believe it falls far short of legislation which would truly bring into the twentieth century the practices and policies of the Royal Canadian Mounted Police, both in the area of Labour relations and in the area of review of public complaints.

I tabled an amendment, which was ruled out of order. In effect it stated our fundamental concern with respect to the first area on which I have touched, that is, the question of the right to full collective bargaining by members of the RCMP, Mr. Speaker.

[*Translation*]

Mr. Speaker, the Association of 17 Divisions has now been in existence for six years and it includes some 2,800 members of the RCMP. This non-profit organization has been set up to maintain and promote the honour of the Royal Canadian Mounted Police and of professional policemen. Its purpose is also to promote, support and defend the status and interests of the Association as well as the well-being and interests of its membership. The Association represents all ranks up to staff sergeant.

[*English*]

I think it is important at this point in the debate to underline some of the accomplishments of the Association of 17 Divisions. It is certainly accurate to suggest that the association has been more active in the Province of Quebec. Indeed—

[*Translation*]

Recently, Mr. Speaker, at least 90 per cent of RCMP members in the Province of Quebec voted in favour of collective bargaining rights. They do not want the right to strike, nor did they ever want it. However they are adamant in their quest for the same rights as those enjoyed by all other Canadians, including the right of freedom of association.

I hope the Government will grant these basic rights to RCMP members in the Province of Quebec.

Mr. Speaker, I must also underscore the fact that the Association of 17 Divisions has been the subject of RCMP surveillance. In the past the Association asked for a 1,000-odd-page report prepared by the RCMP Commissioner, but to this day he has refused to release roughly 197 pages to RCMP members. In connection with those pages, Mr. Speaker, we are wondering why the Association of 17 Divisions should even come under surveillance. Why this surveillance of the Association of 17 Divisions?

Mr. Speaker, I insist that the Government must release that information as well as the file on surveillance of the Association and give them to the Association of 17 Divisions.

[*English*]

The association has sought, as I said, the fundamental right to collective bargaining, a right which is accorded to all other police forces in Canada and which remains denied under the Neanderthal policies of this Government.

Some of the accomplishments of the association have been impressive indeed. It sought the elementary right to counsel for members of the RCMP who were facing disciplinary proceedings. But it had to go to court to obtain that right and the Federal Court said: "Yes, members of the RCMP are entitled to the basic right to counsel".

In 1981 when the former Solicitor General sought to break faith with members of the RCMP on retroactive pay, it was thanks to the commitment and dedication of members of the Association of 17 Divisions that that retroactivity was granted.

I could go on about its accomplishments in pushing for improvements to pensions of widows and widowers of members of the RCMP and other accomplishments, but suffice to say at this point that the association has made a valuable contribution to improving the working conditions within the Force and the recommendations made to the committee should have been heeded.

With respect to the question of external review, it is our position that while this is a step forward, certainly members of the Force should have the right to collective bargaining, a right that was also refused by the previous Government.

We proposed a number of other important amendments as well. We suggested that the provision for ordered statements should be abolished. We suggested that the provisions in the Bill which would allow suspension without pay, sometimes for months on end, were Draconian, unfair and that they should be changed.

[*Translation*]

In 1974, Mr. Speaker, the Liberal Government promised that RCMP members would have the right to be directly represented at the bargaining table. I will read that promise. There were 14 all told, and promise No. 9 was as follows:

[*English*]

"One divisional representative shall be directly involved in pay negotiation at the bargaining table". What happened to that promise, Mr. Speaker? Eleven years later—

[*Translation*]

—eleven years later: nothing at all.

[*English*]

The Government has refused to accept its responsibilities to keep the promises made to members of the RCMP at that time.

There are other changes as well that we sought with respect to the policies, provisions and legislation in this area. A draft code of conduct was tabled in the committee. Let me commend the Minister for having tabled draft regulations. I know that, as a former chairperson of the Standing Joint Committee on Regulations and Statutory Instruments, he recognizes the fundamental importance of the regulatory process. Those regulations would maintain the provision requiring members of the RCMP to notify the commissioner three months before getting involved in a common law relationship or getting married.

There is no other police force in the country, probably no other police force in North America which tells its members, the men and women, that they have to send a note to the commissioner telling him that they are going to get involved in a common law relationship three months beforehand, or telling him three months beforehand that they are going to get married. What kind of Neanderthal and backward labour relations policy is that? It is just one illustration of the kind of policy which is continuing today.

• (1200)

The subcommittee on equality rights heard witnesses from across Canada. It made unanimous and strong recommendations to the Government that the current policy of the RCMP which denies employment to gays and lesbians solely on the basis of their sexual orientation is a policy which is indefensible in this day and age and which certainly should be stricken from the books. Equality in Canada is equality for all, not just equality for those who happen to be heterosexual. The committee heard from a member who, after 18 years of faithful and loyal service to the RCMP, a senior member and officer, was told that because he happened to be gay, he was losing his job, his pension and everything else.

**Some Hon. Members:** Oh, oh!

**Mr. Robinson:** I challenge Hon. Members on the Government side to stand up instead of just muttering in the background. I challenge them to stand up and defend that kind of reactionary policy. That kind of policy has no place in Canada today. If the Government does not move forward because of the dinosaurs in the tory caucus, I hope that the courts will insist that this kind of policy has no place in Canadian society today.

I could discuss as well the serious concerns which have been expressed about the role of women within the RCMP; the fact that the turnover rate of women in the RCMP is at least twice as high as that of men. We heard representations in the subcommittee on equality rights that the conditions of women within the force are certainly less than satisfactory. I hope the Force will come into the 20th Century and recognize that women should be treated as full and equal members of the Force.

We also have concerns about the extent to which the Force does not reflect the Canadian mosaic, and the extent to which visible minorities and native people remain under-represented in the Force.

The fundamental concern in respect of the external review process remains. It still denies freedom of association to members of the Force. I am confident that that will be struck down by the courts as being in breach of the Charter of Rights and Freedoms, just as other provisions of the Act are in breach of the Charter. The final point with regard to the whole question of external review of grievances is that at the end of the day, after the external review committee has met and considered the grievance, it is still the commissioner himself or herself, although that will take a while in the RCMP, I suspect, who has the final word. The commissioner can reject completely the recommendations made by the external review committee. What kind of grievance procedure is that? Even within the civilian security service there is provision for a grievance procedure which would in fact ensure that members are not at the mercy of the commissioner on those grievances. Provisions of the Bill on external review remain seriously flawed.

A second major area of the Bill is the provisions in respect of public complaints, complaints about either policies of the RCMP generally or with regard to an individual member of the Force. Unfortunately the Bill, as was noted by the Hon. Member for York South-Weston, has not accepted the recommendation of the Marin Commission—and in fact the provisions of previous Bills—which ensured that complaints about general policy matters could in fact be brought before the public complaints commission. It is not good enough to suggest, as the Solicitor General (Mr. Beatty) suggested yesterday, that individual complaints may give rise to policy questions. If a member of the public has a concern about the resources which are deployed by the RCMP in a particular community, if a member of the public has a concern about a policy matter which perhaps a member of the RCMP individually would not wish to raise, he or she should have the right to raise it directly with the public complaints commission.

I was very pleased that the Government accepted my very important and significant amendment in committee which would give the public complaints commission the right to investigate, independent of the RCMP, complaints which it felt warranted an investigation of an independent nature. My amendment was indeed recommended as well by a number of witnesses who made representations to the committee, including the Canadian Civil Liberties Association. I indicate my support for that decision of the Government and my pleasure that the Government moved forward in this important area of independent investigation of complaints.

The Bill falls far short and indeed makes a mockery of the concept of independent review in one fundamental aspect. After the public complaints commission has conducted its review, has perhaps engaged in independent investigation and has come to the conclusion there has been impropriety or wrongdoing, at the end of the day all it can do is go back to the commissioner and say: "Here you are, Mr. Commissioner, here is our recommendation. You do what you like with it. You can accept it or reject it". It is entirely up to the

commissioner. We have internal review of public complaints which flies directly in the face of a fundamental need for external review and a final decision on the part of the public complaints commission itself.

I quoted Clay Ruby on this point in my comments at report stage when I proposed an amendment which would have ensured that the public complaints commission would have had the final say. It is not good enough for a police force to investigate itself and make decisions about what disciplinary action will follow from its own misdeeds. This kind of accountability falls far short of what we in the New Democratic Party believe to be essential.

I would note that the Manitoba Police Commission, under the enlightened administration of that province, brought forward a system which ensures that the final decision on public complaints is indeed in the hands of the Manitoba Police Commission, not in the hands of members of the police. We believe that it is important that there be greater accountability to the contracting provinces and the territories. I note the commitment of the Solicitor General in response to my question in committe that indeed the territories would have representation on this public complaints commission as well.

In looking at the process now, we have to ask ourselves: Given the track record of this commissioner, are we satisfied that he will have the final say on public complaints? I have to say that our answer to that is an unequivocal no, absolutely not. For example, it was this commissioner who, following the revelations of wrongdoings, of illegalities and of breaches of the Criminal Code and other federal statutes, said: "I have examined this", and not only was there no prosecution whatsoever, but not one member of the RCMP was subjected to any form of discipline as a result of those wrongdoings.

**Mr. Orlikow:** Some of them were promoted.

**Mr. Robinson:** Indeed, as the Hon. Member for Winnipeg North (Mr. Orlikow) points out, some of those who were involved in these illegalities and wrongdoings were promoted. That is the commissioner who is being given the final say on public complaints. It is the same commissioner who has advocated that the RCMP should have the right of access to all Government records. It is the same commissioner, it has been suggested by a very senior and respected member of the RCMP, Superintendent Al Nowlan, who was well aware in 1977 when he was the commissioner designate that he was misleading the then Solicitor General, the Hon. Francis Fox, in respect of the full scope and nature of wrongdoings. It was not, as Francis Fox told the House in 1977, an isolated incident of wrongdoing. Superintendent Al Nolan has put his reputation on the line and has said that it is his view as a senior member that indeed the commissioner designate, the current commissioner, was well aware at the time that he was deliberately misleading the Minister. I call upon the Justice Committee to give Superintendent Nowlan an opportunity to appear before that committee and to make these very serious allegations before that forum.

• (1210)

I see, Mr. Speaker, that you are signalling that my time on third reading is coming to an end. I want to reiterate our fundamental concern that while this Bill does represent progress in some respects, it falls short of what should be accorded, both in terms of the basic rights of members of the RCMP, and also in terms of the confidence of Canadians in the public complaints commission.

**Mr. Nunziata:** The Hon. Member for Burnaby stretches things a little too far.

**Mr. Orlikow:** It takes one to know one.

**Mr. Nunziata:** It is obvious that the Hon. Member for Burnaby is using his protection in this House with respect to Superintendent Nowlan. Allegations were made and I would simply call upon the Member for Burnaby to call them allegations. He often speaks of legal principles, about the presumption of innoncence and how one has to protect the innocent in society, yet he referred to Mr. Nowlan's accusations as being reality.

If he is acting responsibly as a parliamentarian and an individual trained in law he should not refer to allegations as fact. I agree that the allegation should have been investigated, but I would simply caution the Member not to use his immunity in order to attack individuals. The Hon. Member has done it before when he accused senior Petro-Canada executives of being CIA spies. He used his parliamentary immunity at committee to do this. He subsequently apologized and we accepted that apology. I would simply ask him to be cautious regarding the use of parliamentary privilege as it affects everyone in this House. When allegations are made they should be referred to as such and not as if they are substantiated facts.

The question I would like to put to the Hon. Member for Burnaby is with respect to his Party's position on Bill C-65. He used phrases such as "seriously flawed, makes a mockery of fundamental review, flies directly in the face, the Bill falls far short of", yet the New Democratic Party intends to support Bill C-65. If the Bill is seriously flawed, as they claim it is, why do they speak with such rhetoric in their opposition to the Bill, yet intend to support it? I mean you cannot whistle and blow at the same time. You either support it or you don't support it.

We have indicated, as far as the Official Opposition is concerned, that we have concerns with respect to the Bill, but they are not fundamental concerns, and we intend to support it. Being an individual of principle, how can the Hon. Member for Burnaby justify his rhetoric and reconcile it with the intent of his Party to support the Bill? I would like to ask him when he speaks, does he speak for the New Democratic Party? I know he often makes it clear that he is not, and that his Members at times wince when he takes particular positions on various subjects, but is he truly speaking for the New Democratic Party?

**Mr. Robinson:** Unfortunately, I don't have enough time to respond fully to that little rant by the Hon. Member for York South-Weston. If there is one Member out of the 282 Members in this Parliament, who should not lecture anyone about dragging reputations through the mud it is the Member for York South-Weston.

**Some Hon. Members:** Hear, hear!

**Mr. Robinson:** I remember day after day as that Member stood in the House and dragged the reputation of the Premier of New Brunswick through the mud based on allegations, which to this day he has not had the courage or integrity to stand up and defend. Don't let him talk in that hypocritcal and phoney manner about dragging reputations through the mud.

The Hon. Member asks, how it is we support this Bill when it is flawed, both in terms of the grievance procedure and in terms of the public complaints process. He is right, the Hon. Member has said that this Bill is largely repeating a Liberal Bill and that Bill was a seriously flawed Bill. We did what we could in committee to improve this legislation. We did what we could at report stage to improve this legislation.

I note that the Liberal Party, and the representative for the Liberal Party who was so concerned about this Bill and, had grave reservations about a number of elements, but, when push came to shove, how many amendments did members of that Party suggest to the Bill at report stage? Did they suggest three or two? No, that Party which was so concerned about this legislation, collective bargaining, improving the grievance procedure, did not suggest one amendment—nothing. Don't let them stand up and sanctimoniously prattle to Members of the House and the public about improving the Bill when they did nothing whatsoever to try to improve the Bill themselves.

**Mr. Nunziata:** On a point of order.

**The Acting Speaker (Mr. Charest):** The Hon. Member for York South-Weston on what I hope to be a point of order.

**Mr. Nunziata:** I am alleging that the self-righteous Member for Burnaby is deliberately misleading the House.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** I am prepared to substantiate my allegations. He indicated to this House that the Liberal—

**The Acting Speaker (Mr. Charest):** Order. I must stop the Member immediately because I believe he may have used—not intentionally—appropriate words in saying "deliberately misleading the House". Maybe the Hon. Member would wish to correct the wording.

**Mr. Nunziata:** It is obvious that either he was misleading the House or was innocently naive in his submission.

**Some Hon. Members:** Order, order!

**Mr. Nunziata:** I will withdraw my allegation that he deliberately misled the House, but his words will speak for themselves. He said that the Liberal Party did not do anything to improve the Bill.

**The Acting Speaker (Mr. Charest):** I regret to interrupt, but may I remind all Members that there are ten minutes reserved, for questions or comments. Perhaps there will be some time left—who knows—after the Member for Burnaby has replied.

**Mr. Robinson:** Mr. Speaker, I just wanted to make it very clear that we have attempted to make a number of important amendments, which were successfully defeated by the Government. Our Party certainly feels that, while we recognize the Bill may improve somewhat the *status quo,* it falls far short of what is acceptable. Indeed, it is like the same old Liberal Bill that was presented, and on that basis we certainly intend to oppose this Bill on division.

I have a copy of the Order Paper in front of me, and I am looking at 11 motions tabled at report stage. I challenge the Member for York South-Weston to point to one of those motions which was set down in the name of the Liberal Party, just one.

**Mr. Orlikow:** One short question. When he was listing some of the criticism of this Bill which were made by the Equality Now Committee, am I correct in my assumption that a majority of the Members of that committee were Conservative Members and that the committee made unanimous recommendations, which of course Conservatives supported?

**Mr. Robinson:** Mr. Speaker, I am very pleased to confirm the statement made by the Member for Winnipeg North (Mr. Orlikow). The Equality Now Committee recommendations were made by a committee of seven Members of Parliament. Five of those members were Conservative members from all across Canada; one was a Liberal; and I had the honour to represent the New Democratic Party. Let us only hope that those recommendations will be taken seriously by the Government and not ignored, as has been the case with other committee reports.

• (1220)

**The Acting Speaker (Mr. Charest):** Resuming debate with the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, as the Solicitor General who appointed the Marin Commission in 1974, I am pleased to see some of his recommendations implemented in Bill C-65. However, I am extremely disappointed that many of his key recommendations have not been accepted.

In particular, I am disappointed that the very strong recommendations made by the RCMP division representatives in their brief and the Association of 17 Divisions, that there be no suspension unless it be with pay and benefits while a charge against the member in question is pending, were not incorporated into the Bill. The division representatives are duly elected by the men of the RCMP throughout the country. They

have a very strong and widely-based support. They recommended that the Bill be amended so that the suspension would be only with pay and benefits. As I said yesterday, it is my firm belief that to suspend any member of the Force pending a charge without pay and benefits is in contravention of the Charter of Rights and Freedoms. In the Charter is entrenched the principle that one is innocent until proven guilty. If one is innocent until proven guilty, then there is no basis for a person who is simply charged with a disciplinary infraction, or whatever, to have his pay and benefits suspended. I do not want to enter into the hot debate which just took place between my colleague and the Hon. Member for Burnaby (Mr. Robinson).

**Mrs. Champagne:** Why not?

**Mr. Allmand:** No, I will not. I would rather concentrate on the Bill.

The Hon. Member for Burnaby knows, since we were on the legislative committee together, that we presented a good number of amendments to the Bill in committee.

**Mr. Robinson:** What about in the House?

**Mr. Allmand:** As the Hon. Member knows, both his amendments and mine were defeated in committee by the overwhelming Conservative majority. One can only bang one's head up against a wall so many times. Perhaps the Hon. Member for Burnaby has a harder head than I.

**Mr. Nunziata:** No question about that!

**Mr. Allmand:** Rather than continually formulating amendments which will be voted down without any real consideration by this large Conservative majority, I have better ways to spend my time. It is too bad that those amendments were defeated.

On this particular amendment, there was wide-spread and deep support among the members of the Force. They made that clear before the committee. It was something which was also recommended by the Marin Commission, which spent a good deal of time consulting and studying the issue, not only in Canada with other police forces but outside the country as well.

The other matter the Bill does not deal with, and which I think is unfortunate, is leaving the final decision on public complaints with the Commissioner rather than with an independent authority. That is contrary to all the principles of justice and equity. If one is responsible for the administration of a body, in this case the RCMP, then it is not proper that that person should be the final judge on accusations or complaints made by the public against members of the Force while administering the Force at the same time. That person then becomes both judge and administrator. To me that is not proper. It is unfortunate that the Government has not seen fit to accept an amendment along these lines.

I am pleased to recall that during my term as Solicitor General certain improvements were made to the personnel policy with respect to the RCMP. At that time we brought in, for the first time, overtime pay for members of the Force, changes with respect to the marriage rules and the admittance of women into the Force, and the division representative system was set up. The division representative system was certainly a movement in the right direction. According to some members of the Force it is working well.

However, there is still a difficulty in that the RCMP in many of our large cities must work side-by-side with other police forces on joint efforts. The members of those other police forces have the right to collective bargaining. Collective bargaining has been tried in our police forces in the country for several years. It has not been abused.

At the time of the introduction of the division representative system there was not that much experience with collective bargaining. That was in the mid 1970s. I want to make it clear that I am talking about the right to collective bargaining and not the right to strike. The Association of 17 Divisions has not asked for the right to strike. The other police forces in Canada have the right to collective bargaining and they do not have the right to strike. So we are not debating the right to strike issue. However, after this number of years, having seen what has taken place with other police forces in the country, and in light of the fact that the RCMP must work shoulder-to-shoulder in many cases on drug and organized crime matters with provincial and municipal police forces which have the right to collective bargaining, I believe the time has come for the RCMP to have the right to collective bargaining.

The Hon. Member for Burnaby is right when he says that the Liberal Party did not always take that position. As I have said, we have observed what has happened over the years. By the way, we in the Liberal Party are much more broadly based than those in the NDP. We have a much wider range of opinions. We have people in our Party who always believed in the right to collective bargaining and others who did not.

**Ms. Mitchell:** So that cancels it out and makes it neutral, then.

**Mr. Allmand:** Mr. Speaker, I get a great kick out of members of the New Democratic Party. It was an NDP Government in Saskatchewan which came to Ottawa to knock out the entrenchment of women's rights in the Constitution, among other Governments. It was the Blakeney Government with others which did that.

**Ms. Mitchell:** It was the New Democratic Party which got them in.

**Mr. Allmand:** Their record is far from unblemished when they have been in power. I had to deal with NDP Governments in Manitoba and in British Columbia with respect to Indian rights matters. Their record was far from clean. However, I do not want to get into this matter. I am being provoked by the group over to my left.

**Ms. Mitchell:** Tell us about the neutral Liberals.

**Mr. Allmand:** Apart from that, I do not think they are a bad bunch. However, I would like to continue.

Having observed in the country the experience with collective bargaining by other police forces at the municipal and provincial level, I can see no reason whatsoever for continuing to deny this right to members of the RCMP. Even if we are late in coming to the decision, our decision is still valid today. I hope that when we are in Government, in a few years' time, and introduce a Bill on this subject we will have the support of the NDP and even of the Conservatives.

As I have said, there is some improvement in the Bill. However, there is still much to be done. I referred to some of the matters on which work was still required. It is my hope that the Standing Committee on Justice and Legal Affairs—and I see that the Chairman of that committee is in the House—will continue to survey the operations of the RCMP in order that we can be made aware of how these changes are being implemented at the administrative level. Perhaps we could be made aware whether or not they are working and how we can continue to make changes so that members of the Force, and members of the public who have complaints against the Force, be justly treated.

**The Acting Speaker (Mr. Charest):** Are there questions or comments? The Hon. Member for Burnaby (Mr. Robinson).

● (1230)

**Mr. Robinson:** I have just a brief question to ask the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), the former Solicitor General. I believe the Hon. Member was Solicitor General at the time the divisional representative system was established in 1974. He will recall that at that time a vote was taken amongst all the members of the RCMP as to whether or not they wanted to have a division representative system established. At the time the vote was taken, 14 specific promises were made to members with respect to the division representative system. Promise number nine, one of the most important promises, was that: "One divisional representative shall be directly involved in pay negotiation at the bargaining table". Eleven years later, that promise remains unfulfilled.

Would the Hon. Member tell us why he, as Solicitor General, when he had the opportunity to keep that promise, refused to do so? Why is it that members of the RCMP are today still waiting for that promise he made on behalf of his Government in 1974 to be kept?

**Mr. Allmand:** Mr. Speaker, I agree with the Hon. Member. I am extremely disappointed that that commitment was not kept. The divisional representative system was started around 1974-1975, and that was one of the commitments which was made. I was Solicitor General at the time, not President of the Treasury Board, and perhaps some day the Hon. Member will have an opportunity to know how things work within Cabinet.

**An Hon. Member:** Not unless he becomes a Conservative.

**Mr. Allmand:** There is push-and-pull, bargaining and lobbying. I cannot reveal what happens in Cabinet, but I myself have raised that question over the years following my tenure as Solicitor General, both as a backbencher on the government side and in hearings in committee on this particular Bill. I asked why representatives of the division were not present at the Treasury Board hearings on this issue. I think the Hon. Member is completely right. I support that principle and we have to continue to work within our Party, within Parliament and in the Treasury Board to get it accepted.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, in participating in this debate, I would like to say that had the RCMP still had the responsibility for the security service, which it had for so many years, this debate would have been much lengthier, and we would have been much more critical because, along with many other Canadians, I have always had very grave reservations about the activities of the RCMP, particularly with respect to the secrecy upon which it insisted. I am still not satisfied with the secrecy insisted upon by the present service, having to do with matters which occurred 50 and 60 years ago, but this is not the time to debate that.

This Bill is based, somewhat loosely, on the recommendations of the Marin Commission. Justice Marin was appointed by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) when he was the Solicitor General because of many complaints which were received. The Marin Commission was established in 1976 to study proposals for creating a public complaints bureau in the RCMP and to introduce a formal grievance procedure for members of the Force.

Since the commission issued its report almost 10 years ago, successive Liberal and Conservative Solicitors General have introduced legislation into the House. While the particular version presented by the current Solicitor General does represent an improvement on the status quo, as indicated by the Hon. Member for Burnaby (Mr. Robinson), there still remains a number of outstanding issues which we have addressed throughout the committee process, and in the House, some of which I would like to put on the record.

These issues focus on two broad areas; first, the degree to which the public complaints commission has any substantive independence and, second, with respect to the grievance procedure. We have questioned its integrity on the basis that the Bill will vest final decision-making authority on disciplinary action with the commissioner of the RCMP as opposed to giving the final authority to the grievance committee.

In the course of the committee hearings, presentations were made by the Association of 17 Divisions, an organization representing almost 3,000 members of the Force. Its presentation was particularly instructive on the flaws inherent in the Bill's grievance procedure.

Similarly, the Canadian Civil Liberties Association, and its chief spokesperson, Alan Borovoy, raised key concerns with regard to the problems in the Government's proposal for a public complaints commission as outlined in the present Bill.

The major shortcoming in the Government's proposal for the public complaints commission, with which it has refused to deal, is the final decision-making power with respect to any complaint from the public resides with the commissioner of the RCMP. Section 45.46(2) makes this clear. This overriding authority granted to the commissioner is a departure from the spirit and letter of the Marin report. Justice Marin was unequivocal about this aspect of the process. He stated, and I quote:

> The principal requirement of any credible reviewing authority is that it enjoy the confidence of both the public on whose behalf it is acting and the Force whose actions it is reviewing. Such confidence is possible, in our opinion, if this authority is visibly independent from the RCMP and responsible directly to Parliament rather than to the Government of the Day . . . The need for a visibly independent body is based on perceptions held by many who have difficulty in understanding how the Force can be both supervisor and final abiter for public complaints.

That power given to the RCMP, particularly the commissioner, is, as far as I can tell, not given to any other person or body in this country. Regrettably, Bill C-65 rejects the arguments put forward by Mr. Justice Marin. Witnesses who appeared before the Legislative Committee pointed out that the commissioner's ultimately determinant role in the complainants' process may well deter the general public from reporting abuses or complaints, in the knowledge that there will be no outside investigation with substantive decision-making powers about appropriate follow-up action.

In this context, Alan Borovoy of the Canadian Civil Liberties Association stressed the need for an independent investigative role for the public complaints commission. He argued that only independent investigations would ensure that a thorough and partial investigation of complaints is made and, equally important, that such investigations are perceived as independent and impartial. To this end, the Hon. Member for Burnaby proposed an important amendment which would empower the public complaints commission to conduct investigations of complaints where it deemed appropriate. The commission could then use its own staff to investigate a complaint with the power to subpoena witnesses and documents.

Clearly, this amendment, making explicit the investigative powers of the public complaints commission, would have been an important addition to the Bill. However, the broader problem of the final authority of the RCMP commissioner remains. An amendment to deal with this issue was defeated by the Conservatives in committee.

To improve the complaints process, we have also argued that the Bill should impose a reasonable time limit in dealing with public complaints, or at least ensure that a comprehensive status report is sent to the complainant. Members of the public who have made the effort to file a complaint should be kept informed of the progress of their file.

Another important concern is that the Bill does not permit the public to make complaints with respect to general policy concerns about the RCMP, as well as about specific conduct arising out of isolated incidents. I do not want to repeat the arguments I made yesterday, but I remind Members that I gave illustrations of the relationship between the RCMP and native people on reserves, the role of the RCMP in entrapment in drug cases, and several others.

● (1240)

As addressed in one of our amendments, the issue here is to facilitate the investigation of complaints, such as the hiring policy of the RCMP, or the nature of police services provided, for example, in remote communities. Let me point out there are virtually no members of visible minorities in Canada who are members of the RCMP. There are few, if any, members of the RCMP who are of native origin. That is amazing given the important policing functions the RCMP has regarding native people. I am happy to see the Minister of Indian Affairs and Northern Development (Mr. Crosbie) agreeing with me.

Both of these very legitimate issues require that the definition of a complaint be broadened in a way which would permit more policy-oriented issues to be raised by the public and investigated by the commission. The Marin Report anticipated such concerns would fall within the mandate of the commission. In sum, our basic concerns about the public complaints commission are threefold: That the final say on complaints reside with the commission, not the RCMP commissioner; that the RCMP be required to issue a status report to the complainant and, in any event, a time limit be imposed on the investigation; that the definition of a complaint be broadened to allow for policy or administrative concerns to be investigated by the commission.

Regarding the grievance procedure, we believe the second major part of the Bill deals with the establishment of a formal grievance procedure for members of the Force. Fundamentally, the main thrust of our criticisms of this section of the Bill echo the concerns of the Association of 17 Divisions. Their spokesperson came before the committee and argued forcefully that it is time, indeed past time, that members of the Force were entitled to collective bargaining with independent, binding arbitration of grievances, including dismissal, suspension or financial penalties. Such arbitration would be handled by the Public Service Staff Relations Board, similar to the provisions for the Civilian Security Intelligence Service. Why should the Government deny to members of the RCMP what it has given to members of the CSIS by way of labour protection?

The Government refuses to listen to these eminently sensible proposals which would bring labour practices in the RCMP in line with all other major police forces in North America. While I am not a lawyer, I am certain that if RCMP officers take this case to court, given the Charter section which guarantees freedom of association, the Government will be ordered to permit RCMP officers to form an association if they so desire. That simply means the Government will have to pay a substantial amount of money to lawyers to defend the indefensible position it is taking. For a Government concerned about the deficit, that seems to me to be a pretty stupid path to follow.

In light of the Government's unwillingness to move in this important area, we proposed a number of less sweeping measures designed to tighten protection for members of the Force.

We find unacceptable the provisions which allow for suspension of members without pay and benefits. As it stands now, the Bill flies in the face of the fundamental principle of presumption of innocence. That principle has always been part of our system of justice, we believe, and it is certainly part of our Constitution.

A member of the Force could be suspended by the RCMP commissioner for a year or more, and then be found innocent of the alleged offence or wrong-doing. In the meantime, this person, suspended without pay, may have been forced to sell his or her house, find another job, and certainly not be in a position to bear the costs of legal counsel to ensure adequate representation. In fact, the Association of 17 Divisions cited the example of a member of the Force who, for more than two years, was forced to live on unemployment insurance and savings to support his family. As it turned out, all charges were dropped. Yet great hardship was forced upon the member and his family. We fully support the Association's argument that there should be guarantees written into this Bill to ensure that such unfair situations cannot arise again in the future.

Similar to the major flaw in the public complaints process, the grievance procedure grants the final word on grievances and appeals to the RCMP commissioner. The final say on serious grievances should be with the external review committee, assuming that collective bargaining under the Public Service Staff Relations Act is not accepted or ordered by the courts.

In this context, the Association of 17 Divisions has made three basic points which the Solicitor General has unfortunately chosen to ignore. The first is that the commissioner not constitute the final level of appeal in the grievance process. Secondly, that there be provisions enabling a member to appeal the commissioner's decision to an independent arbitrator. Thirdly, that the RCMP Act be brought in line with the Canada Labour Code and the usual labour practices concerning the submission and adjudication of grievances.

In addition to this fundamental point, we argue that there should be a time limit on the rendering of decisions with respect to grievances. This would guard against excessive delays on the part of the commissioner which cause considerable inconvenience and possibly financial hardship to members concerned. With the right to collective bargaining denied, we proposed an amendment, rejected by the Government, which would permit group grievances to be launched by members of the Force. This provision would allow individual members to speak on behalf of a number of fellow officers in situations where a particular policy or administrative regulation has a similar impact on an entire detachment.

In conclusion, we accept that Bill C-65 is an improvement on the status quo. It codifies rules for grievances and public complaints. However, throughout the committee process the NDP argued that significant amendments are necessary to strengthen this legislation to ensure that the grievance and public complaints process command the respect of members of the Force and the general public. It simply is not acceptable for Parliament to send out the message, in the words of one expert, that it is proper, fair or just for a police force to investigate itself and make decisions about what disciplinary action to follow from its own misdeeds. Clayton Ruby said that in reference to an earlier version of this Bill. Neither is it acceptable to deny, as this Bill does, the right to collective bargaining for members of the Force. We in the NDP take issue with the Government's in-house approach to grievance adjudication and public complaints investigation. We made clear our support for those groups and individual Canadians who believe that there should be substantive independence for the public complaints committee, and that there should be full collective bargaining for members of the RCMP.

As my colleagues indicated, despite the fact this Bill is an improvement over the status quo, we believe it is still fatally flawed in many respects and we do not propose to support it.

**The Acting Speaker (Mr. Schellenberg):** Questions or comments?

**Mr. Robinson:** Mr. Speaker, after that excellent speech I would like to ask the Hon. Member to elaborate on some concerns he raised in his remarks regarding the Canadian Civil Liberties Association and the role of the commissioner in having the final say. As well, the Hon. Member may wish to elaborate on the comments he made with regard to the language question. He raised some concerns yesterday, and anyone who did not pick up on them yesterday may be watching today. I am concerned, in particular, about the element of leaving the final say with the commissioner. Perhaps the Hon. Member could comment on that.

• (1250)

**Mr. Orlikow:** Mr. Speaker, it seems to me that if the final say is left to the commissioner, as it is in this Bill, the RCMP, and particularly the commissioner, becomes the complainant, prosecutor, and judge. It seems to me that no individual should have that kind of power. We have a division of authority for everyone else. I have respect for the RCMP and considerable respect for the present Commissioner in particular, however, I do not think that even he should have that kind of power.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Some Hon. Members:** On division.

**The Acting Speaker (Mr. Charest):** On division. Motion agreed to and Bill read the third time and passed.

## EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Friday, January 31, 1986, consideration of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 19 (Mr. de Jong) (p. 10322).

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I am trying to get my notes straight on this. I have in front of me Motion No. 20 which strikes out lines 34 to 43 at page 112. It deals with prescription drugs and health goods. Am I correct, Mr. Speaker? Are we dealing with Motion No. 20? I was under the impression that Motion No. 19 had been dealt with in the previous sitting. I am, however, prepared to proceed to discuss that motion.

**The Acting Speaker (Mr. Charest):** We are dealing with Motion No. 19.

**Mr. de Jong:** I am sorry, I thought Motion No. 19 was dealt with previously.

**The Acting Speaker (Mr. Charest):** Order. If I understood correctly, Motion No. 19 having been dealt with, I will put the question to the House. Is the House ready for the question?

**Mr. de Jong:** I am sorry, we are still dealing with Motion No. 19, Mr. Speaker?

**The Acting Speaker (Mr. Charest):** We are resuming debate on Motion No. 19. Maybe the Hon. Member has already addressed Motion No. 19.

**Mr. de Jong:** No, no, I have not. I was, unfortunately, out of the city at that time, Mr. Speaker.

**The Acting Speaker (Mr. Charest):** I am sorry to call the Hon. Member to order, but there is some difficulty due to the fact that the Hon. Member moved the motion. There would, therefore, be a necessity for unanimous consent if the Hon. Member wishes to speak to the motion. Is there unanimous consent?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Regina East (Mr. de Jong).

**Mr. de Jong:** Mr. Speaker, this is not a major amendment, although it is important to the people affected. The amendment seeks to exempt blind people with seeing-eye dogs from paying the tax on dog food. In terms of revenue gathering, I am sure that it is a very insignificant amount in relation to the several billions of dollars that Bill C-80 will raise for the Government. Exempting blind people from having to pay the tax on dog food is a humane gesture with which, I think, most Members of the House would agree. Government Members who spoke on this in committee generally agreed that blind people should in fact be exempted.



It was pointed out to me after the committee meeting by one of the officials of the Department of Finance that blind people are able to deduct dog food from their income tax. I wonder how many blind people do pay income tax. I suggest that most blind people are poor and that they do not pay much income tax. Therefore, an income tax deduction is not very meaningful to them.

Another area which we would like to have exempted from the tax is feed for horses. Many horses in the country are still used for productive purposes. Horses are still used in the lumbering industry. Religious groups such as the Mennonites and Hutterites still use horses. We are of the opinion that putting a tax on food for horses is wrong.

Therefore, Mr. Speaker, we are hoping that the Government will accept our amendment in the name of humanity as well as common sense to show that, while it is interested in gathering revenues, it will stop taxing food for guide dogs and for horses used for productive processes. I hope the Government Members will find this amendment acceptable.

**Mr. George Henderson (Egmont):** Mr. Speaker, I would like to speak briefly on Motion No. 19 moved by the Hon. Member from the New Democratic Party which refers to tax on food for guide dogs, and for horses which are used in productive purposes such as farming and logging. I certainly support that motion because we still use horses in the logging industry in my province. They are also used for other purposes. In the fishing industry we use horses for raking Irish moss. This is an excellent motion which I hope Government Members will support. It was obviously an oversight in the original legislation. The Government should in no way be taxing food for guide dogs used by blind people because those dogs are a very necessary part of the lives of those people.

I think I could even go a little further and refer to ordinary pets. An awful lot of older people spend a great amount of time with their pets. Many older people do not have families close by and, to some degree, their pet becomes very much a part of their family. I do not think we should put any extra burden on people who are finding it very difficult to get along. I certainly would support this motion.

**The Acting Speaker (Mr. Charest):** Order. The Hon. Member may resume his debate this afternoon. It now being one o'clock p.m., we will adjourn until two o'clock p.m.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

*S.O. 22*

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## CULTURAL AFFAIRS

### EXPORTATION OF FOSSILS TO HARVARD UNIVERSITY

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, the Conservative Party has long been considered a party of dinosaurs so I am sure that Tory Members will feel a certain kinship with the latest Tory scandal that I have unearthed.

We all know that the Progressive Conservatives have skeletons in their closets going back many, many years. This latest scandal sets a new record for Tory scandals in that it was 200 million years in the making. That is even older than the Deputy Prime Minister (Mr. Nielsen).

The scandal I am referring to is "fossilgate". Last week an announcement was made of a major find of rare fossils near Parrsboro, Nova Scotia. Following this important find, three tons of fossil specimens were illegally shipped to Harvard University in Boston, contrary to the Cultural Property Export and Import Act.

In all the excitement surrounding the discovery, no permit was applied for or granted. I sincerely hope that no harm will come to Canadian heritage in this case and that these fossils will be returned to Nova Scotia after they have been processed and studied.

I ask the Government be more vigilant about making sure that those who need to be aware of the Cultural Property Export and Import Act are made aware of it. We must do everything possible to encourage scientific discovery in Canada, but we must also ensure that our national heritage is protected.

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## NATIVE PEOPLES

### EDUCATIONAL FACILITIES IN NORTHERN ONTARIO

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, the provision of education to the people of Canada should not be a privilege for those who can afford it, or those fortunate enough to reside in an area of Canada where the population is concentrated. It must be considered a right of all Canadians to be able to receive the education we all need in this ever changing world.

At a recent conference of school committee chairmen looking into special education for native communities, the chiefs raised some very alarming concerns. Among the 19 schools in one part of the Nishnawbe-Aski area of northern Ontario, there is only one gymnasium, one home economics space, and one library. There is not a single science or laboratory facility.

The chiefs also pointed out that during this current school year, the communities of Lac Seul, Sachigo, and Kasibonika had to delay their school openings by at least a month due to repairs. In the community of Wapekeka it has been five years since the school burned down in 1981. No new school has yet been built. The children have missed classes and have been educated in temporary facilities.

Furthermore, it appears that there is no official policy on native language education in Ontario.

The education of native children is both a treaty right and a moral responsibility of this House and the country. The Government must act immediately to upgrade standards to meet these pressing needs.

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## REFUGEES

### FORMER INDIAN CONSULATE EMPLOYEE'S APPLICATION FOR REFUGEE STATUS

**Mr. Alex Kindy (Calgary East):** Mr. Speaker, in mid-January of this year an official of the Indian Consulate-General in Toronto, Mr. Inderjit Singh Bindra, set out to obtain refugee status in Canada. Mr. Bindra decided to give up his diplomatic standing and, in effect, defect to Canada rather than follow the orders of his superiors which were to infiltrate a Sikh temple in Toronto and to organize events which would discredit the Sikh community in Canada.

A spokesman of the India High Commission in Ottawa discredited Mr. Bindra by saying that this was only a ploy by him so that his family could settle in Canada.

The Government of India is highly suspect in this case. One only has to recall the violence of June, 1984, when Indian troops descended upon the Sikh religions holiest shrine, Amritsar's Golden Temple, in a bloody assault upon the Sikh minority, a minority that is struggling for an autonomous homeland.

Mr. Bindra, a Sikh, and his family believe that their lives are in grave danger. That is why they do not wish to return to India. The Bindra family are legitimate refugees in the truest sense and I call upon the Government to do everything in its power to help them remain here, free of the grievous harm that will surely befall them if they are forced to return to India.

* * *

[*Translation*]

## FISHERIES

### IMPORTANCE OF FEDERAL-PROVINCIAL MEETINGS

**Mr. Charles-Eugène Marin (Gaspé):** As the member for Gaspé in the House of Commons, Mr. Speaker, I would like to refer to the first federal-provincial meeting which was held in Quebec city on Friday, January 24, 1986, between my colleague, the Hon. Minister of Fisheries and Oceans (Mr. Siddon), and the Quebec Minister responsible for Fisheries. I would like to emphasize the importance of this meeting for the fishermen in my riding, in view of the fact that 60 per cent of all the fishing in Quebec is done in the Gaspé riding. This first

contact between the two levels of Government was marked by cordiality and a determination to co-operate. In line with our policy of national reconciliation, the purpose of this meeting was to foster positive cooperation between the two Ministers. This approach will be reflected in their respective departments and make it possible for their officials to consult, exchange, and discuss various issues of common interest.

The Ministers have concluded that their officials should strive first and foremost to eliminate the duplication of Government programs and services, while harmonizing their respective policies and planning development agreements.

Finally, Mr. Speaker, both ministers unanimously agreed on the need to ensure the quality of sea products. There exist now various methods and programs to improve the quality of fish, and it is not—

**Mr. Speaker:** I must regretfully interrupt the Hon. Member, since the time allotted to him has expired.

* * *

● (1405)

[*English*]

## EQUALITY RIGHTS

### COMMITTEE'S RECOMMENDATIONS

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the Government must respond by February 25 to the report of the parliamentary committee on equality rights which held hearings from Cape Spear, Newfoundland, to Vancouver, British Columbia. We have heard rumours that the Government is having difficulties in obtaining consensus from its caucus on the 85 recommendations that were unanimously agreed to by the all-party parliamentary committee.

As I have said before, and as others on the committee have said, the recommendations of this committee should not be buffeted about by the prevailing political wind. Issues of personal freedom are simply too sacred and too important to be ignored on a partisan basis.

Discrimination based on sexual orientation must be eliminated. Women should be able, if they wish, to participate alongside men in the Canadian Armed Forces in the interests of their country. Adequate, accessible, and affordable child care services must be available, where desired, by all Canadian parents.

We should not have to fight to achieve equality for all in 1986. It seems from my vantage point, Mr. Speaker, that the enemies of equality will smile and smile, and study you to death. Sometimes we are called upon to speak out for principles, even if they are not politically popular.

Canadians hope to hear the Government say that it is prepared to fight for our Charter of Rights to make it a real bastion of equality, humanity, and decency for all Canadians.

*S.O. 22*

[*Translation*]

## ENERGY

### PRICE OF CRUDE OIL—GOVERNMENT POSITION

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, the Bank of Montreal has just published a report on the situation of the building industry in Quebec.

Mr. Speaker, this report shows that there will be more growth in the housing sector in Quebec than anywhere else in Canada in the coming months.

You may recall, Mr. Speaker, that not so long ago, so-called experts, of which a number are now warming the benches opposite, forecast a decrease in activity in this sector. As usual, they were wrong. We have witnessed just the opposite, a substantial increase, since housing starts have gone up from 42,000 units in 1984 to 48,000 in 1985.

According to this report, the outlook and the recovery in this sector had not been this favourable for many years. For instance, housing starts have more than doubled since 1982.

Mr. Speaker, these figures and many others just as favourable confirm the fact that Quebecers, like all Canadians, have regained their confidence in the future.

Our colleagues opposite would be well advised to recognize the many achievements of the Government in all fields of activity instead of sinking to partisan politics as the Hon. Member for Montreal-Sainte-Marie (M. Malépart) enjoys doing.

* * *

[*English*]

## TRADE

### FOOTWEAR AND CLOTHING IMPORTS FROM EUROPEAN COUNTRIES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, despite factory shutdowns in Ontario and in Quebec since most footwear quotas were dropped, the Government has now surrendered more jobs by giving the European Community exemptions from various remaining restrictions. In addition, the Government has given the European countries special import rights for some clothing items as well.

How can the Government explain this surrender? More important, is this surrender in the context of the European Community a sign of how weak we will be when it comes to our negotiations on free trade with the United States? We have already seen an incompetence on the part of the Government in sorting out with the provinces, the Canadian provinces themselves, methods of organizing strategy and developing a mandate. We foresee a future of disaster as the Government carries forward these negotiations with the United States. I have to ask, too, if this give-away to the European community—

*S.O. 22*

● (1410)

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

* * *

[*Translation*]

## THE ECONOMY

SUPPORT FOR EXCHANGE VALUE OF DOLLAR—INTERVENTION BY MINISTER OF FINANCE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I would like to call the attention of the House to the courage shown by Mr. Wilson, our Minister of Finance, in allowing the Bank of Canada to make a significant intervention in support of the Canadian dollar, a move which the Liberals had never done. Indeed, $2.5 billion have been made available to that end.

Private and public sector corporations will benefit with major decrease in the cost of their long-term borrowings of foreign funds.

That intervention was also needed to improve the viability of our bilateral trade talks with the United States.

Let us keep in mind, Mr. Speaker, that the drop in the value of the dollar was engineered by the Liberals. Because of their socialist programs, they caused a drop in our national productivity and hence a reduction in our exports.

The deficit accumulated by the Liberals has discouraged our business people.

The action taken by the Minister of Finance will put an end to that erosion of the value of the Canadian dollar, and put a stop to the short selling of Canadian dollars by speculators of a rather liberal character.

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## REGIONAL DEVELOPMENT

REPRESENTATIONS CONCERNING REOPENING OF DESBIENS PLANT

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Last week, Mr. Speaker, I accompanied my leader in a tour of the Saguenay region, and we visited the ridings of Chicoutimi, Jonquière, Lac-Saint-Jean, Roberval, Quebec and Lévis.

Mr. Speaker, I have to tell you and the House that the residents of the Saguenay-Lac-Saint-Jean region are wondering whether they are represented here in Ottawa. Somebody in the riding of Chicoutimi even asked me whether the Member is a man or a woman. I have no idea, I have never seen that Member in Ottawa.

Mr. Speaker, we met with the employees of the Desbiens plant and I can say that those people will be here next week despite the fact that the Hon. Member for Roberval (Mr. Bouchard) threatened them in an attempt to prevent them from asking Liberal or NDP Members to defend their rights. I commend these people who had the courage to call me. They will be here next week to meet with the Members from the Saguenay-Lac-Saint-Jean region and try to find a way to re-open that plant.

* * *

[*English*]

## THE DISABLED AND THE HANDICAPPED

WHEELCHAIR ATHLETE'S WORLD TOUR

**Mr. Lorne Greenaway (Cariboo-Chilcotin):** Mr. Speaker, February 10 marks the day that wheelchair athlete Rick Hanson completes the half-way point of his "man-in-motion-"world tour. On that day he will arrive in Melbourne, Australia, having travelled exactly one-half the circumference of the globe. He will finish his monumental journey in the spring of 1987 in Vancouver, the city where it all began in March, 1985. He will have visited 33 countries, and will hopefully have reached his goal of raising $10 million for spinal cord research. The funds raised so far remain in the countries he passes through to benefit the disabled living there.

Perhaps even more important, he will have raised the consciousness of the entire world to the plight of the disabled who are denied access to many of the privileges of everyday life because of their disability. In the process he is providing an example of hope for many, many thousands whose lives he touches.

In the coming months he will visit China, Korea, and Japan, and in the fall of this year he will start the final leg of his journey in Newfoundland. His 4,000-mile trek from coast to coast may well be his greatest challenge as he faces the severe weather of a Canadian winter. In all it is estimated that his wheels will have made a total of six million revolutions when his journey is completed.

I ask all Members of the House, all Hon. Senators and all Canadians to make his odyssey a worth-while experience. I call upon all Canadians to acknowledge him as a true hero and to support his cause with all the generosity which can be found in our hearts.

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## INCOME TAX

REMOVAL OF NORTHERN BENEFITS REMISSION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, on January I the provision which remitted tax on certain allowances and benefits paid to persons residing in the North and in other isolated communities such as Wabush in Labrador was removed. There is little or no positive economic change in northern communities, and the arguments previously put forward are still valid for retaining the remission order. The

economy in northern Canada is reeling from the downturn in Canada's resource industries. The northern tax allowances should immediately be reinstated to help these mostly single industry communities cope with this economic downturn.

● (1415)

I would urge that the Government reinstate the remission provision and consult with northern communities such as Wabush the manner in which the present system can be improved. The Government promised to consult constantly with Canadians. It should immediately honour this commitment by meeting with representatives of northern communities to sort out this problem.

## ORAL QUESTION PERIOD

[*English*]

### THE ECONOMY

GOVERNMENT POLICIES—DATE OF BUDGET PRESENTATION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, my question is for the Minister of Finance. The Minister has bought massive amounts of Canadian dollars. He has intervened to the extent of $2.4 billion in borrowing in U.S. funds. He knows that he can buy dollars, but he also knows that he cannot buy confidence. A line of credit is no substitute for some coherent fiscal and monetary policy. Would the Minister today tell us the date when he will bring in his Budget, or at least assure us that it will be brought in before the end of February?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the simple answer to the Hon. Member's question is it will be brought in before the end of February. I think the comments that he was making about the coherence of the policy of the Government are totally unfounded. The policy that we have been following to deal with the fiscal problem that we were faced with when we took office a year and a half ago has been regarded as being responsible and absolutely necessary. As I have indicated before in the House, this will continue.

As far as monetary policy is concerned, again we have demonstrated that the monetary policy is designed to lead to non-inflationary growth, and that is exactly what we have had over this past year. Inflation is stable at 4 per cent, and Canada has had the best growth of any of the western industrialized countries, creating 450,000 jobs. That, Mr. Speaker, is sound policy.

INCREASE IN BANK RATE

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, indeed inflation has been steadied, thanks to the initiatives of the preceding Government. If everything is as rosy as the Minister pretends perhaps he can tell us why the bank rate has again increased. We have had an increase today of two-thirds of a per cent. Would he also confirm to the House that the borrowings that he is engaged in in order to protect the dollar will involve additional costs to Canadian taxpayers in present dollar calculations of close to $1 billion?

**Hon. Michael Wilson (Minister of Finance):** I don't think the Hon. Member should use that type of alarmist figures without having access to the source of those figures. That will come at the time the Budget is brought down. In response to the increase in the bank rate today, that is a valid question. I will be addressing that point in a statement that I propose to make at the end of Question Period today. I would just like to assure him at this point that the combination of our actions in the exchange market, and the interest rate market, are an important combination in dealing with speculative activity which we felt was unnecessary and certainly inappropriate to the economic circumstances that we are in at present.

REQUEST THAT INTEREST RATES BE ROLLED BACK

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, on my last supplementary might I just say that the Minister has had the courtesy of delivering that statement to me, which I appreciate, but does the Minister agree—as he must, in fact—that each 1 per cent increase in the interest rate—we have had a two-third per cent increase today—costs the average Canadian family renewing a mortgage approximately $600 per year. That is $50 per month. In view of that why doesn't he roll back the interest rates which were jacked up to protect the dollar, as part of the very expensive initiatives which he has taken in his exchange transactions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think it is important again to repeat myself. This has to be seen as a package of initiatives designed to meet a specific circumstance. I will be commenting on those initiatives later on today. The initiatives that we have taken over the past couple of days are designed to bring back a degree or normality to the economic situation in this country. That degree of normality had been knocked off track by the speculative pressures in the market-place, which we felt important to meet head-on. That is what we have done.

* * *

● (1420)

### UNEMPLOYMENT INSURANCE

CALCULATION OF PENSION AS INCOME

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is for the Minister of Employment and Immigration. I wish to give the Minister another chance to withdraw her cruel and insensitive policy to cut unemployment insurance benefits to thousands of Canadians who have taken early retirement.

**Some Hon. Members:** Hear, hear!

**Mr. Allmand:** She is now being sued in the courts, and a former Conservative Minister of National Defence has publicly criticized her policy. I want to ask her once again whether or not she will suspend this retroactive policy to cut unemployment insurance benefits to thousands of early-retired Canadians and refer the matter to the Forget Commission, which she herself appointed to study the entire unemployment insurance system. Will the Minister do that?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member has asked this question on a number of occasions.

**Ms. Copps:** And never got an answer.

**Miss MacDonald:** I have explained to him on a number of occasions the way in which this regulation is being implemented. I have also explained to him that the whole question of premiums, who pays them and under what conditions, has been referred to the Forget Commission which will make recommendations to me. As I have said to the Hon. Member, I await the recommendations of the Commission.

[*Translation*]

MINISTER'S POSITION

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Through her policy, Mr. Speaker, she has stolen from thousands of Canadians the unemployment insurance benefits for which they have been paying for a number of years.

Now then, how can she justify the existence of the Forget Commission after changing the unemployment insurance regulations even before the commission has had time to publish its report? Under such circumstances, how can she justify the commission's existence?

[*English*]

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, what the Hon. Member does not recognize is that these regulation changes were announced long before the Forget Commission was set up.

**Mr. Rodriguez:** That is no excuse.

**Miss MacDonald:** He could have heard about them 14 months ago. What I would like to explain to the Hon. Member, and to other Hon. Members is that, indeed, we are very concerned about the inequities—

**Mr. Allmand:** Baloney!

**Miss MacDonald:** —in the unemployment insurance program. It was for that reason that we felt a full review of the entire operation of the unemployment insurance fund was long over-due. We are very pleased that Claude Forget, and the other commissioners, have taken on this heavy responsibility to see what recommendations can be made to improve the operations of the unemployment insurance fund.

[*Translation*]

## FINANCE

INCREASE IN MORTGAGE INTEREST RATES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister of Finance. The Government claims that the dollar crisis is temporary.

Thirty thousand Canadian families will be renegotiating their mortgage this month.

Why would the Government want to punish those families by raising interest rates again today?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, as I indicated in my response to the Hon. Member for Saint-Henri-Westmount, what we are trying to do is re-establish some stability in the market-place. That required the combination of actions which we took in the last couple of days. The purpose of doing this is to provide all Canadians with a much more favourable outlook and with better opportunities to deal with the particular personal needs to which the Hon. Member refers. That is our objective. We are confident that that will be the outcome of the actions which we have taken.

MORTGAGE INTEREST RATES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I wish to say to the Minister that he knows full well, to use his own phrase, that the personal needs of families who have to renew their mortgages will be hit—and hit very negatively—as a result of what the Government has permitted today. The Minister knows that. Is he aware that the two-thirds of a percentage point increase which has been announced—one of the biggest jumps in the rate that we have experienced—is likely to translate into a percentage increase in the cost of a mortgage which will mean that a typical family's costs will increase by about $12,000? Does he think that the typical Canadian family should have to pay for the Government's incompetence in terms of the economy?

● (1425)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would just remind the Hon. Member that mortgage rates in Canada are still a good deal below the levels they were at the time we took office in September of 1984. So we have made a good deal of progress in spite of the recent uptake we've seen in rates in the last few days.

The increase in rates is much more so in the very short end of the market-place and not much at all in the five-year end.

GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, considering that there are 30,000 families renewing their mortgages this month, and considering that the average increase as a result of what happened today is likely to be $12,000 over the

course of the life of a mortgage, is the Minister of Finance saying to these families that they have to pay the burden of the Government's problems with the dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, it is not this Government's problem with the dollar, it's this country's problem we are dealing with here.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** Who's in charge?

**Mr. de Corneille:** It's the country's fault now.

**Mr. Wilson (Etobicoke Centre):** I am not going to repeat the comments I have made in Question Period in response to the Hon. Member's questions and questions put by the Liberals on the directions of our policies, except to say that what we are doing here is approaching the broad problems the country was facing when we came into office, with a broad range of policy response, including the responses we have seen in recent weeks, and also in areas relating to foreign investment, domestic investment, job creation through programs brought down by my colleague, the Minister of Employment and Immigration, and policies to get the deficit under control to take pressure off the exchange markets and the interest rate markets. This is a broad policy response which, I remind my colleague, has been pretty well received by organizations such as the OECD.

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## UNEMPLOYMENT INSURANCE

### CALCULATION OF SEVERANCE PAY AND PENSIONS AS INCOME

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, I have a question for the heartless Minister of Employment and Immigration—

**Some Hon. Members:** Order.

**Mr. Hopkins:** —who is in charge of the unemployment—

**Mr. Speaker:** Order, please. The Hon. Member knows that such comments are not permitted. Question, please.

**Mr. Hopkins:** Mr. Speaker, I have a question for the Minister of Employment and Immigration who is not only in charge of the unemployment insurance program but who is also responsible for the unfair changes to the calculation of benefits.

Even last year in reply to a question put by myself, the Minister said she would be sensitive to members of the Armed Forces who are required to retire early in life. Why then has the Government put in place unfair regulations which take severance pay and pensions into consideration as income and which cheat these people—

**Some Hon. Members:** Oh, oh!

**Mr. Hopkins:** —out of the benefits for which they have contributed?

**Mr. Speaker:** Order. Order, please. The Hon. Member is an experienced Member of the House and knows the question is far too long.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member has raised a question which has been raised on a number of previous occasions in the House. I would tell the Hon. Member, as I have told Hon. Members on other occasions, that the regulations apply to Armed Forces personnel, and apply to other sectors of society that pay into the unemployment insurance fund, and have over many years, knowing that they will never be able to draw from the fund—that whole question has been referred to the Forget Commission for examination, for consideration, and for recommendation to the Government.

**Mr. Speaker:** Order, please. Just a supplementary question, given the length of the first one, please.

**Ms. Copps:** What about the answer?

**Mr. Hopkins:** Mr. Speaker, my supplementary question is directed to the same Minister. She is the Minister responsible for the unemployed of this country.

**Some Hon. Members:** Oh, oh!

**Mr. Hopkins:** Why is she—

**Mr. Speaker:** Order, please.

**An Hon. Member:** Nice try.

**Mr. Speaker:** The Hon. Member is an experienced Member of the House. I specifically asked him to put just a supplementary question.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. I specifically asked him to put just a supplementary question. He has chosen not to do that. Therefore I recognize the Hon. Member for Vancouver-Kingsway.

**Ms. Copps:** Oh, come on!

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** It's the second time in two days he's cut us off.

**Mr. Speaker:** Order, please. I do not know how many times I have to make it clear that preambles when they get too long are unfair to the House.

**An Hon. Member:** And unfair to the Chair.

**Mr. Speaker:** Order. They are not unfair to the Chair. They are unfair to the House.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

• (1430)

**Ms. Copps:** What about the point of privilege from the Deputy Prime Minister?

**Mr. Speaker:** Order, please. It is the House which has the right to hear questions and answers, period. The Hon. Member for Vancouver-Kingsway.

**Mr. Waddell:** It's ironic, isn't it?

**Some Hon. Members:** Oh, oh!

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## ENERGY

### DECREASE IN PRICE IN CRUDE OIL

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, in the absence of the Minister of Energy my question is directed to the Deputy Prime Minister. The other day the Parliamentary Secretary to the Minister of Energy said it would take up to 60 days for the dramatically decreasing world oil prices to work their way through the system. In view of the fact that the average posted price for a barrel of oil in Canada on December 6 last was $28.51, and by December 13 it was $26 a barrel—

**Mr. Speaker:** Order, please. Does the Hon. Member have a question or just a preamble?

**Mr. Waddell:** My question is this.

**Some Hon. Members:** Hear, hear!

**Mr. Waddell:** The price of oil went from $28 a barrel to $26 a barrel after December 6. That is 62 days. I want to know if the Government has some revised figures telling when it is going to show up at the pump?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, it is interesting to note that gas in my constituency fell some eight cents a litre in the last couple of weeks, so I am not sure what that relates to.

**Mr. Waddell:** Mr. Speaker, we are not talking about price wars, we are talking average—I want to—

**Mr. Speaker:** Order, please. Fair has to be fair always. The Hon. Member knows that. I indicated the Member was long and he should put a question. He began again with a preamble. I have to be fair always. Therefore, the Hon. Member for London-Middlesex.

## EMPLOYMENT

### CHALLENGE '86 EMPLOYMENT PROGRAM APPLICATIONS

**Mr. Terry Clifford (London-Middlesex):** Mr. Speaker, my question is directed to the Minister of Employment. I recently conducted a meeting—

**Some Hon. Members:** Question!

**Mr. Clifford:** —with 380 businesses in London-Middlesex.

**Some Hon. Members:** Question!

**Mr. Clifford:** These people—

**Mr. Speaker:** Order, please. My goodness, fair is fair. The Hon. Member gets a chance, as do other Members, to put a brief preamble. All Members have been given that chance.

**Mr. Clifford:** Mr. Speaker, it was a very brief and exhaustive survey of 380 businesses in my riding and it revealed that 84 per cent favoured a career-related summer experience for students. They want to know when and how they can get involved in Challenge '86 so they can provide a future for Canadian youth.

**Some Hon. Members:** Hear, hear!

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am very pleased to inform the Hon. Member, indeed all Hon. Members, as well as people in the business community across the country, that Challenge '86 is a program which invites their co-operation. The application forms for Challenge '86 are now in Canada Employment Centre across the country. I urge all potential employers to go in, pick them up, fill them out, and hire young people this summer in jobs right across the country.

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## LABOUR CONDITIONS

### UNEMPLOYMENT IN NEWFOUNDLAND

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the same Minister. She is aware that according to StatsCan the Province of Newfoundland, with only 2 per cent of the country's population, has 15 per cent of its hidden unemployed. Does the Minister agree with Mr. Chris Palmer, Research Director of the Royal Commission on Unemployment in Newfoundland, who has stated that, based on StatsCan's own unpublished figures, real unemployment in Newfoundland is a full 10 per cent higher than the officially published 21 per cent?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, one of the very real problems of unemployment is its unevenness across the country. We all know it is worse in places like Newfoundland than it has been in Ontario. However, as we see the economic turnaround in this country we are moving to assist the turnaround in places

like Atlantic Canada and British Columbia with programs we have in place, such as the Canadian Jobs Strategy. We are also seeing that the hidden unemployed, the people who have been discouraged and dropped out, are now coming back into the labour force because they see more opportunity than they had before.

**Mr. Tobin:** Mr. Speaker, with that kind of rhetoric is it any wonder that some Newfoundlanders are looking for foreign aid in the U.S?

STATISTICS CANADA'S FIGURES

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, I want to ask the Minister again whether or not she agrees with the figures and analysis of the Director of Research for the Royal Commission on Unemployment in Newfoundland? He has said that, according to StatsCan's own unpublished figures, real unemployment in Newfoundland is 10 per cent higher than the published 21 per cent. What is she going to do about it? Where are the concrete programs? We do not want rhetoric.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member raised the question of foreign aid. I am pleased to tell him in that particular community two projects have been approved which have employed 10 people—

**Some Hon. Members:** Oh, oh!

**Miss MacDonald:** —in training programs. This is in one community. Right across Newfoundland there are communities which are hiring and training people for full-time jobs. As a result, we have seen unemployment dropping in Newfoundland, including that particular community.

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## REFUGEES

DRAFT LEGISLATION INQUIRY

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is directed to the same Minister. Last September she publicly declared that she is in charge of new refugee legislation. Therefore, will she confirm to this House that she recently authorized a draft legislative proposal which would deny to most refugee claimants in Canada the right which was guaranteed last year by the Supreme Court of Canada, that is, the right to have full access to the refugee determination process in Canada?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member is generally wrong about most things and he is wrong about that.

CONTENT OF ALLEGED DRAFT

**Mr. Dan Heap (Spadina):** Mr. Speaker, since the Minister is being evasive—

**Some Hon. Members:** Oh, oh!

**Mr. Heap:** —I will ask whether she will confirm that she recently approved a draft authorizing Immigration officials to expel within 72 hours most refugee claimants who, in fleeing their country, have passed through another country?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as I mentioned to the Hon. Member, he is wrong in wha the puts forward. I am not sure how I can be called evasive when I say that.

However, I will tell him that the whole question of developing a new process for refugee determination is a very serious one. It has been studied by commissions and has certainly been vetted by people all across the country. The Government is determined to bring this to fruition in a way which is just, humane, and fair.

* * *

## PUBLIC WORKS

INSTALLATION OF RECORDING SYSTEM IN LIBERAL CAUCUS ROOM

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, in the absence of the Minister of Public Works and about one-third of the Cabinet, my question—

**Some Hon. Members:** Order.

**Mr. Epp (Provencher):** Where is your Leader?

**Mr. Wilson (Etobicoke Centre):** Where is Turner? Where is Ouellet?

**Mr. Speaker:** Order, please. The reaction the Hon. Member got gives evidence of why there should not be any mention of the presence or absence of any Member or Minister. Just a question, please.

**Mr. Boudria:** Mr. Speaker, my question concerns the electronic system in the Liberal caucus room. Can the Minister responsible for answering on behalf of the Minister of Public Works inform the House whether or not he or she got a copy of the report concerning tampering with the wiring system in the Liberal caucus room? Will the Minister also undertake to table in this House at the earliest convenience all documents pertaining to the installation of the electronic system in the Liberal caucus room?

**Mr. Benjamin:** The Liberals have their wires crossed.

• (1440)

**Mr. Speaker:** Order, please. I take it the President of the Privy Council wishes to reply, and I will allow the answer because I allowed the question.

**Mr. Prud'homme:** How kind.

**Mr. Speaker:** Order, please. I only remind the Hon. Member that he puts me in some difficulty about questions to Ministers who are responsible today.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, as you know—

**An Hon. Member:** Check it with Erik.

**Mr. Hnatyshyn:** —this is a rather difficult topic inasmuch as the precincts of Parliament, including caucus rooms, are under your responsibility and jurisdiction—

**Mr. Prud'homme:** Pass the buck.

**Mr. Hnatyshyn:** —indeed, under the responsibility of the Board of Internal Economy. I will take notice of the Hon. Member's question with respect to any responsibility there may be on the part of a Minister. I simply reiterate the fact that this is basically a question for the Board of Internal Economy.

**Ms. Copps:** No it isn't.

**Mr. Benjamin:** Your wires are crossed too.

### REQUEST FOR PRODUCTION OF DOCUMENTATION

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, the system was installed by Public Works under a contract given to EMI Connors Electronics Limited. In view of the fact that it was a Government installation, can the Minister commit himself here and now to provide all documentation concerning that installation and maintenance, repairs, or alterations to the system, forthwith in the House of Commons?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I reiterate the fact that, notwithstanding the delivery of the system, it is under the supervision of the Speaker of the day. The matter is now one of public record because it has been raised on the floor of the House of Commons. It is within the jurisdiction of the Speaker. I will take this as a representation.

## EMPLOYMENT

### JOB DEVELOPMENT PROGRAM—FISHERIES DEPARTMENT PROPOSALS

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is for the Minister of Employment and Immigration and is with regard to the Job Development Program under the Canada Jobs Strategy. I have here a copy of the guidelines of the Job Development Program which say, in part, that federal Departments and agencies are not eligible for funds under that program.

Can the Minister explain to the House why, a few days ago, her office approved some 17 different proposals by the federal Department of Fisheries and Oceans, in Winnipeg?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, there are a number of federal Departments which administer this program in co-operation with the Department of Employment and Immigration. The Department of Fisheries and Oceans is one and the Department of Forestry is another. I know that many of the Member's colleagues from the Province of British Columbia have welcomed the projects in forestry which have been approved in their ridings. I am glad to report to the Hon. Member that, indeed, we are working in close co-operation in these fields so that people who generally work in forestry and the fishery are able to have jobs this winter.

### PROGRAM GUIDELINES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I wonder if the Minister can comment on memos which I have in my hand from Government officials which say that the Department of Fisheries and Oceans initiated and proposed these ideas because of cut-backs in their Departments. Is this not a violation of the guidelines of the Minister herself under the Job Development Program, a copy of which I have here?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am not sure just what the Hon. Member is trying to say to me. Perhaps he will tell his colleagues who come from ridings along the Pacific coast that these projects should not be approved in their ridings.

**Mr. Nystrom:** Why isn't it in the guidelines?

**Mr. Deans:** When did Winnipeg get onto the Pacific coast?

**Miss MacDonald:** Perhaps the Hon. Member for Churchill would prefer not to have these projects approved in his riding.

Right from the outset, the program has been a huge success, involving some 18,000 applications across the country—

**Mr. Nystrom:** Answer the question, Flora.

**Miss MacDonald:** —these have included projects—

**Mr. Gray (Windsor West):** Order!

**Miss MacDonald:** —under the Department of Fisheries and Oceans and the Department of Forestry.

* * *

## ENERGY

### TIMEFRAME FOR OFFSHORE CRUDE OIL TO REACH SERVICE STATIONS

**Mrs. Lise Bourgault (Argenteuil-Papineau):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Energy, Mines and Resources. Yesterday the Hon. Member for Saint-Jacques attempted to misinform the House by revealing the wrong figures which—

**Some Hon. Members:** Order!

**Mrs. Bourgault:** —he obtained from the Department of Energy, Mines and Resources. Will the Parliamentary Secretary tell the House exactly how long it takes for offshore crude to reach the gas pumps?

**Ms. Copps:** Order!

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I do not think the Hon. Member for Saint-Jacques was deliberately trying to mislead the House yesterday. I think he had obtained some statistics that he did not look into far enough in order to see exactly how long it does take for the crude to get through the system. I give him the benefit of that doubt.

**Some Hon. Members:** Order, order!

**Mr. McDermid:** I must say that I think *The Toronto Sun* treated him very unfairly this morning with the headline: "Grit's Mouth Runs on Empty".

**Some Hon. Members:** Oh, oh!

**Mr. Benjamin:** The question came from over there.

**Mr. Speaker:** Order. The Hon. Parliamentary Secretary can conclude briefly.

**Mr. McDermid:** Thank you, Mr. Speaker. I could not even hear myself think with the yapping coming from over there. It takes three to four—

**Mr. Deans:** You don't know what you missed. We could.

**Mr. Speaker:** Order!

**Mr. Benjamin:** One of his colleagues asked the question and he is answering some Liberal.

**Mr. Speaker:** Order, order! Perhaps the Hon. Member for Regina West would allow a question to be put.

[*Translation*]

## UNEMPLOYMENT INSURANCE

### AMENDMENTS AFFECTING BENEFITS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last January the Government once again shortchanged older Canadians by amending the unemployment insurance regulations. A 61-year-old resident of my riding accepted his company's offer to retire early just so a younger employee would not lose his job. Can the Minister explain to the House why the rules of the game were changed in January and why that man has been denied unemployment insurance benefits? Why did you change the rules of the game and penalize older Canadians.

[*English*]

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am very pleased that in the Province of Quebec there has been an increase in the number of people employed this year and a very substantial decrease in unemployment. It is for that reason, in the whole job strategy, *la planification d'emploi*, we have seen the growth of jobs in the Province of Quebec. Every day we see that trend developing. I am pleased to see that happening, and—

**Ms. Copps:** Oh, sit down and answer the question.

**Miss MacDonald:** —I wish the Hon. Member would help in spreading word of the new programs which will encourage that trend.

**Ms. Copps:** You are ripping off the seniors.

[*Translation*]

**Mr. Malépart:** I would like to ask a supplementary question, Mr. Speaker. Unfortunately the Minister's answer proves that she is a hypocrite, like the Prime Minister, but she has much—

**Mr. Speaker:** The Hon. Member knows full well that he is not allowed to say what he just said.

**An Hon. Member:** What did he say?

**Mr. Speaker:** That the Minister is a hypocrite, that is what he said.

**An Hon. Member:** That is not what he said!

**Mr. Speaker:** That is what I heard, period. In fact, would the Hon. Member put his question immediately?

### INQUIRY WHY POLICY AFFECTING BENEFITS HAS BEEN CHANGED

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** I will repeat my question to the Minister. It has nothing to do with employment. Here it is: Like in all other ridings in Canada, a

61-year-old resident in my riding willingly agreed to retire early just so a younger man would keep his job. Halfway through the game, in January, you changed the rules and cut off his unemployment benefits, yet he had taken early retirement at the request of the company. Why?

[*English*]

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I think the Hon. Member knows that the regulations to which he refers to were announced in November, 1984.

**Ms. Copps:** So what?

**Miss MacDonald:** It may take a while to get things through the Hon. Member's head, but that was 16 months ago, and I would ask him to please keep up with the times.

* * *

## YOUTH

### CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, my question is for the Minister of State for Youth. Is she aware that there has been a storm of protest from young people and community leaders across the country about the Government's senseless and thoughtless cut of Katimavik? Will she, as the advocate of youth in the Cabinet, march into the next scheduled cabinet meeting and demand that the money for Katimavik be reinstated as a minor expenditure compared to the millions given to the oil companies and the millions used to bail out the banks?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, I am delighted to finally see some interest in young people expressed by the Opposition.

**Some Hon. Members:** Oh, oh!

**Mrs. Champagne:** Let us realize that this is only the second question to be asked about young people this year.

**Some Hon. Members:** Hear, hear!

**Mr. Marchi:** What a soap opera.

● (1450)

**Mrs. Champagne:** The House may also want to know that the Member for Windsor-Walkerville, as youth critic, was invited to some of our regional forums. He was too busy in July and was not interested in October to hear—

**Some Hon. Members:** Order.

**Some Hon. Members:** Sit down.

**Mr. Speaker:** Order. I will allow questions again when members of the Opposition are quiet and allow them to be put. I know of no other way to make Members on the opposition side, and others—

**Mr. Tobin:** You have a right and a left, Mr. Speaker. That is your right and that is your left.

**Mr. Speaker:** Order. I said "and others". The Hon. Member for Windsor-Walkerville has a supplementary question.

**Mrs. Champagne:** I did not even answer.

**Ms. Mitchell:** You don't deserve to answer.

**Mr. McCurdy:** Mr. Speaker, I would ask that the Minister of the Crown show a little more cool in response to questions. I want to ask her—

**Mr. Speaker:** Order, please. Members know that I stopped the Minister because of certain remarks. The Hon. Member cannot simply come back and make comments about the Minister. That is not fair. What is the Member's question, please? Immediately.

**Mr. McCurdy:** Will the Minister of State do her job and fight on behalf of youth? That includes staying long enough to make a speech at her own forum, which she saw as too useless to spend more than an hour or so—

**Mr. Speaker:** Order, please. The Hon. Member for Etobicoke North.

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## ENVIRONMENTAL AFFAIRS

### PRESENCE OF TOXIC CHEMICAL IN ETOBICOKE NORTH

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, my question is directed to the Minister of the Environment. For two years now a company in my riding, Ferguson Fumigants, has been attempting to dispose of just under a thousand gallons of hazardous chemical, ethylene di-bromide, since it was banned as a toxic matter by the Department of Agriculture. There is no dump site in Canada that will accept this. The Ontario Government now recognizes that the pressurized containers are rusting and deteriorating.

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

**Mr. Pennock:** Yes, I do. Can the Minister offer any assistance to this constituent before this becomes a major health hazard for the residents of Etobicoke?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Hon. Member is correct. There is no readily available means for disposing of the offensive substance in question. The preferred option in the long term is recycling it in a way that will not threaten either the environment or human health. We are looking at that option, hand in glove with the Ministry of Environment in Ontario.

In the meantime I am happy to inform the Hon. Member that as of 1.30 today all the substance in question has been repackaged in an appropriate container in response to the urging of my Department and that of the corresponding Ministry in the Ontario Government.

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## YOUTH

### CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, in the absence of the Secretary of State my question is directed to the Deputy Prime Minister. The Secretary of State has strongly praised the Katimavik program in times past.

Why has the Government, before a $300,000 evaluation study was completed, without consultation with young people, the Katimavik board, its staff, or with anyone concerned, mysteriously and suddenly smashed Katimavik and broken a contract one year ahead of time, which is abruptly crashing 279 jobs and disappointing thousands of young people across the country who have already applied?

**Mr. Speaker:** Order.

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, there has been consultation with young people in Canada throughout International Youth Year. Young people in Canada want to do things by themselves and do not want everything thought out for them. They want help in doing those things that will help the community and let them participate in their own communities, towns, and villages.

There will be programs to help them do just that. Young people in Canada have told us that they want to have a future, and in order to have a future the deficit must go down.

**Some Hon. Members:** Oh, oh!

**Mrs. Champagne:** The sum of $10,000 per participant is too much.

**Mr. de Corneille:** Mr. Speaker, this hasty decision smells of cheap politics.

### WORTH OF PROGRAM

**Mr. Roland de Corneille (Eglinton-Lawrence):** Does the Deputy Prime Minister not realize that this program not only enables young people to find work that will make them more employable but it helps make them bilingual, self-reliant, better citizens, and prepares them for life at large, at a wage of $1 Canadian a day? Where else can one find a bargain like that?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, what the hon. gentleman—

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** It's Bugs Bunny.



**Ms. Copps:** Did you get it on tape, Erik?

**Mr. Waddell:** If I am a rabbit, you are Bugs Bunny.

**Mr. Speaker:** Order, please. Perhaps the colleagues of the Hon. Member for Eglinton-Lawrence will allow him to hear the answer, since he put the question.

**Mr. Nielsen:** In his question the hon. gentleman did not call attention to the fact that since the election there have been 42,000 jobs created for young people in this country compared to a net loss of 283,000 jobs under the previous administration.

A press release on this subject was issued, and he was told yesterday when he put this question that other programs will be put in place that will employ far more young people directly and much more permanently than this program.

However, he should be directing young people toward Challenge '86, as he was urged to do by the Minister of Employment and Immigration.

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## TRADE

### FOOTWEAR IMPORT EXEMPTIONS FOR EUROPEAN COMMUNITY

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my question is directed to the Minister for International Trade. The Shoe Manufacturing Association of Canada says that the new exemptions on shoe quotas for the European Community will render the remaining shoe quotas virtually useless and add to job losses in that industry. Why has the Minister surrendered to the European Community in this fashion, which is so irresponsible to those out of work in this country?

**Hon. James Kelleher (Minister for International Trade):** Mr. Speaker, to the contrary, the Government has acted in a most responsible manner. With the extension of shoe quotas on women's and ladies' shoes for a further three years we were subject to retaliation under the GATT and put $136 million worth of Canadian exports to the European Community at risk. I am pleased that we have reached a settlement with the European Community which will forestall such action.

### CLOTHING IMPORTS

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, does the Minister include in his pleasure the extra imports of clothing from the European Community which will also cost extra jobs for Canadians throughout this country? Is he as pleased with that?

**Hon. James Kelleher (Minister for International Trade):** Mr. Speaker, I am quite happy to advise the Hon. Member and the House that, in arriving at this settlement, not only will there be no loss of jobs to Canadians there will be reduced cost of goods to Canadian consumers, which is very important to this Government.

*Petitions*

## AGRICULTURE

PROPOSAL SUBMITTED BY MARITIME FARMERS COUNCIL

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that the Maritime Farmers Council submitted a proposal to him which has subsequently been supported by the Maritime Premiers Council. Some 440 days have passed. Will the Minister explain to the House why there is this inordinate delay when farmers in that region of Canada are well beyond the crisis stage?

● (1500)

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I listened very closely to the Hon. Member's question. I have received a number of representations from the Maritime Farmers Council. I am not certain to which matter the Hon. Member refers.

**Mr. Speaker:** Under the circumstances, a very short supplementary.

FEED FREIGHT ASSISTANCE

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I have a short supplementary. The Minister knows full well what I am talking about. It concerns federal feed freight assistance. The Council wants to know where the Minister and the national Government stand with regard to its request.

Why are you dragging your feet on this most important request when your own Members of Parliament have been asking you to move on it? Why the delay?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I am pleased the Hon. Member clarified his question. The Maritime Farmers Council made representations on another subject as well.

Again, the Hon. Member is outdated. Last November at the time of the First Ministers' Conference we made a proposal with respect to the issue and the concern of the Maritime Farmers Council. The commitment made at the conference was that our provincial colleagues would work in concert with the Maritime Farmers Council to develop a program to increase the degree of self-sufficiency in feed grains in Atlantic Canada.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, February 5, 1986, meet the requirements of the Standing Orders as to form.

I gather the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) would like to raise a question of order.

## POINT OF ORDER

DISALLOWANCE OF SUPPLEMENTARY QUESTION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, I wish to bring a very serious point of order to your attention which affects my rights in the House of Commons as well as others. You said I was an experienced Member of this House, which is true. I am experienced enough to know when I am being shortchanged, which I was. I would like to point out clearly that on my supplementary question I made one very brief comment and I was into my question when you cut me off. That is an injustice.

**Mr. Speaker:** Order, please. I appreciate that the Member feels aggrieved. I rose during the preamble before his question had begun. I did so because I had specifically indicated to him that his first question was long and his preamble was long. I asked him specifically when I granted him a supplementary question to put only a question. That is the end of what. There is no point of order.

**Mr. Hopkins:** On a point of order, Mr. Speaker.

**Mr. Speaker:** I am sorry. There is no point of order. The Hon. Member will please resume his seat.

**Mr. Hopkins:** I have a point of privilege, Mr. Speaker.

**Mr. Speaker:** Order, please. The Hon. Member will resume his seat please. The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) claims a point of privilege.

**Mr. Hopkins:** Mr. Speaker, my point of privilege is that Minister's answers are also supposed to be relevant to the questions. We have been hearing long speeches from the front benches of the Government without giving answers to questions. That, too, is a rule of this House.

**Some Hon. Members:** Hear, hear!

**Mr. Hopkins:** If you are going to enforce the rule on me, then I want—

**Mr. Speaker:** Given the comments of the Hon. Member, it may come as some news to him, as I am sure it will to many Members, that there is no such rule of relevance requirement.

As the Hon. Member knows, if he is unhappy with any answer for any reason, he can file with the Table a request to do a Late Show on the matter. That is the provision in the rule.

**An Hon. Member:** What about supplementaries?

**Mr. Speaker:** Order, please. There is no rule with regard to the granting of supplementary questions. All questions and recognition of supplementaries are matters within the discretion of the Chair.

**Mr. Nunziata:** You are stifling debate.

**Mr. Speaker:** Order, please. Question Period, may I say it over and over, is not debate. It is a time to ask questions and to get whatever answers the Government gives. It is not debate. That is precisely why the Chair is concerned about the length of the preambles, in order to try to get as many questions as possible. That is what it is for.

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### BUSINESS OF THE HOUSE

**Hon. Herb Gray (Windsor West):** Mr. Speaker, could I ask the Government House Leader whether he can give us the business he intends to call in this House for the coming week?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I appreciate the question. As the opposition House Leader knows, I was attempting to have a meeting of House Leaders earlier, before Question Period. I thought we would canvass those Members and come to some sort of understanding of what would be convenient to the Opposition.

We are meeting at 4.30 p.m. Possibly, with the leave of the House, I might come back after that meeting and indicate the order of business, once I have had a chance to consult with my colleagues.

**Mr. Deans:** Mr. Speaker, I rise on a point of order. I wonder if prior to 4.30 p.m. the Government House Leader might consult with the Minister of Finance (Mr. Wilson) and try to obtain for the House the date upon which the Budget will be presented?

**Mr. Hnatyshyn:** Mr. Speaker, I always consult with the Minister of Finance (Mr. Wilson) and I will continue to do so.

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## ROUTINE PROCEEDINGS

[*English*]

### PUBLIC PENSIONS REPORTING ACT

PRESENTATION OF LEGISLATIVE COMMITTEE REPORT

**Mr. Neil Young (Beaches):** Mr. Speaker, on behalf of the chairman of the legislative committee on Bill C-255, I have the honour to present our report with amendments.

[*Translation*]

OFFICIAL LANGUAGES POLICY AND PROGRAMS—
PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, I have the honour to present the Fourth Report of the Senate and House of Commons Standing Joint Committee on Official Languages Policy and Programs, in both official languages.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

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[*English*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 47(2), I have the honour to table copies in both official languages of the proposed amendments to the Standing Orders.

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### THE ECONOMY

STATEMENT BY MINISTER OF FINANCE

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Canadian economy is performing better than most other industrialized countries' economies. And yet, in face of this, the Canadian dollar has come under sharp downward pressure in recent weeks. The market observers have given a variety of explanations for this weakness. I would like today to put this matter in some perspective and report to the House on the Government's response.

The weakness of commodity prices in general and recent declines in the international price of crude petroleum do have negative implications for our export earnings, but these must be put in perspective.

Canada's net earnings from international trade in petroleum in 1985 were about $2 billion, or less than 2 per cent of our total merchandise exports. The recent fall in oil prices will thus not have a dramatic effect on our trade balance. Even allowing for consequent movements in the prices of our other energy exports does not paint a picture of a sharply deteriorating balance of payments. The existing levels of commodity prices will not have a sufficiently large impact on our resource exports to justify the recent pressure on the exchange rate.

Hon. Members should understand, despite the prevailing caricature, that the strength of Canada's exports extends far beyond the resources sector. Raw materials constituted only 16 per cent of Canada's merchandise exports in 1985. We are now a major exporter of semi-processed and finished manufactures, and these are an ongoing source of strength for our balance of payments. That strength is assured by Canada's

vastly improved performance in getting our inflation rate down.

Our inflation rate has been about 4 per cent for the past 19 months. Domestic prices and costs have behaved well. Our productivity performance is impressive. This should continue to ensure the competitiveness of Canadian products on world markets. Canada's economy is strong. The growth of our Gross National Product outpaced that of the United States by more than two percentage points last year. That is almost double the rate of growth in the United States. We expect Canada to do better again this year. As a result, the current account of our international balance of payments turned into a small deficit in 1985, and most analysts expect that this small deficit will continue through the course of this year. Apart from the low levels in commodity prices already noted, this is a normal cyclical response to a recovery and reflects the fact that Canada's economy has been growing more quickly than those of most of our major trading partners. A part of that better performance is the stronger growth in business investment expenditures which have a high import content. This shift is contributing to the current account deficit. However, that deficit is quite small by historical standards and should not be a major source of weakness in our currency.

● (1510)

[*Translation*]

The flow of long-term capital funds, which are the source of funds to finance most private sector investments, has continued to favour Canada in 1985; acquisitions of shares of Canadian companies by non-residents were particularly strong. Direct foreign investments in Canada were also high even though they were offset by take-overs of foreign companies by Canadian interests.

In all likelihood the flow of long-term capital funds will continue to have a positive impact on the value of our dollar this year.

[*English*]

It is the typically volatile short-term capital flows which have been influencing our dollar adversely in recent weeks. This speculative activity has arisen from misconceptions about the state of our economy and about the Government's commitment to pursue the policies required to sustain the strong recovery we are now experiencing.

I believe that negative speculation about the Canadian dollar has gone too far. Levels of the exchange rate earlier this week have been clearly below what is justified by fundamental developments in our balance of payments and have not reflected the healthy state of our over-all economic performance. A continuation of this negative sentiment would threaten to undermine the progress we have made in sustaining an economic recovery through strong growth, accompanied by continued moderation in inflation.

The fundamental strength of our economy is reflected in an underlying balance of payments structure that is good. I believe that the speculative elements which I cited that are countering these fundamental forces will wither away as the sources of that strength are more generally recognized.

[*Translation*]

The downward pressures on the Canadian dollar in recent months have been offset through foreign exchange market interventions financed with the Government's exchange account and through a gradual increase in short-term interest rates. Still the increase was significant and the gap between our short-term interest rates and those of the United States has widened considerably, more than 3 per cent.

[*English*]

In recent days pressures against the Canadian dollar greatly intensified. To counter unwarranted speculative activity, the Bank of Canada has this week operated forcefully in the domestic money market and, as fiscal agent for the Government of Canada, forcefully in the foreign exchange market. The result has been a strengthening of the Canadian dollar and a sharp further upward movement in short-term interest rates. Our dollar has moved from a low of 69.13 U.S. cents on Tuesday to about 71 cents currently. Today's bank rate has risen to 11.7 per cent, up 67 basis points from last week.

The Government is prepared to continue to reinforce its intervention in the foreign exchange market in order to promote orderly conditions. To this end, yesterday I announced actions which have been taken to increase our reserves of U.S. dollars by $2.4 billion. The Government is prepared to use these official reserves to enter the market as aggressively as necessary to counter speculative pressure on the dollar.

The main purpose of these actions in the financial and exchange markets is to reinforce the thrust of our broad economic policy stance which looks to a continuation of non-inflationary growth. To that end fiscal policy will ensure a measured, orderly and significant reduction in our deficit.

I have heard and read in the media many commentaries expressing doubt about the future course of our fiscal policy. These doubts are unwarranted. I have reiterated on many occasions our resolve to improve our fiscal position. This is being done in a comprehensive way and primarily through a reduction in the level of Government spending. The unprecedented spending reductions announced in November, 1984 and in May, 1985 are being implemented and will have a growing fiscal impact over time. Our deficit is under control and it will come down. Monetary policy will continue to be directed at keeping inflation under control. The Government has also moved in other areas, such as energy and foreign investment, to improve the efficiency of our markets and increase confidence in Canada. Together these policies will serve to ensure the sustainability of the recovery and, with it, a strong and stable currency and a return to lower levels of interest rates.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Frankly, Mr. Speaker, I simply cannot understand why the

Minister came to the House this afternoon to deliver that statement.

Indeed, I listened closely, I read the statement carefully and I can tell you that it is nothing to write home about.

[*English*]

The Minister has described what is almost an Agatha Christie mystery—who killed the Canadian dollar? It does not take Hercule Poirot to solve this mystery. The Minister has recited a number of interesting facts about the Canadian economy. I will come to them in a moment, because we have to eliminate each of them as villains in this piece one by one. However, there is one glaring omission, there is one suspect to which reference has not been made. All he has to do is look around him, especially at his Leader, at his Cabinet and from time to time in the mirror, and he will find the cause of the falling Canadian dollar. He will see the killer face to face.

[*Translation*]

The reason—and I will prove it this afternoon—is that there is an obvious lack of coherence in leadership among the Conservatives. We know full well there is political infighting among Cabinet Ministers themselves and especially among caucus members. In short, Mr. Speaker, Canadians and foreigners alike have lost confidence in this Government.

[*English*]

That is what has killed the Canadian dollar.

Let us look for a moment at what he has told us. I read his speech carefully. He takes on the issue of Canada being perceived as a resource exporter and says that there is no reason for people to be alarmed about falling commodity prices or falling oil prices, that that should not be the reason for the fall of the Canadian dollar. Of course he is absolutely right. Most people know that. Unfortunately the Prime Minister (Mr. Mulroney) does not know that. I hope the Minister of Finance (Mr. Wilson) has had the opportunity of educating the Prime Minister who, in an interview in *Fortune* magazine on March 4, 1985, said the following:

● (1520)

We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special? If somebody wants to buy some oil, somebody wants to buy some wheat, hell, we're in the business. That's what it's all about. Forest products, mining—God, we'd love it if somebody wanted to joint-venture with us in mining development, taking our products at competitive prices. Damn right we would.

That is our Prime Minister, of course, spreading that perception. As I say, fortunately, his ignorance is not widespread amongst intelligent members of the business investment communities, and, in fact, among Canadians in general who realize that Canada has become a strong exporter in other areas.

Notwithstanding the efforts of the Prime Minister to denigrate the strength of our export sector, I suggest to you that that is not the villain, it is not that perception. What on earth can it be? Not our rate of inflation says the Minister of Finance. Again, he is absolutely right. The rate of inflation has hovered around 4 per cent. I might add, the Minister could have recognized that a legacy he received in that "bare cupboard" he likes to refer to was a rate of inflation below 5 per cent, having been brought down by the Liberal Government from something like 12.5 per cent in 1982 through the six and five program to less than 6 per cent in 1983, and less than 5 per cent in 1984. I would like him to acknowledge that some time. I am sure he will.

In addition to that, I need not refer again to the fact, with which we are all painfully familiar, that he received a dollar which had a U.S. exchange rate in September, 1984 of approximately 77 cents, and of course early this week we saw it as low as 69 cents.

Well, he tells us it's not inflation, it's not Gross National Product. We have had sustained growth, so it is not the resource sector, it is not inflation, it is not our Gross National Product that has driven it down. It certianly is not our current account deficit, which he points out is small by historical standards. No reason to be concerned, so it cannot be that. We gradually go through everyone and we finally get to the butler.

In any case, none of these are villains in this piece. Long-term capital flows, the Minister rules that out. Again, we agree with him. Yes, indeed, there must be something else. We have not yet found the killer of the Canadian dollar in all this information which he offered to us here this afternoon. Well, he tells us that there has been this speculation in recent weeks, or even in recent days. Why is that? Why, if we are so strong in all these areas that the Minister describes is the dollar being killed? Why did the Minister have to borrow $2.4 billion yesterday at a cost, as I raised in Question Period, if those loans went to maturity in present value, as high as close to a billion dollars out of Canadian taxpayers' pockets? Why does he have to watch interest rates escalate two-thirds of a point today? He is shaking his head. I will look forward to having him produce the numbers I have got mine here. You can't borrow $2.4 billion for ten years at 9 per cent U.S. without incurring major interest costs. Why is that? Why is that interest rates again today had to increase to 11.47, an increase of .67 cents from yesterday?

I come back to my point, we have eliminated all of the suspects, except one, and that one is right over there on the Government benches, the Minister of Finance, the Prime Minister and those other Ministers responsible for economic policy in this country. Let me explain why. Let me offer you the proof very quickly, Mr. Speaker, so this will not simply be treated as partisan rhetoric coming from the Official Opposition. Let's play detective for a moment.

Despite the rhetoric there has been incoherence, there has been confusion, and there has been conflict in our economic policy. I will terminate by offering some quick but convincing evidence. First of all, the Minister of Finance on March 1, 1985 said on CTV "Question Period": "We are going to get the deficit down. We are not going to do it through taxes, there is enough room on the expenditure side". And then a scant two months later he brought in the biggest tax increase

in Canadian history. Now, talk about that in terms of conflict and confusion.

Second, at the same time he brought in a capital gains tax exemption which we had to adopt several weeks ago in this House, there was a measure intended to put capital into Canadian industry, especially the small and medium-sized business sectors. But it was completely unfocused. Where has that money been invested? It was an invitation to divest, and probably reinvest outside Canada. Combine that with the most remarkable suggestion of all, this alternative minimum tax which penalizes recipients of Canadian dividend income and, in fact, required Canadians who had capital tied up in holding companies to divest their assets before year end. Where do you think those moneys were invested, with the prospect of a penalizing tax on Canadian dividend income? To the United States, that is where a lot of that money went. Complete incoherence and confusion.

I am coming quickly to the end, Mr. Speaker, if you will just bear with me because, I do not want the Opposition to think that this is empty rhetoric. I want the Government to reflect on these points, because they stand out so clearly.

The great privatizers, Mr. Speaker. They told the world they were going to privatize. The first major act was the acquisition of a lot of service stations through Petro-Canada, which are found in your province. I know it may have been difficult for you to go back to your riding for some weeks, but I gather the dust is settling down. Privatization the purchase of retail gas stations. Then to counter that perception there has been unseemly haste to dismantle the Canadian aerospace sector and dispose of de Havilland. There has been the attempt to reduce the deficit with excessive tax increases, and perhaps to cover the $2 billion to bail out chartered banks. We have seen the Western Accord which gave hundreds of millions of dollars to multinational oil companies. People do not believe this Government, and with good reason.

So I conclude the killer is before you. The evidence stands. It is not the economy, it is the lack of credibility and confidence in the economic management of this country by this Government.

[*Translation*]

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, first I would like to comment briefly on today's decision concerning yet another increase in Canadian interest rates. This policy of the Conservative Government is a threat to Canada and all Canadians. This latest increase in interest rates will likely trigger a sharp rise in bank rates, and if the banks do make that decision, within a month we will have higher interest rates, perhaps up by 2 or 2.5 per cent. It is not good for farmers, it is not good for families about to renegotiate mortgages, and it is not good for the unemployed seeking work. This policy to raise interest rates and shore up the dollar did not work for the Liberals in the past and it is not going to work now.

[*English*]

I want to say, Mr. Speaker, the statement the Minister has made today can be accounted for very largely by, not the ongoing problem of the dollar, but the very large increase in the interest rate that was announced earlier, the two-thirds of a point increase in today's announcement which, when translated by the banks, as it likely will be, will mean that in the past month of this Conservative Government we will have seen an increase in interest rates anywhere from 2 per cent to 2.5 per cent. I say to the Minister that that type of policy was disastrous for farmers, disastrous for homeowners and disastrous for the unemployed when the Liberals implemented it a few years ago. It is no better today when coming from the Conservatives.

• (1530)

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** This is what the interest rate policy announcement will mean in concrete terms. According to the present Minister of Regional Industrial Expansion (Mr. Stevens), when he sat on this side of the House as opposition critic for DREE, he said that a 1 per cent increase in the interest rate—and we almost had that today, and it will likely be 2.5 per cent by the end of the month—means the loss of 25,000 jobs. According to the Hon. Member's calculation then, that means some 50,000 jobs have been placed in jeopardy by the Government's incompetence just in the past month. This monthly increase in interest rates—and I have spoken to my colleagues about it—in terms of the present level of the debt will probably increase farmers' debt charges by about $500 million in one year. Who will pay that? I will tell Hon. Members who will pay. It will be the farm families who will have to pay that increase in debt charges.

I already mentioned earlier today what this increase will mean in terms of mortgage rate changes. Over the life of a mortgage it will cost the typical Canadian family some $12,000. This reassuring the-land-is-strong type of statement which we heard from the Minister of Finance (Mr. Wilson) will not fool Canadians. Canadians will note that the most significant announcement today came not from the Government of Canada but from the Bank of Canada, sanctioned by the Government. I refer to the announcement with respect to the increase in interest rates. The Minister opposed that policy when he sat on this side of the House and he ought not to be supporting it now that he is in Government.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** In our view the Minister has correctly said that some of the recent problems with respect to the dollar are to be attributed to speculators in Chicago and elsewhere. I think there is certainly evidence to support that. I hope that in that context the Government has communicated with the Government of the United States to see if anything can be done through regulatory mechanisms to head off this speculation which puts the whole country in a hostage situation as a result of the operations of a handful of speculators. I doubt

that anything can be done. However, I hope the Canadian Government has made some inquiries to see if anything can be done. The Minister is right, speculators have played a role.

It is also the case that the great fluctuation in energy prices has played a role. I also want to say that it was the Minister's Party, and his Government, which deregulated the oil industry. They said that it has to be left open to the whims of the market-place and, therefore, if we are now having to react to what the Saudi Arabians have decided in a completely unfettered way, once again it is his Government's decision that has placed us in this type of precarious situation.

Quite apart from the short-run questions there are some longer-range problems which the Minister did not discuss and to which he alluded in a rather oblique way. One of these concerns the flow of investment. Yesterday, the Minister and I had an exchange in the House about what has gone on in the 12 months since his Party formed the Government. I wish to make the point again today, and perhaps the Minister on another occasion will deal with it. I would like to look at what happened in Canada between the last quarter of 1984 and the last quarter of 1985. I wish to begin by conceding with regard to what the Minister said yesterday. Yes, there was an 11 per cent increase in investment in Canada. That is true, and we are pleased to see it. As I have also said to the Minister on another occasion, it is true that our job forecasts were inaccurate and that the economy performed in a better way than we had anticipated. More jobs were produced. I have always taken it as a matter of principle that when the Government does something right we should say so. If something turns out to be better than we had estimated, then we should also say so. The Minister is now smiling because I agree.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** I now wish to see what he will say. He pointed out that there was an 11 per cent increase in investment in the Canadian economy last year. What is decisive in terms of its impact on the dollar is not that increase. What is decisive is that there was a 44 per cent increase in money leaving the country for investment. That is what impacts on the dollar. So we had an 11 per cent increase in terms of new investment and in terms of job creation, which is good, but a 44 per cent increase—some $5.2 billion—leaving the country to create jobs elsewhere. I also want to say to the Minister, as he well understands, that this drives the Canadian dollar down. What we need are policies which will keep that investment in Canada. Let the Minister deal with that issue.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I wish to say to the Minister—who is again smiling—I hope that he will deal with the issue of that 44 per cent increase year-over-year. If we look at what was going on in 1985, after the Minister tabled his Budget last spring, we will see that the flow of investment abroad actually accelerated. Thus, if his Budget had any effect on investment intentions it was to say to Canadians: "Take your money and run with it out of the country". The Minister ought to be reassessing some of his policies in a serious way in terms of his forthcoming Budget.

The second matter I wish to point out is that we are dealing not only with a current crisis in terms of the dollar but, as the Minister knows, for a number of years the Canadian dollar has been at a pretty low level. There are some serious structural explanations for that. One of them is the high degree of foreign ownership. The Minister will recall the time just about a month ago, around the end of the year, when there were transfers of massive sums of money from Canada largely to the United States. We had another kind of run on the dollar—another dip in the dollar. Why? Because the branch plants were making their dividend payments back home; or we were making payments for service charges. If the Minister were to look at some of the numbers he would be somewhat concerned because they are quite disturbing. The most recent figures we have in this respect are for 1984. We do not yet have the figures for 1985. The figures for 1984 are as follows. We paid out some $3.2 billion in dividend charges. That had a negative effect on the Canadian dollar. We also paid out some $6 billion in service charges in 1984. No doubt this pattern will continue for 1985.

I wish to say to the Minister, and to my Liberal colleagues, that it is this type of strutural problem about which the New Democratic Party has been concerned for years. It is not because American investors are the bad guys, or any other foreigner is a bad guy, a bad woman or a bad company. We say that it is bad for the Canadian economy to have that level of foreign ownership—

**The Acting Speaker (Mr. Paproski):** I regret to interrupt the Hon. Member. I have given the spokesmen from both opposition Parties an extra few minutes for their remarks. Perhaps the Hon. Member would care to wind up now, please.

**Mr. Broadbent:** Mr. Speaker, I appreciate your understanding. I want to conclude by saying that what we need are some serious long-range changes in policy if we are to deal with the question of the dollar. I am glad the Minister is nodding his head on this point. I hope he has been listening to some of the suggestions which I have made.

Finally, I wish to say to him that the bad news for Canadians which was announced today in terms of another increase in the interest rate is a policy, as I said a moment ago, which did not work for the Liberals and which will not work for the Conservatives.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Paproski):** I wish to inform the House that because of the ministerial statement this day's sitting will be extended by 30 minutes. Therefore, Private Members' Hour will begin at 5.30 p.m.

*Petitions*

## ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY

**Mr. Thomas Suluk (Nunatsiaq)** moved for leave to introduce Bill C-262, an Act to change the name of electoral district of Nunatsiaq.

**The Acting Speaker (Mr. Paproski):** Shall the Hon. Member have leave to introduce the said Bill?

**Some Hon. Members:** Agreed.

**Mr. Suluk:** Mr. Speaker, the purpose of this Bill is to change the name of my electoral district from Nunatsiaq, meaning beautiful land, to Nunavut, meaning our land. The proposed change of name to Nunavut is more reflective of the aspirations of my constituency. The name "our land" recognizes the spirit of a former remembered independence and acknowledges our aspirations for a future of self-reliance.

• (1540)

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

**The Acting Speaker (Mr. Paproski):** Order. I missed petitions. Is it agreed that we revert to petitions?

**Some Hon. Members:** Agreed.

* * *

## PETITIONS

SHARING OF CHILD-REARING RESPONSIBILITIES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, it gives me, as well as a number of my colleagues, great pleasure to associate ourselves with a petition for men's rights in relation to families with children.

[*Translation*]

To the Honourable the House of Commons of Canada, the petition of the undersigned residents of Canada who now exercise their unchallenged right to present a common grievance, with the assurance that we are against Bills C-47 and C-48 which do not improve the situation of children of separated or divorced couples.

[*English*]

The gist of the petition is to seek a more equal sharing not only in the responsibility but in the joy of child rearing, particularly after painful separations and divorce. The Speaker may also be aware of a hunger strike which is going on at the moment by Mr. Ricardo Di Done, and this petition speaks to that. The petition is presented by myself and my colleagues, because we fight for men and women.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I am glad to see that you are permitting the commercial messages and preambles which the Speaker is ruling out in Question Period.

I have the honour to present a large number of petitions which, unfortunately, did not get here in time. They have been gathered at the expense of considerable time and effort by the International Association of Machinists and Aerospace Workers. These petitions come from all corners of the country and relate to the family allowance which the Government has now deindexed. The petitioners ask this House of Commons to see that the Government rescinds unfair tax increases.

POSTAL SERVICE IN VAUGHAN, ONT.

**Mr. Anthony Roman (York North):** Mr. Speaker, I have the honour of presenting a petition from constituents in the riding of York North and, more specifically, in the Town of Vaughan. The petitioners are asking for improved postal service. They had been patiently waiting for years and up to this time they still do not have either a mail delivery or the green boxes. They certainly have limited postal service.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I wish to advise the House that the following question will be answered today: No. 499.

[*Text*]

OFFICIAL LANGUAGES

Question No. 499—**Mr. Gauthier:**

1. Did the Department of the Secretary of State order, in July 1984, a study on school rights of official languages minorities in Canada and, if so (*a*) what was the cost of the study made by Mr. Pierre Foucher (*b*) under what programs and departments was the study made (*c*) during the study, were Mr. Foucher's abilities used for other purposes and, if so, which ones?

2. Will the Government table a copy of the study and, if so, on what date?

3. Does the Government intend to table a copy of other studies made by Mr. Foucher while he was employed by the Department of the Secretary of State?

**Hon. Benoît Bouchard (Secretary of State of Canada):** 1. Yes, in June, 1984, following a ministerial decision, the Department of the Secretary of State invited Professor Pierre Foucher to prepare such a study within the framework of a temporary assignment to the Department. (*a*) $92,691.91; (*b*) the Public Service Commission's Interchange Canada Program, specifically for the Secretary of State Department's Promotion of Official Languages Branch via Legal Services; (*c*) yes; Mr. Foucher on occasion advised in respect to constitutional law issues.

2. A copy of Mr. Foucher's report was given to the members of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs on December 10, 1985.

3. Not applicable.

[*Translation*]

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

**The Acting Speaker (Mr. Paproski):** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

[*English*]

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** Mr. Speaker, I want to respond and thank the Hon. Parliamentary Secretary for answering my question today. Since one of my questions is dated February 6, 1985, and since this is its anniversary, may I ask the Parliamentary Secretary to look into that question and possibly give me an answer before the end of the year?

**Mr. Lewis:** Mr. Speaker, I will be glad to do that. I notice that we have just answered a question dated December 3, 1985. We try to prioritize the questions and give the answers as quickly as we can. We will look into it.

## GOVERNMENT ORDERS

[*English*]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 19 (Mr. de Jong) p. 10322.

**The Acting Speaker (Mr. Paproski):** When the House rose at one o'clock p.m., the Hon. Member for Egmont (Mr. Henderson) had the floor. The Hon. Member for Hamilton East (Ms. Copps).

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I believe every Hon. Member who takes the opportunity to read this amendment must support it. Specifically, it speaks to the ability and the mobility of the handicapped, particularly the blind, to be able to compete in the market-place, to be able to get out there and be financially independent. I am speaking, of course, about the decision of the Government to ignore the pleas of the Canadian Association of Guide-dog Users to exempt them from the tax on pet food.



I know there are many seniors who, for example, have a cat or dog. They keep a pet because it is the only company they might have as shut-ins. We find it is wrong that they should be forced to pay this tax which the Government is then going to use to give a half million dollar capital gains tax exemption to those rich in our society who can most afford to take advantage of it.

If the Minister of Finance (Mr. Wilson), in his insensitivity, is bound and determined to tax pet food in a general way, as he seems to be on the basis of this budget measure, at the very least it would make sense to have a specific exemption for guide-dog users and those others who use animals in the normal daily business of living.

People who use guide-dogs do not keep those dogs as pets. They are an integral part of their daily living. That is why it is so important that every person in this Chamber, including Hon. Members of the Conservative Party, recognize that this amendment does not lead to a tax exemption for all pet food, but speaks specifically to those people who use guide-dogs. It also includes horse feed. For those Hon. Members who are interested in the farming community, it provides for an exemption for horse feed or feed for those animals used for productive purposes such as farming and logging.

If there were an exemption for bulls, obviously many of the Members on the Government side of the House would be able to take advantage of it. However, that is not what is being proposed.

**Mr. McKnight:** Sexist.

**Ms. Copps:** A bull, Mr. Speaker, has no gender in this House.

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** However, Mr. Speaker, that is not the question. The question is whether members of the Government and the Minister of State for Finance (Mrs. McDougall)—I am sorry she is not here because in committee I specifically asked her whether we could consider this. I am sorry, I am not supposed to comment on the presence or absence of an Hon. Member.

The Minister of State for Finance did give us the undertaking during the committee stage that there would be a very serious look given to dealing with the specific problems of guide-dog users when it comes to the tax on pet food. As you know Mr. Speaker, many people who have become blinded, through the adult onset of diabetes, for exemple, have many other costs involved in maintenance and in keeping themselves not only independent in their own home but, perhaps, able to get out and be competititve in the market-place. They are being hit with the double whammy of the tax on medication and on literally thousands of products used to assist a person

who is suffering from a chronic illness. On top of that they have to pay the tax on pet food.

● (1550)

This amendment simply asks the Government to make a special provision for farmers and guide-dog users. We are opposed to this tax in general but we believe that at the very least the Government should exempt guide-dog users as well as farmers and those people who are using animals for productive purposes rather than simply as pets. This is a very supportable amendment and I dare say that if we had a recorded vote on this issue, every Government Member would join with me in supporting the demand by the Canadian Association for Guide-Dog Users that they be exempt from this tax. They should not have to pay for the Government deficit through a tax on their guide-dogs. That is a wrong-headed approach which has been adopted by the Minister of Finance so he can bail out the banks and hand out a $500,000 capital gains write-off. He is calling on the poor and least able in our society to pay for the deficit. We in the Liberal Party believe that is wrong. We think the country agrees with us. We think pet lovers agree with us. Taxing these dogs is like taxing your eyes. It is like taxing your very right to live. Without guide-dogs these people are defenseless. They must remain in their homes. In fact, they become a greater burden on the system because they need the support services which are not necessary when they are able to get out and be independent. Even the pharmaceutical industry suggests that the tax on medication will cost us money in the long run. People will go to prescription drugs which will be paid for by the Governement rather than going to non-prescription medication. It is penny-wise and pound-foolish. It will not deal with the problem of the deficit and it will penalize those in our society who are the least able to pay. We urge support for this amendment so that at the very least the blind will not have to pay for the billion-dollar bank bail-out.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** If I may, Mr. Speaker, I would like to deal briefly with Motion No. 19 and the unfortunate remarks made, among others, by the Hon. Member for Hamilton East (Ms. Copps).

I understand the representations made and the amendments proposed by the Hon. Member for Regina East (Mr. de Jong)—

**An Hon. Member:** —East—

**Mr. Vincent:** Yes, that is what I said, "East".

Mr. Speaker, I can understand his interest in not to want to tax seeing-eye dog food. However, if we consider the way it is done, I suggest it is all right. The amount in annual tax which this could represent is approximately $20.00 or $25.00, on the one hand. On the other hand, we should consider the amount of paper work which would be required from blind people to recover these $20.00 or $25.00. I suggest it would not serve the interests of either the taxpayer generally or the blind to ask the latter to fill in additional forms to collect $20.00 or $25.00.

Mr. Speaker, I wish also to remind the House that the Income Tax Act provides already a special allowance for handicapped people, including the blind.

For these reasons, Mr. Speaker, I just could not support the motion introduced by the Hon. Member for Regina East.

Mr. Speaker, concerning horse feeds, I should like to remind the Hon. Member that animal feeds for the most part are unconditionally exempt under the relieving provision of the Agricultural Products Act.

Feeds supplements required by farmers should also be eligible for an exemption when they are used by producers of goods, which means that the feeds for horses used in productive purposes are also exempt.

For this reason, Mr. Speaker, I urge the House to reject this motion.

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

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has the floor.

**Mr. Malépart:** Mr. Speaker, I was really disappointed and scandalized to hear the remarks of the Hon. Member for Trois-Rivières (Mr. Vincent).

He has just said that he is in favour of exempting farmers from the tax on feeds for their horses, yet he cannot see a way to exempt people who suffer from blindness. Mr. Speaker, it is scandalous indeed, coming from a man—

[*English*]

**The Acting Speaker (Mr. Paproski):** Order, please. I would like the Hon. Member to understand that we are dealing with Motion No. 19. It deals with feeds and supplements for guide-dogs used by people requiring their assistance, and feeds and supplements for addition to such feeds for horses used in productive purposes.

[*Translation*]

**Mr. Malépart:** Mr. Speaker, that is the point. We know that a blind man's friend, faithful servant and guide is his dog. It is the most important thing to a blind man.

The Parliamentary Secretary has just told us—and the social injustice minister is here, he is listening, but he is not doing anything—that he cannot find a means or a way to refund the tax on feeds for a blind man's dog.

Mr. Speaker, the Government did find a way to exempt the rich from the capital gains tax, they fill in magic forms. But we are now talking about blind people—I hope the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) will

support me in this case—and there are organizations to look after them. Their only income is social welfare, peanuts, Mr. Speaker. They do not live under the threshold of poverty, they live under the threshold of misery! Be they in Quebec, in the Maritimes, in western Canada or elsewhere, all blind people live on social welfare. Those people would rather work despite their handicap and they often submit projects under the Canada Works programs. Things have to be changed somewhat to offer cultural activities to those people and to meet their special needs.

And now, notwithstanding scientific progress and the know-how of experts and Government officials, the Hon. Member tells us that he simply cannot find a way to refund the outrageous tax imposed by this Government, even on the guide dogs of blind men. At the same time, Mr. Speaker, he tells us, and I wonder whether he has a safe instead of a heart, that he can provide an exemption in the case of horses. He can therefore provide tax exemptions for other things.

Mr. Speaker, I am convinced that the Hon. Member for Hochelega-Maisonneuve agrees with me because there is an organization for visually handicapped people called *Bon Pilote* in his constituency. I am convinced that the great majority of Conservative Members agree with me. And I trust—

**An Hon. Member:** No, no.

**Mr. Malépart:** Mr. Speaker, I am not surprised. The Hon. Member for La Salle (Mr. Lanthier) disagrees. I know that he does so because this concerns the poor and he defends the rich. In view of his profession, his environment and his friends, he would certainly not defend the handicapped; that is not his vocation. He has every right to defend the rich in this place. That is his right.

Mr. Speaker, in conclusion, I would like to invite the Minister of National Health and Welfare (Mr. Epp), who met with failure in the case of old age security pensions, in the case of the next amendment which we shall be discussing and which relates to the use of a tax on illness to finance the Government, and in the case of family allowances, to show his humanitarian feelings, to make the diminutive Member for Trois-Rivières (Mr. Vincent) understand that his career will not last long, and to realize that it is possible to agree to the amendment and to find a way to reimburse all visually handicaped people in Canada for the 10 per cent tax they will have paid on the food for their guide-dogs. These animals are not kept for pleasure, Mr. Speaker. I could go further. To prevent solitude among senior citizens and to get them out of their homes, doctors advise that they keep a dog or cat so that they will live longer and be in better shape. That is the medical aspect of the issue, Mr. Speaker. On the other hand, a heartless Government has decided to impose a tax without taking the human factor into account.

Mr. Speaker, I shall close by inviting one last time the Minister of National Health and Welfare to try if possible to make the Hon. Member for Trois-Rivières and especially the Prime Minister understand the situation, accept the amendment and find the means to reimburse visually handicaped people for the 10 per cent tax.

• (1600)

[*English*]

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I would like to remind my good friends on the Government side of the House of a little bit of history. The present Leader of the Opposition (Mr. Turner) was the Minister of Finance in the Government of 1975 when the excise tax on gasoline was put into place. The then Minister of Finance accepted an amendment from this side of the House, which I will not brag about authoring, which was supported by the then official Opposition, the Conservative Party, to provide for an exemption and rebate of the excise tax on gasoline for the handicapped who had to be driven from place to place or who had specially equipped automobiles. That amendment was accepted and was in place until 1979. I want to remind my friends on the Government side that the Budget brought in by the present Member for St. John's West (Mr. Crosbie) cancelled the rebate on excise taxes for those who had to drive specially equipped cars because they were handicapped. They wonder why they got defeated later.

This is not a big deal, Mr. Speaker. The amendment only asks for an exemption. By regulation you can require those who are blind and have guide dogs to apply for a rebate of the excise tax. They can keep their bills for a year and get a cheque back for the tax. It would not be a hardship upon the Government or the administration. It would certainly not be a financial hardship on the Government. To be so small-minded and mean-spirited as to apply that tax in those circumstances is, surely, not worthy of the members of the Government and not worthy of Parliament.

I hope that the Minister of National Health and Welfare (Mr. Epp), the Minister of Labour (Mr. McKnight) or the Minister of Agriculture (Mr. Wise), who are present, will get up and say that they are prepared to accept this amendment, and they will be applauded on all sides of the House for it.

[*Translation*]

**Mr. Michel Champagne (Champlain):** Mr. Speaker, I rise on this motion because after listening to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) one cannot do otherwise. He has just suggested to my colleague from Trois-Rivières (Mr. Vincent) and to other Members on this side of the House that we were a heartless Government. A heartless Government because we were going to tax food for guide dogs, which means approximately $25 a year. To my knowledge, this is much less than the deficit inherited from the Liberals—$200 billion, Mr. Speaker. This is far less than the income tax they did not collect from the most affluent when they formed the Government because, as you know, had they made the most affluent pay tax when they were in Government, had they managed the country in a honest and fair fashion, we might

not be in such a predicament today. Today, our situation might be that we could give more to the handicapped.

Paying tax on dog food means $25 a year, as I said. All farm producers pay that, and the Hon. Member for Montreal-Sainte-Marie, who is in the habit of mistaking carrots for cabbage, should have known that the handicapped indeed get a special allowance which farmers do not get. There are other specific programs especially for the farmers. On the other hand, in our last Budget, we made sure that the handicapped would get that allowance.

The Hon. Member for Montreal-Sainte-Marie has just told us that we are a pitiless Government. Mr. Speaker, in 1981, the previous Liberal Government promised a pension to older people, to widows aged between 60 and 64. They were committed to that. But we were the ones to move on that, thanks to the Minister of National Health and Welfare (Mr. Epp). We assumed responsibility for the lives of the most in need. When we see the Hon. Member for Montreal-Sainte-Marie rise in this House, and anyway he is not here now, when we see his colleagues rise from their seats and lie to the Canadian people, lie to the people of Quebec, attack this Government because we are in the process of reducing the deficit—in the process of developing a system that will allow all needy people and he referred to the aged, but what has he done when he was in Government, when his Government brought indexation down to 5 and 6 per cent while it was running at 11 and 12 per cent? Nothing! He never uttered a word.

**Mr. Benjamin:** Make the blind pay!

**Mr. Champagne:** Mr. Speaker, we have been elected, and the NDP, instead of laughing out loud, should listen and look at what we are doing exactly, rather than supporting the Liberals.

When we hear the Hon. Member for Montreal-Sainte-Marie, when we hear his colleagues grumble because this Government has to restore order, to reinstate social justice, I am asking serious questions. As a Government, we have at heart the most needy; we have at heart as a Government to restore a just and fair society, a society where we will be in a position, once everyone pays his or her fair share of income tax, once everyone contributes directly or indirectly to the Canadian economy, at that point, Mr. Speaker, we will be in a position to give to those of our citizens who are most in need the decent income they seek to make ends meet.

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 19 standing in the name of the Hon. Member for Regina East (Mr. de Jong). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11) the recorded division on the proposed motion stands deferred.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Vancouver-Kingsway (Mr. Waddell)—Energy—Increases in gasoline prices. (*b*) Consumer protests; The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Insurance—Liability coverage—Difficulties faced by small business. (*b*) Solvency guidelines for insurance companies; the Hon. Member for Western Arctic (Mr. Nickerson)—Energy—Major oil find in Beaufort Sea.

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## GOVERNMENT ORDERS

[*English*]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

**Mr. Simon de Jong (Regina East)** moved:

Motion No. 20

That Bill C-80, be amended in Clause 51 by striking out lines 34 to 43 on page 112.

● (1610)

He said: Mr. Speaker, before proceeding with my remarks, I wonder if I could have unanimous consent of the House to change the motion to read:

That Bill C-80, be amended in Clause 51 by striking out lines 34 to 38 and lines 42 and 43 at page 112.

**Mr. Epp (Provencher):** Mr. Speaker, I do not know if the Hon. Member has had any discussions with Members opposite. He can probably discuss the amendment until such time as we can get back to him.

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member to go ahead and debate Motion No. 20 before amending the motion. Perhaps we can get some information for him before he concludes his remarks.

**Mr. de Jong:** The purpose of this motion is to maintain the exemption form for non-prescription drugs and health goods. The Government proposes to impose an 11 per cent tax and a new tax on such things as vitamins, aspirin, cough syrup, cold remedies, medicated shampoos, as well as imposing an 11 per cent tax on surgical gloves, surgical sutures, dental and surgical equipment, needles and syringes. We believe that it is an unjust tax.

According to the Government's proposal in Clause 51, an exemption would apply to people who use insulin infusion pumps and parts especially designed therefor and insulin syringes. In other words, diabetics are exempted from this tax.

Due to the complexity of the Act, our original amendment would have removed that exemption for diabetics. We are asking for the unanimous consent of the House to change our amendment so that the exemption for diabetics is retained in the amendment and that it applies an exempt status for all other non-prescription drugs and health goods.

**The Acting Speaker (Mr. Paproski):** May I interrupt the Hon. Member? If there is unanimous consent in this particular instance, I am sure a motion can be put to amend the motion by the Hon. Member for Regina East (Mr. de Jong). However, I must have unanimous consent. Is there unanimous consent?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** The motion shall read as follows:

Motion No. 20

That Bill C-80, be amended in Clause 51 by striking out lines 34 to 38 and lines 42 and 43 on page 112.

That is the amended Motion No. 20. We are now speaking on the amendment. Shalll I put the question?

**Some Hon. Members:** Agreed.



**The Acting Speaker (Mr. Paproski):** The question is on the amendment of Mr. de Jong to Motion No. 20. Is there agreement to the amendment?

**Some Hon. Members:** Agreed.

Amendment (Mr. de Jong) agreed to.

**The Acting Speaker (Mr. Paproski):** We are now debating the amended motion.

**Mr. de Jong:** Yes. I thought you were asking for debate on the amendment to my amendment. Since the amendment to my amendment has been passed by unanimous consent, I understand we are back to the original motion as amended.

**The Acting Speaker (Mr. Paproski):** That is correct, by unanimous consent.

**Mr. de Jong:** I will continue with my remarks, Mr. Speaker. The intent of this motion is to maintain the exempt status for non-prescription drugs and health goods. Today our health system is under severe pressure and some would say it is under attack as a result of cut-backs by the various levels of Government. In particular, pressure has been exerted on our hospitals as a result of cut-backs in funding. I am amazed that the Government is proceeding to impose an 11 per cent tax on such items as surgical gloves, sutures, surgical equipment, needles and syringes. This will increase the operating costs of our hospitals so that, on the one hand, the Government is cutting back on transfer payments, squeezing our health care system and hospitals in particular while, on the other hand, it is extracting more money from them by imposing this new tax. In other words, the Government is really taxing itself.

One must assume that there must be sane people on the Government benches, but it just does not make any sense for them to take such action.

The Conservative Party, whose Leader John Diefenbaker took great pride in helping to establish medicare in this country, is nickel and diming our medicare system to death. Such a move is outrageous and defies logic or any sense of compassion and reasonableness.

Furthermore, there will be a new 11 per cent tax on non-prescription drugs and health care products such as vitamins which are an important supplement to the diet of many people, particularly older people. There will be an 11 per cent tax on aspirin which is used by many Canadians, particularly older people.

Many doctors prescribe aspirin, yet the Government is intent on imposing an 11 per cent tax on that product. Cough syrup, cold remedies and medicated shampoos are examples of other products that will be taxed. While these products may not require a prescription, they are health products which are essential to the health and well-being of some people.

This does not seem to matter to the Government. These products will be taxed by another 11 per cent. In other words, we now have a tax on illness. The Government wants to make a profit on sick people.

It is obvious from the previous motion that the Government wants to tax blind people. Now it will make a profit on illness. It wants to extract nickels and dimes from people who have headaches, colds and other minor illnesses. It wants to extract nickel and dimes from our hospital system.

Many parts of Bill C-80 are flawed. However, a tax on blind people, on the sick and on our hospital system is inexcusable. I urge government Members to support our Party and tell the bureaucrats that enough is enough.

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I would like also to contribute a few remarks to this debate by supporting this motion which, I feel, penalizes mostly older people and our most disadvantaged citizens. Older people who are entitled to the Guaranteed Income Supplement have cards which they can use to buy drugs from the drugstores, but only medication prescribed by a physician.

Well, with Bill C-80, all drugs, whether they are aspirin tablets or cold syrup—and God knows that we live in a country where the weather is bad, where winters are long and cold, and where most of us, especially older people, suffer from colds and headaches—will cost more because of this tax.

Mr. Speaker, we could truly say that the Government is taxing our headaches!

Mr. Speaker, I heard a moment ago my colleague the Hon. Member for Champlain (Mr. Champagne) who was referring to the deficit. Yes, but if the Government wants to reduce the deficit, it should ask everybody to contribute, and not do so on the backs of older people and the poor.

What about the investors who had over $60,000 in the bank which failed recently? In that case, you were willing to pay . . .

What about the Reichmann brothers who received a tax give away of nearly $1 billion? Are you going to ask these people to do their share?

Mr. Speaker, the Government has given a $2 billion gift to the oil multinationals. But these people have nothing to do with the deficit! It is only the older people and the poor who have to reimburse the deficit, Mr. Speaker. What can you expect from a Conservative Government which is a "Reverse Robin Hood". They take from the poor to give to the rich!

● (1620)

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I thought it was incredible to hear the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) refer as he did to the oil companies. But these companies did their tax planning under the income tax legislation that was passed not by the Conservative Government, but by the previous Liberal Government. He omitted to tell us about the steps we have taken, such as the minimum tax, to ensure that all Canadian taxpayers pay their fair share of the income tax. Hon. Members opposite did not do anything about the minimum tax. God forbid! They were not concerned about it! And now they say nothing about it! Mr. Speaker, they do not say that the May Budget has stopped donations inter vivos which had made it possible for people to split among their family members their interest income, so that nobody paid any income tax at all. They do not talk about that either, Mr. Speaker.

Now, concerning his Motion No. 20, he raises the issue of aspirins. The real idea here is to remove exemptions on such medical supplies as surgical dentures, suture threads, thermometers, ex-ray material, surgical and dental tools and microscopes, the value of which is less than $50. Mr. Speaker, the idea is merely to remove exemptions for professionals, physicians and dentists who are using this material in their daily work.

Mr. Speaker, if physicians and dentists are to be exempted, and if I follow the argument of the Hon. Member for Saint-Léonard-Anjou he will be asking for an exemption on his pencils and erasers, he is a CGA! That is what we are going to do, Mr. Speaker. That is the purpose of the exemption. We will give him an exemption on the pencils, the paper and the erasers he buys for his accounting firm.

Unfortunate though it may be, Mr. Speaker, there are things which the Liberals never did understand. We have a $200 billion deficit because there were things they certainly failed to understand. We have to put the Canadian economy back on its feet, we must ensure that professional people pay their fair share, Mr. Speaker, and they simply cannot be exempted from all expenses related to their profession. To me, Mr. Speaker, that is simple, logical and normal.

**Mr. Gagliano:** Is it just like taking aspirins?

**Mr. Vincent:** Aspirins yet! He is talking about aspirins, Mr. Speaker! I am not talking about aspirins, I am talking about medical supplies.

Mr. Speaker, again I must say that I am against this motion.

[*English*]

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) is in fine voice this afternoon. It is just a great pity that there was neither knowledge nor compassion in what he had to say.

One of the distressing aspects of the way the Government has dealt with this Bill is the total intrasigence on its part. We had closure imposed at second reading. In committee no amendments were accepted and none of the suggestions put forward by very knowledgeable and concerned witnesses received any attention, far less, of course, the proposals put by Members of this House.

One of the meanest and most unpleasant of the changes involved in the Bill is the imposition of sales tax on health products and, as my colleague, the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) has just said, on non-prescription drugs.

A very interesting presentation was made by the Pharmaceutical Manufacturers Association of Canada. It pointed out that limiting the tax exemption is really restrictive and will create a whole lot of other problems.

Let us deal with the increased costs of dental care. It is obvious that as the Government has put sales tax on dental equipment, these costs will be passed on to the consumer. Again, families with young children will be affected.

To get this tax grab, the Government is going to nickel and dime Canadians to death with sales tax being imposed on so many goods, which cannot in any way be considered luxuries, and on essential services, particularly those used by families. The tax on health care products hurts families with young children, the older person and the disabled person who is living on a fixed income. It is a cruel tax.

The amount of money that will accrue to the Treasury as a result is not worth the imposition of it. It is small in terms of the Treasury, but it is a large amount to those poor people who are hurting.

I can only say how much I deplore the fact that the Government has been so intransigent about this Bill. No amendment has been considered. Nothing put forward either by citizens' groups or by opposition Members has even been considered. The Government is steamrolling ahead with this amendment for which there can be no justification.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I just want to take a moment to ask the Minister of National Health and Welfare (Mr. Epp) to consider the argument put forward by my colleague, the Hon. Member for Regina East (Mr. de Jong) about the increasing cost of health care. He has spoken on many occasions, both from the government side and from the opposition side of the House about the rising costs of health care. If he does not consider it, it is somewhat illogical to increase the costs of health care further by an 11 per cent tax.

How can the Minister justify it in light of arguments and speeches he has made himself about the rising costs of health care and about how the Government and the health care system will have to devise ways of holding those costs in check? Surely the Minister of National Health and Welfare will want to contemplate for another 30 seconds and then tell us why the Government is increasing the costs of health care. It is a totally illogical move and is more of the mean-spirited, small minded attitude on the part of the Government. It amounts to chiselling. I am sure we are all acquainted with one or more people who suffer from severe diabetes. The Government wants 11 per cent in tax on the needles they have to buy. Really, Mr. Speaker, how hard up can you get when you consider that there are people making $50 or $100 on the stock market today, and there are people speculating in Canadian dollars? They are not paying a cent of tax on their profits, and we are doing nothing to them. There is nothing in the Budget about those people, but we want 11 per cent out of people who buy pet food for a seeing-eye dog, and 11 per cent out of people who have to buy hypodermic needles in order to administer their insulin shots daily. They want 11 per cent on non-prescription drugs. They want 11 per cent on equipment or non-prescription medicine prescribed by a hospital upon the release of a patient. Surely there are dozens of options available to the national Government and to the Minister of Finance (Mr. Wilson) to increase revenues and reduce the deficit. Many of those options will bring in many times more than the amount of money they can hope to get under this miserly, chiselling measure. Why do they not deal with the kinds of options we have proposed time and time again, not only to this Government but to the previous one as well?

• (1630)

I do not understand why Government Members cannot accept something on second thought. It would certainly make them appear a lot bigger in the minds of Canadians as well as in the minds of all Hon. Members of the House of Commons. I hope the Minister of Finance rises in his place and justifie the actions of the Government in increasing the costs of health care. At the same time as he decries the rising costs of health care and calls upon the whole nation to deal with them, then he proceeds to add to them. I wish he would rise and justify it.

**Mr. George Henderson (Egmont):** Mr. Speaker, I should like to make a few brief comments on Motion No. 20 dealing with surgical and dental supplies, needles and syringes. I want to add my voice to those of my colleagues in the Liberal Party and in the New Democratic Party. Again the Government is attempting to nickel and dime people to death.

The previous speaker referred to diabetics who require insulin, yet the Government is trying to get another 11 per cent from them. It should look seriously at this legislation because it affects those people in society who can least afford it. That is why there are a number of amendments to the legislation which we in the Liberal Party and in the New Democratic Party think would be helpful and would display compassion toward our senior citizens and those who are less fortunate in society.

We all recognize the size of the deficit. We on this side of the House have a great concern about it, as does the Government. However, where we part company is on how to reduce the deficit. Governments sometimes have to show leadership within their own ranks. Under the present Government we see a Cabinet of 40 Ministers, one of whom has resigned. It is one of the largest Cabinets in our history.

**Mr. Winegard:** And one of the best.

**Mr. Henderson:** No. I would not say that.

**Mr. Schellenberg:** The best.

**Mr. Henderson:** It is probably one of the worst I have ever seen. From talking with some of my constituents, I think Canadians see it as I see it, because of the way it is going about dealing with the deficit situation. There seems to be no problem in the Government showing compassion when it comes to big banks.

**Mr. Winegard:** And all the little people.

**Mr. Henderson:** No, not the little people. The previous Government increased the insurance for bank depositors—and the House voted on it—from $30,000 to $60,000. However, when the banks were in trouble, their depositors did not lose. Some of those depositors were large corporations which gambled for higher interest rates that they could not obtain from any ordinary banking institution. They gambled but they did not lose. No, they did not lose because the Government told taxpayers that they had to pick up the tab. That is what burns me up as a Member of Parliament. It bothers me when I see that sort of thing happening and I see what this Bill is trying to do. There is no consistency in the Government's plan.

There are many ways for the Government to show leadership in deficit reduction, many ways which would be far more compassionate and humane to our citizenry. The Minister of National Health and Welfare (Mr. Epp) has been persuaded by the President of the Treasury Board (Mr. de Cotret) and by the Minister of Finance (Mr. Wilson). I know the Minister personally. I am sure he has more compassion than that, but it has been forced upon him. It is the same with my good friend, the Minister of Agriculture (Mr. Wise), who is present in the Chamber. He has brought in another form of user-fees on the inspection of potatoes; he is attempting to nickel and dime poor farmers to death. I know the Minister of Agriculture has a heart, but obviously he does not have much clout around the cabinet table, or he would not have allowed this to happen. However, that is what is happening in agriculture, in fisheries and in health.

That is why I support the amendment before us. That is why we on this side say that it is a goof amendment, as are all the other motions. The Government should give this matter second thought. It would be better off if it listened to the concerns expressed by the Opposition and voted according to its conscience. Government Members are not hard-hearted people. I see smiles on their faces. I think of the Minister of the Environment (Mr. McMillan) from my province. I am always very proud of Members of Parliament from Prince Edward Island.

**Mr. Winegard:** And so you should be.

**Mr. Henderson:** The Minister of the Environment knows the problems of my province. I am sure in his heart he does not want this piece of legislation to pass and that he will show good judgment later and speak. I am sure he will do the right thing and show some guidance or leadership in that group over there which has no compassion or pity whatsoever for those who are less fortunate in society.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 20, as amended, standing in the name of the Hon. Member for Regina East (Mr. de Jong). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11), the recorded division on the proposed motion stands deferred.

• (1640)

**Mr. Simon de Jong (Regina East)** moved:

Motion No. 22

That Bill C-80, be amended in Clause 52 by striking out lines 5 to 42 at page 114 and lines 1 to 4 at page 115.

**Miss Aideen Nicholson (Trinity)** moved:

Motion No. 23

That Bill C-80, be amended by deleting Clause 52.

**Mr. de Jong:** Mr. Speaker, the aim of this amendment is to preserve the exempt status for conservation and alternative energy products. First of all, the people who will be hit hardest with this tax will be the people involved in insulation products. In other words, what this Act is doing and what this proposal of the Government is doing is that those people who choose to insulate their homes will now be taxed an extra 11 per cent. The Parliamentary Secretary shakes his head no, but the section deals with home insulation—7 per cent. I am sorry, it was 6 per cent last year, it is 7 per cent this year.

**An Hon. Member:** That's quite a difference from 11 per cent.

**Mr. de Jong:** Yes, there is some difference there, but certainly the difference between 7 per cent and 11 per cent is a lot less than between 0 and 7 per cent. It is the Government's intention, which is so obvious in this piece of legislation, to start taxing now the conservation field.

It is a foolish move on the part of the Government. The present world glut in oil is a temporary situation. Oil is a diminishing resource, a non-renewable resource, and this country will again face a crisis in the field of energy. There is no country in the world that is more dependent upon energy than this country. Our geography and our climate make us, on a per capita basis, one of the highest, if not the highest, consumers of energy. It is foolish not to use this period of time when we have been given a breather between an oil crisis and a future oil crisis to use this opportunity to develop alternative sources of energy and to make certain that our buildings are properly insulated.

I remember well the creation of the energy crisis of the 1970s and early 1980s, the number of homes in this country that were not properly insulated and were built with the assumption that energy will always be plentiful and cheap. People received a rude awakening. All at once the price of oil, and therefore the price of gas, and the price of electricity started to skyrocket. To assume that the present glut in the world oil situation will remain forever is very foolish.

We should continue to have Canadians conserve and insulate their homes properly, knowing full well that a day will soon come again when the price of oil will go up. As well, it is unfortunate that this Government has deemed it necessary to tax a budding new industry, and that is, the industry of alternative energy fuels. We will now be taxed on our heat pumps and our woodburning stoves, on our solar and wind collectors and other insulation and conservation materials and equipment.

As well I find the tax on the insulation equipment to be somewhat arbitrary. For example, there will be those who have signed a contract and made a deal to construct a building the price of which was based on the assumption that the price of insulation materials would be a certain amount. Of course now those people will find that the cost for the insulation material will have jumped by some 7 per cent. They will not be able to recover that because they are very often in a signed, fixed contract. No wonder business people used to complain about the Liberals and their arbitrary measures that prevented business people from making firm and forward-looking decisions, because all at once, out of nowhere, a new tax would appear that would totally throw out their planned projections.

This particular Government is doing even worse as evidenced by an item that it announced in its spring Budget which it brought into effect on January 1, 1986. Those contracts that were signed prior to the spring Budget were based on the assumption of lower costs of insulation materials, so the contractors, of course, are going to be out by the difference.

In terms of alternative energy forms, this country can and has the potential of playing a leadership role in the world in developing alternative forms of energy: wind collectors, heat pumps, woodburning stoves, photovoltaics, et cetera. We were well on the way to beginning to develop a new, good, budding industry. Then, of course, this particular Government came along. First of all, it wiped out that section in the National Research Council that offered some assistance to the development of alternative energy. Then the Government proceed to wipe out the home insulation and the off-oil programs. As a final kick—most probably the kick of death—they are now going to slap 11 per cent tax—well, in some cases 11 per cent tax, in other cases 7 per cent tax, on heat pumps, woodburning stoves, wind and solar collectors. This particular Government really hates conservation and alternative energy. It is just kicking them to death.

**An Hon. Member:** Not true.

**Mr. de Jong:** It is a pity, because one would tend to think that anybody who calls himself a Progressive Conservative believes in conservation. An old Conservative, a small c conservative, generally is one who espouses a notion of conserving, who believes that conserving is important. Yet this Government has done everything possible to kill the conservation industry in this country. It is shameful. This particular Act, I would predict, is almost a death blow to the conservation industry and the alternative energy industry in this country. In future years when the price of oil starts going up again we will be able to point to those people across the way and say, "Much of the fault should be placed on the Government's shoulders". I do hope that this Government and Government Members will see fit to support us in this particular amendment.

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, in supporting this motion I would like to remind the House that there are in Canada a substantial number of firms engaged in renewable activities, some 500 or so I am told, which employ in the neighbourhood of 5,000 people. This is a new industry that has emerged in less than 10 years, mostly as a result of the initiatives taken by the then Minister of Energy, Mines and Resources, Alistair Gillespie, following the oil price crisis.

I am told also that the potential in the world for the absorption of equipment, material and technology of this kind is somewhere in the neighbourhood of $4 billion, which is not a minor amount. It has enormous export potential for Canadian entrepreneurs and Canadian workers.

In support of this motion as well I would like to say a couple of words which I did not express at second reading in relation to the position of taxes on gasoline. At that time, you may recall, I was very upset by the fact that the application of taxation on gasoline, as it is proposed in Bill C-80, is one that has serious environmental consequences. I am glad to see the Minister of the Environment (Mr. McMillan) in the House today because it may have some relevance to his way of thinking. The tax that is being proposed in this Bill on unleaded gasoline is greater than on leaded gasoline. Therefore, once this becomes law, the price at the pump will be affected so that the gap in price at the retail level will be greater than it is now. As Hon. Members must have noticed there is now a three-cent gap, more or less, at gas pumps across the country. Some six months ago it was 2.59 cents. I am afraid that with the imposition of this measure the gap will increase. Of course, this move will cause two negative consequences. The first is with respect to misfueling. Those people who buy leaded gasoline, who really should be buying unlead-

ed gasoline, will be encouraged to misuse gasoline. Second, the greater consumption of leaded gas will lead to undesirable health problems, as Hon. Members well know. In addition, the use of unleaded gasoline is possible in cars which are equipped with catalytic converters. Catalytic converters are gadgets which reduce the emissions of nitrous oxide into the environment. Accordingly, the acidity of the rain is reduced and the environment is protected. Therefore, it is necessary to impress upon the Minister of Finance and the Government the notion that the imposition of a tax on gasoline which is greater on unleaded than on leaded gasoline is environmentally wrong.

• (1650)

I carry the argument further by suggesting that we introduce a tax system on gasoline which is so adjusted that the prices for the two at gasoline pumps are equal. This has been done in some European countries, in particular Austria. It is a desirable and ultimately possible goal.

I realize that in this regard there may be some difficulties encountered by farmers and fishermen. In the past their concerns have been taken into account through the use of programs which have refunded them the difference between the amount they have paid and what they would have paid under an existing regime. Something of this nature could be put into place with respect to unleaded and leaded gasoline as well.

From an environmental point of view, I repeat, it is undesirable to sell leaded gasoline at a price lower than that charged for unleaded gasoline. There is no doubt about that. On the one hand, there is an increase in the demand for automobiles running on leaded gasoline. On the other hand, this move provides an incentive for the misfueling of automobiles designed to run on unleaded gasoline. I know that the Minister of the Environment has been quite articulate on this matter. He has not only expressed his concern, but I am sure that he has also put pressure on his provincial colleagues to find ways of discouraging and possibly eliminating this type of practice which is damaging to the environment.

The matter boils down to this. The price advantage leads to increased lead pollution, when there is a price advantage in terms of leaded gasoline. It also leads to acid rain-causing emissions. That is really the bottom line. It is therefore desirable that we use the federal commodity tax system to eliminate this price advantage. It is important from now on when we approach the taxation of gasoline that we do so with a political concern for the damage caused by acid rain in this very particular daily manner. It is important that our taxation structure reflect this concern. This is a departure from past practices. We have come to this conclusion as a result of the experiences of a number of other countries, particularly in Europe, which suffer acid rain damage because of dense vehicular traffic in highly populated areas.

I submit that it would be to our long-term benefit if we could put into place a gasoline taxation structure whereby unleaded gasoline is made available to the consumer at the same price as leaded gasoline for the reasons I have mentioned earlier. In so doing we would reduce the lead emissions and the concomitant health dangers accompanying those emissions. This would apply particularly to our urban areas where the emissions of nitrous oxide, which are emissions caused typically by the combustion engine process, find their way into the atmosphere and come back to us in the form of acid rain. It is with this in mind that I make this intervention.

I do so in the hope that in the little time left between report stage and the conclusion of third reading stage and the time which will be required for the examination of the Bill in the Senate that the Government will see fit to introduce a modification to the specific rate of sales tax imposed on this petroleum product. A specific increase on leaded gasoline will be required so as to permit unleaded gasoline to find its way to the dump at price equal to that of leaded gasoline. I am sure you, Mr. Speaker, your children and your grandchildren would substantially benefit, as all of us would and will, if this so-called Progressive Conservative Government, which is neither progressive nor really conservative when it comes to matters of this type, will see the light and adopt a conservation measure which in the end will benefit the health of all Canadians. In the end it will also benefit the health, growth and quality of our forests because, as Hon. Members know, acid rain is an issue of health and an issue of the growth and good quality of our basic natural resources.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, Motions Nos. 22 and 23, which have been grouped together for debate, concern the removal of the sales tax exemption for energy conservation goods and also certain construction materials. First, in terms of construction materials, many witnesses who testified before the committee expressed their concern about the increased sales tax on building materials. The Canadian Institute of Steel Construction and the Canadian Prestressed Concrete Institute are particularly opposed to the provisions in this Bill. In their view it will directly affect the ability of their members to compete with builders of like goods erected on the construction site, thereby threatening their viability both at home and abroad. The associations claim that limited tax revenues will be generated by such a scheme, given the relative smallness of the affected industries, but that the altered taxation could be extremely damaging to them. Apart from the concern about the basic sales tax, there is the additional concern that in the construction industry, fixed price contracts are very common.

The Minister was not even prepared to accept an amendment which would have let this change come into place at a later date. The Canadian Construction Association had asked for a grandfather clause which would excuse from the payment of the higher tax rate those who are unable to recover the additional sales tax liability because they did not have an escalator clause in the contract. An amendment of this kind, I might add, was made in 1963 when the then Government changed the sales tax.

• (1700)

In summary, we are opposed to the imposition of the sales tax on building materials, in the first place, and we are doubly opposed to the fact that the Government has not been willing to make any allowance for the existence of fixed price contracts in this field and has not been willing to consider some kind of grandfather clause which would have protected in particular the small and medium sized construction firms, some of which may very well be put out of business as a result of this change.

The second matter with which these two amendments deal is the tax on energy conservation goods. The Canadian solar industries and the Conservation Renewable Energy Industry Council, among others, opposed the removal of the federal sales tax exemption for energy conservation goods. It is argued on the one hand that the tax would generate little revenue given the industry's gross revenues of roughly $40 million a year. On the other hand, it will increase the sales price of the goods, thereby making them less competitive with other sources of energy. As a result, the well being of the domestic industry could be jeopardized and this, in turn, could adversely affect its ability to compete abroad, given that a strong domestic base is essential to attracting foreign sale.

As my colleague, the Hon. Member for Davenport (Mr. Caccia), pointed out, there is a further disincentive when one looks at the other clause in this Bill which exempts from the excise tax diesel fuel used in the generation of electricity in other than the operation of a vehicle. Because this method of energy production is in direct competition with that of the renewable energy industry, Bill C-80 affords the former an unfair competitive edge.

For these reasons, we would urge the reinstatement of the sales tax exemption for energy conservation goods.

[*Translation*]

**Mr. Gagliano:** Mr. Speaker, I would like to comment briefly on this motion. First of all, it has to do with building materials on which this new tax would be levied beginning July 1, 1985. Mr. Speaker, you know very well that we are talking about construction, and everybody knows that contracts in that industry are awarded on a long-term basis. We have tried many times to convince the Minister of Finance (Mr. Wilson) that he should at least exempt those companies, most of them small businesses, from paying that tax, at least on contracts which were signed before the Budget was brought down. They were not aware that the Minister of Finance would include in his budget this tax which would have come into effect on July 1.

Mr. Speaker, the Government has therefore placed in a very vulnerable position thousands of smalll businesses working in the building industry to install heating equipment, insulation and so on.

I can speak from my personal experience as concerns energy conservation products. In my constituency of Saint-Léonard-Anjou, which has a large population of about 130,000, a lot of work has been done in recent years to change the heating systems to conserve energy because we have to be careful even if prices have gone down since they could go up again eventually and our supplies of non-renewable energy will not last forever. The purpose for my constituents and other Canadians was therefore to conserve energy and also to reduce their heating costs.

I want to say once again that winter is too long in this country and that heating bills can hurt the pocketbook. Any program encouraging Canadians to reduce their heating costs would have represented an economy for Canadian consumers and, since they would have more money to spend, this would have contributed to economic recovery and helped to reduce the deficit.

In closing, Mr. Speaker, I would like to point out that the Bank of Montreal is forecasting an increase in consumer expenditures of only one per cent in 1986 compared with a figure of 5.1 per cent for 1985 because of these sales taxes which took money away from the consumers.

[*English*]

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, I would like to take a few moments to speak on the amendments before the House which attempt to keep a series of conservation and building materials away from the 7 per cent increase in tax which is being proposed by the Government. Before I begin, however, I want to point out that this particular tax has already been levied. The House has not yet dealt with it but it will be shortly. The tax came into effect on July 1. I think that is one of the problems my constituents had with this particular tax.

I, like most Hon. Members in the House, have a number of contractors, builders, people who manufacture ready-mixed concrete and people who are putting together components which will become buildings, and this tax has caught them somewhat unawares. They operate traditionally, in our part of the country, at least, on the basis of forward contracts where they will contract to make deliveries of a certain amount of concrete or to provide certain components for a building during the summer building season. Those prices are fixed and those contracts are firm. They found on May 23 that they were being charged an additional 7 per cent on their product. This could not be passed on to the consumer or to the buyer. It had to be borne by the small manufacturer.

The amount of money which is built into a contract by a small builder or producer of ready-mixed concrete is not a great deal and the 7 per cent tax forces many of them to go very close to the line. It has caused some to have difficulties in making their payments to the banks and has even forced some close to the verge of going out of business. That seems a bit ironic because this was supposed to have been a Budget, according to its framers, which would create a great upswing in economic activity.

In addition to the manufacturers of ready-mixed concrete, there are manufacturers in my riding who are producing

energy efficient materials such as panels for solar equipment and heat exchangers in a fairly sizeable way. These components, which were going into buildings as well, were caught by the 7 per cent increase which came into effect on July 1. Some of those were forward contracted as well. However, in future the price will have to go up 7 per cent, which will reduce sales somewhat. In those cases where the purchase had been forward contracted, the loss will be borne by the company itself.

● (1710)

In so far as society in general is concerned, it makes no sense to increase taxes on products which are designed to reduce the use of energy. It seems a very strange way to encourage conversion from gas and oil, and the use of better insulated homes, heat exchangers, and that sort of thing.

There is another factor here and I do not know whether the Government has spent any time dealing with it. One example is the extra cost to the City of Regina due to the application of this tax to concrete and asphalt materials. That extra cost amounts to more than $500,000 a year, which will have to be added to the taxes of the residents of Regina. It is not just a single tax of 7 per cent; it comes back again and again in the form of increased taxation in municipalities in my riding and others right across the country. The federal Government is taxing them on the improvements they have to make in their villages, towns and cities. That is unfair. Therefore, we propose to pull those taxes from this Bill and revert to the old level and save this 7 per cent tax from being applied to conservation and building materials.

[*Translation*]

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I would like to add my comments to those made by my colleague about the following issues: First, the cost of materials, and second, the tax on energy conservation products.

Mr. Speaker, I am somewhat surprised that a Government which is supposed to be for energy conservation would decide, in the budget of the Minister of Finance (Mr. Wilson), to impose a tax on products especially designed to conserve energy.

If we look at the amendment proposed by the Hon. Member for Trinity (Miss Nicholson), the chairman of the Committee on Public Accounts, who knows a lot about finance and who moved that the bill be amended to remove the energy conservation tax proposed by the Minister—

[*English*]

Obviously the amendment by the Hon. Member for Trinity (Miss Nicholson) deals with the specific issue of encouraging energy conservation. In fact, the Minister's attempt to tax energy conservation products runs absolutely contrary to all the things we fought for as a Liberal Government. The tax on construction materials, which is part and parcel of this grouping of amendments, is another indication of the callousness of a Government which introduces an amendment without any notification. In some cases this has added millions of dollars to the cost of construction. The estimate we got from the Canadian Association of Municipalities was that it would cost municipalities across Canada $1 billion. At the very least the Minister should delay the tax so that construction companies would be in a position to estimate—

**The Acting Speaker (Mr. Paproski):** The Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on a point of order.

[*Translation*]

**Mr. Vincent:** On a point of order, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** Order, please! The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on a point of order.

**Mr. Vincent:** Mr. Speaker, what the Hon. Member for Hamilton East (Ms. Copps) is now discussing has no relevance whatsoever to Motions Nos. 21 and 22. I would therefore appreciate that she deal with Motions Nos. 21 and 22.

[*English*]

**The Acting Speaker (Mr. Paproski):** The Parliamentary Secretary has a point and I know the Hon. Member will come back to the motions.

[*Translation*]

**Ms. Copps:** Maybe the Parliamentary Secretary cannot read, but Motion No. 22 deals with—

[*English*]

The amendment strikes out the clause transferring certain construction materials and energy conservation projects to Schedule V, thereby qualifying for the sales tax. This is exactly what I was discussing. When I was so rudely interrupted—

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** —I was about to mention the fact that if this Government had any concern for the construction industry it would have at the very least acceded to demands that this tax be delayed for six months to one year. I think of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) who represents many small employers in the construction industry. In my own riding I have many small employers who are bidding on projects two, three or six months ahead. A lead time is necessary to incorporate this increased cost into the tender process. If you happen to run a multimillion-dollar company maybe you can carry yourself over the cash flow problems created by the Government and the Minister. However, if you are running a small paving company and you have one or two employees, this tax could be the straw that breaks the camel's back.

It is our suggestion, as well as that of the NDP, that we delete this tax for a period which would allow the construction companies, in particular the smaller employers, to phase in the costs so they will not be hit four-square between the eyes as

they have been by the Wilson Budget and those amendments. The people we heard in committee were very forceful on this issue. They put their point succinctly and directly to the Minister. However, their request was refused, and this amendment is our attempt to deal with that inequity.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, very briefly, I would simply like to contribute to the debate by suggesting that the amendment we are putting forward is aimed at eliminating specifically the tax transfer to energy-saving products.

As I recall, Mr. Speaker, and it is only fair to say so, that program was very important to Canadians and to Canada during the energy crisis. I instructed my office to send me the statistics on the Canadian Oil Substitution Program, for instance, and the Canadian Home Insulation Program. The results are quite eloquent. Under the Canadian Oil Substitution Program there have been 988,486 applications across Canada for a total $716,230,300. That was a program that Canadians truly appreciated, Mr. Speaker, and which was terminated as we know on 31 March, 1985.

And the other program, the Home Insulation Program, is a program under which there were 2,287,844 applications nationally for a total $874,649,300. And, Mr. Speaker, when there is a response from Canadians, an awareness as to the need for energy conservation, the need for heat in a country as cold as ours, a snowed-in counry, we must try and realize that a Government that collects taxes on insulation products, and also taxes on wood stoves, as I said not so long ago in this debate, is an insensitive Government that does not fulfill the needs of the people. And it is our hope that we will prevail upon them to back down, to become aware of the needs of Canadians, to desist from taking out of the pockets of Canadians taxes that will increase their heating and insulating costs.

• (1720)

**Mr. Vincent:** Mr. Speaker, I wish to deal briefly with the allegations made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). He has just mentioned some tremendous figures and programs which brought about the closing of four refineries in Montreal under a Liberal government, thanks to the programs the Hon. Member for Ottawa-Vanier has just mentioned. He has blamed the Government for closing one refinery while praising programs which brought about the closing of four refineries. Are we to be blamed for the four refineries that were closed down in 1982-83, Mr. Speaker?

**Mr. Gauthier:** You are responsible because you closed these refineries!

**Mr. Vincent:** Moreover, Mr. Speaker, when they introduced these programs in 1970, they said in their Budget that there would be no permanent exemption on that. In 1978, it was the Liberals who removed the exemptions on storm doors and storm windows. Mr. Speaker, they failed to mention that they did that in 1978. I think it is necessary to put that in the proper perspective. But what I find most funny, Mr. Speaker, and I am going to conclude with this, is that the motion moved by the Hon. Member for Trinity (Mrs. Nicholson), because of the way it is drafted, would actually raise the tax to 11 per cent instead of leaving it at 7 per cent as it is now. Perhaps Hon. Members opposite should learn to read.

[*English*]

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 22 standing in the name of the Hon. Member for Regina East (Mr. de Jong) and Motion No. 23 standing in the name of the Hon. Member for Trinity (Miss Nicholson). Is it the pleasure of the House to adopt the motions?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 81(11) the recorded divisions on the proposed motions stand deferred.

The House will now proceed to the taking of the deferred divisions at report stage of Bill C-80. Call in the Members.

*And the division bells having rung:*

**The Acting Speaker (Mr. Paproski):** The first vote will be on Motion No. 1. Mr. de Jong, seconded by Mr. Deans, moves:

Motion No. 1

That Bill C-80, be amended in Clause 15 by striking out lines 44 to 46 at page 14 and substituting the following therefor:

"(5) Subsection (3) shall be deemed to have come into force on July 1, 1985."

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*Excise Tax Act*

*(Division No. 188)*

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | Marchi |
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Nystrom |
| Blackburn | (Windsor West) | Ouellet |
| (Brant) | Heap | Parry |
| Caccia | Henderson | Penner |
| Cassidy | Hopkins | Pépin |
| Copps | Hovdebo | Prud'homme |
| Deans | Jewett | Tobin |
| de Jong | Keeper | Waddell—32. |
| Finestone | MacLellan | |
| Frith | Malépart | |

NAYS

Members

| | | |
|---|---|---|
| Belsher | Graham | Nickerson |
| Bertrand | Gray | Nielsen |
| Binns | (Bonaventure-Îles-de- | Oberle |
| Blackburn | la-Madeleine) | Oostrom |
| (Jonquière) | Gurbin | Pennock |
| Bourgault | Halliday | Pietz |
| Brightwell | Hamilton | Plourde |
| Browes | Hawkes | Price |
| Caldwell | Hnatyshyn | Redway |
| Cardiff | Holtmann | Reid |
| Champagne | Jardine | St. Germain |
| (Saint-Hyacinthe-Bagot) | Jourdenais | Schellenberg |
| Champagne | Kindy | (Nanaimo-Alberni) |
| (Champlain) | King | Schellenberger |
| Charest | Ladouceur | (Wetaskiwin) |
| Comeau | Lanthier | Scowen |
| Corbett | Layton | Stewart |
| Crouse | Lewis | Tardif |
| Dantzer | Mailly | (Charlesbourg) |
| Daubney | Malone | Taylor |
| de Cotret | Marin | Thacker |
| Desjardins | Martin | Towers |
| Desrosiers | McCain | Tupper |
| Dick | McDermid | Turner |
| Epp | McDougall | (Ottawa-Carleton) |
| (Provencher) | (St. Paul's) | Vankoughnet |
| Fennell | McKenzie | Vincent |
| Ferland | McKnight | Warner |
| Forrestall | McMillan | Weiner |
| Fraser | Merrithew | Wilson |
| Fretz | Moore | (Etobicoke Centre) |
| Gass | Nicholson | Winegard |
| Gottselig | (Niagara Falls) | Wise—86. |

**The Acting Speaker (Mr. Paproski):** I declare the motion lost.

**Mr. Gray (Windsor West):** Mr. Speaker, there have been consultations and I think, if you inquire, you will find a disposition of the House to have this vote applied to the remaining motions before us and recorded as such.

[*Translation*]

**Mr. Plourde:** Mr. Speaker, I was identified as Mr. Plamondon. I am André Plourde, Member for Kamouraska-Rivière-du-Loup.

[*English*]

**The Acting Speaker (Mr. Paproski):** That will be corrected.

**Mr. Gauthier:** Mr. Speaker, I am trying to follow the proceeding here. I take it that the negative vote on Motion No. 22 will not necessitate a vote on Motion No. 23 but will take care of Motion No. 23 by being negatived at the same time.

**An Hon. Member:** Definitely.

**The Acting Speaker (Mr. Paproski):** Is the proposition of the Hon. Member for Windsor West (Mr. Gray) agreeable to the House?

**Mr. Hnatyshyn:** Mr. Speaker, I think that is quite satisfactory. It means that all report stage motions will be defeated.

**Mr. Gray (Windsor West):** Mr. Speaker, in order that it may be understood, there will be a separate record made of the votes on each motion, with the names recorded the same way as they were on the motion with which we just dealt.

**The Acting Speaker (Mr. Paproski):** That is agreed. Must I put the question on Motion No. 23?

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** That is fine. It is all agreed. Motion No. 23 will be negatived on division.

The next vote is on Motion No. 2. Mr. de Jong moves:

Motion No. 2

That Bill C-80, be amended in Clause 16 by striking out line 40 at page 16 and substituting the following therefor:

"1986".

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*(Division No. 189)*

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | Marchi |
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Nystrom |
| Blackburn | (Windsor West) | Ouellet |
| (Brant) | Heap | Parry |
| Caccia | Henderson | Penner |
| Cassidy | Hopkins | Pépin |
| Copps | Hovdebo | Prud'homme |
| Deans | Jewett | Tobin |
| de Jong | Keeper | Waddell—32. |
| Finestone | MacLellan | |
| Frith | Malépart | |

NAYS

Members

| | | |
|---|---|---|
| Belsher | Comeau | Fretz |
| Bertrand | Corbett | Gass |
| Binns | Crouse | Gottselig |
| Blackburn | Dantzer | Graham |
| (Jonquière) | Daubney | Gray |
| Bourgault | de Cotret | (Bonaventure-Îles-de- |
| Brightwell | Desjardins | la-Madeleine) |
| Browes | Desrosiers | Gurbin |
| Caldwell | Dick | Halliday |
| Cardiff | Epp | Hamilton |
| Champagne | (Provencher) | Hawkes |
| (Saint-Hyacinthe-Bagot) | Fennell | Hnatyshyn |
| Champagne | Ferland | Holtmann |
| (Champlain) | Forrestall | Jardine |
| Charest | Fraser | Jourdenais |

Members

Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 3. Mr. de Jong moves:

Motion No. 3

That Bill C-80, be amended in Clause 16 by striking out line 43 at page 16 and substituting the following therefor:

"force on January 1, 1987."

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

(*Division No. 190*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)

Members

Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 7, the vote on which disposes of Motion No. 9. Mr. de Jong moves:

Motion No. 7

That Bill C-80, be amended in Clause 19

(*a*) by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only 60 per cent of the sale price thereof."

(*b*) by adding immediately after line 37 at page 19 the following:

"(4) The tax imposed by section 27 on the sale price of fabricated structural steel and pre-cast concrete for buildings and other structures shall be imposed on only 60 per cent of the sale price thereof."

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

(*Division No. 191*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)

Members

Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 8. Mr. Gagliano moves:

Motion No. 8

That Bill C-80, be amended in Clause 19 by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by Section 27 of the sale price of Structural Pre-cast Units shall be imposed at only 60 per cent of the sale price thereof."

The House divided on the motion (Mr. Gagliano), which was negatived on the following division:

(*Division No. 192*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn (Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn (Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall (St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 10. Mr. Garneau moves:

Motion No. 10

That Bill C-80, be amended in Clause 19

(*a*) by adding immediately after line 30 at page 19 the following:

"(4) The tax imposed by section 27 shall come into force on January 1, 1986."

(*b*) by adding immediately after line 37 at page 19 the following:

"(4) The tax imposed by section 27 shall come into force on January 1, 1986."

The House divided on the motion (Mr. Garneau), which was negatived on the following division:

(*Division No. 193*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn (Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn (Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall (St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 11. Mr. de Jong moves:

Motion No. 11

That Bill C-80, be amended in Clause 34 by striking out line 46 at page 28 and substituting the following therefor:

"applies therefor within three years after he".

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*(Division No. 194)*

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | Marchi |
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Nystrom |
| Blackburn | (Windsor West) | Ouellet |
| (Brant) | Heap | Parry |
| Caccia | Henderson | Penner |
| Cassidy | Hopkins | Pépin |
| Copps | Hovdebo | Prud'homme |
| Deans | Jewett | Tobin |
| de Jong | Keeper | Waddell—32. |
| Finestone | MacLellan | |
| Frith | Malépart | |

NAYS

Members

| | | |
|---|---|---|
| Belsher | Graham | Nickerson |
| Bertrand | Gray | Nielsen |
| Binns | (Bonaventure-Îles-de- | Oberle |
| Blackburn | la-Madeleine) | Oostrom |
| (Jonquière) | Gurbin | Pennock |
| Bourgault | Halliday | Pietz |
| Brightwell | Hamilton | Plourde |
| Browes | Hawkes | Price |
| Caldwell | Hnatyshyn | Redway |
| Cardiff | Holtmann | Reid |
| Champagne | Jardine | St. Germain |
| (Saint-Hyacinthe-Bagot) | Jourdenais | Schellenberg |
| Champagne | Kindy | (Nanaimo-Alberni) |
| (Champlain) | King | Schellenberger |
| Charest | Ladouceur | (Wetaskiwin) |
| Comeau | Lanthier | Scowen |
| Corbett | Layton | Stewart |
| Crouse | Lewis | Tardif |
| Dantzer | Mailly | (Charlesbourg) |
| Daubney | Malone | Taylor |
| de Cotret | Marin | Thacker |
| Desjardins | Martin | Towers |
| Desrosiers | McCain | Tupper |
| Dick | McDermid | Turner |
| Epp | McDougall | (Ottawa-Carleton) |
| (Provencher) | (St. Paul's) | Vankoughnet |
| Fennell | McKenzie | Vincent |
| Ferland | McKnight | Warner |
| Forrestall | McMillan | Weiner |
| Fraser | Merrithew | Wilson |
| Fretz | Moore | (Etobicoke Centre) |
| Gass | Nicholson | Winegard |
| Gottselig | (Niagara Falls) | Wise—86. |

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 12. Mr. de Jong moves:

Motion No. 12

*Excise Tax Act*

That Bill C-80, be amended in Clause 34 striking out line 8 at page 46 and substituting the following therefor:

"January 1, 1988."

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*(Division No. 195)*

YEAS

Members

| | | |
|---|---|---|
| Allmand | Gagliano | Marchi |
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Nystrom |
| Blackburn | (Windsor West) | Ouellet |
| (Brant) | Heap | Parry |
| Caccia | Henderson | Penner |
| Cassidy | Hopkins | Pépin |
| Copps | Hovdebo | Prud'homme |
| Deans | Jewett | Tobin |
| de Jong | Keeper | Waddell—32. |
| Finestone | MacLellan | |
| Frith | Malépart | |

NAYS

Members

| | | |
|---|---|---|
| Belsher | Graham | Nickerson |
| Bertrand | Gray | Nielsen |
| Binns | (Bonaventure-Îles-de- | Oberle |
| Blackburn | la-Madeleine) | Oostrom |
| (Jonquière) | Gurbin | Pennock |
| Bourgault | Halliday | Pietz |
| Brightwell | Hamilton | Plourde |
| Browes | Hawkes | Price |
| Caldwell | Hnatyshyn | Redway |
| Cardiff | Holtmann | Reid |
| Champagne | Jardine | St. Germain |
| (Saint-Hyacinthe-Bagot) | Jourdenais | Schellenberg |
| Champagne | Kindy | (Nanaimo-Alberni) |
| (Champlain) | King | Schellenberger |
| Charest | Ladouceur | (Wetaskiwin) |
| Comeau | Lanthier | Scowen |
| Corbett | Layton | Stewart |
| Crouse | Lewis | Tardif |
| Dantzer | Mailly | (Charlesbourg) |
| Daubney | Malone | Taylor |
| de Cotret | Marin | Thacker |
| Desjardins | Martin | Towers |
| Desrosiers | McCain | Tupper |
| Dick | McDermid | Turner |
| Epp | McDougall | (Ottawa-Carleton) |
| (Provencher) | (St. Paul's) | Vankoughnet |
| Fennell | McKenzie | Vincent |
| Ferland | McKnight | Warner |
| Forrestall | McMillan | Weiner |
| Fraser | Merrithew | Wilson |
| Fretz | Moore | (Etobicoke Centre) |
| Gass | Nicholson | Winegard |
| Gottselig | (Niagara Falls) | Wise—86. |

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 14. Mr. de Jong moves:

Motion No. 14

That Bill C-80, be amended in Clause 37 by striking out line 33 at page 58 and substituting the following therefor:

"three years after the tax, penalty, interest".

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*Excise Tax Act*

*(Division No. 196)*

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 16. Mr. de Jong moves:

Motion No. 16

That Bill C-80, be amended in Clause 51 by striking out lines 15 to 28 at page 111.

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*(Division No. 197)*

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 19. Mr. de Jong moves:

Motion No. 19

That Bill C-80, be amended in Clause 51 by adding immediately after line 42 at page 111 the following:

"2.1 Feeds and supplements for addition to such feeds for guide dogs used by people requiring their assistance.

2.2 Feeds and supplements for addition to such feeds for horses used in productive purposes."

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

*(Division No. 198)*

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart

Members

Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn (Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall (St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 20, as amended. Mr. de Jong moves:

Motion No. 20

That Bill C-80, be amended in Clause 51 by striking out lines 34 to 38 and lines 42 and 43 on page 112.

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

(*Division No. 199*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn (Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn (Jonquière)
Bourgault
Brightwell
Browes
Caldwell

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 22. Mr de Jong moves:

Motion No. 22

That Bill C-80, be amended in Clause 52 by striking out lines 5 to 42 at page 114 and lines 1 to 4 at page 115.

The House divided on the motion (Mr. de Jong), which was negatived on the following division:

(*Division No. 200*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn (Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn (Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp (Provencher)
Fennell

Members

Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost. The next vote is on Motion No. 23. Miss Nicholson (Trinity) moves:

Motion No. 23

That Bill C-80, be amended by deleting Clause 52.

The House divided on the motion (Miss Nicholson, Trinity), which was negatived on the following division:

(*Division No. 201*)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Caccia
Cassidy
Copps
Deans
de Jong
Finestone
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
MacLellan
Malépart
Marchi
Mitchell
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Tobin
Waddell—32.

NAYS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

**The Acting Speaker (Mr. Paproski):** I declare the motion lost.

**Hon. Barbara McDougall (Minister of State (Finance))** moved that the Bill, as amended, be concurred in.

**Mr. Gray (Windsor West):** Mr. Speaker, I think you will find a disposition to have the recorded vote on the report stage motions applied in reverse at this stage, and then third reading would take place at the next sitting of the House.

**The Acting Speaker (Mr. Paproski):** Is that agreed?

**Some Hon. Members:** Agreed.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(*Division No. 202*)

YEAS

Members

Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Bourgault
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Comeau
Corbett
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraser
Fretz
Gass
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Holtmann
Jardine
Jourdenais
Kindy
King
Ladouceur
Lanthier
Layton
Lewis
Mailly
Malone
Marin
Martin
McCain
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
McMillan
Merrithew
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—86.

NAYS

Members

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| Allmand | Gagliano | Marchi |
| Althouse | Gauthier | Mitchell |
| Benjamin | Gray | Nystrom |
| Blackburn | (Windsor West) | Ouellet |
| (Brant) | Heap | Parry |
| Caccia | Henderson | Penner |
| Cassidy | Hopkins | Pépin |
| Copps | Hovdebo | Prud'homme |
| Deans | Jewett | Tobin |
| de Jong | Keeper | Waddell—32. |
| Finestone | MacLellan | |
| Frith | Malépart | |

**The Acting Speaker (Mr. Paproski):** I declare the motion carried. When shall the Bill be read the third time, at the next sitting of the House?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** It being three minutes to six o'clock p.m.—I do not want to take any minutes off Private Members' Business—the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### JUDICIAL APPOINTMENTS ACT

MEASURE TO ENACT

**Mr. Alan Redway (York East)** moved that Bill C-259, an Act to amend the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am very pleased indeed to have this opportunity to move second reading of Bill C-259, and to move as well that the Bill be referred to the Standing Committee on Justice and Legal Affairs for consideration.

This Bill is being put forward at this time with a view to establishing a process for the parliamentary scrutiny of all federal judicial appointments. Now, I wish that that were a simple matter and we could put that forward in one Bill, or in one motion, but it is not quite that easy, I am told. The difficulty lies in the fact that appointments are made to a number of federal courts by the Governor in Council under a number of different federal Acts. Those are the Acts that I referred to in Bill C-259 that is before us today: the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act.

In addition to that, there are other appointments made by the Governor in Council, but those, however, are made under Section 96 of the Constitution Act. Because of that fact it is necessary, in order to establish a judicial review procedure or a



parliamentary review procedure, for appointments of that sort—and those, by the way, are appointments to Superior, County and District Courts in the provinces—to be made by way of constitutional amendment to set up a similar procedure. That is why my Bill, while it deals with the five different pieces of federal legislation, does not, in fact, deal with an amendment to the Constitution Act. That would require a constitutional amendment, and that is going to be dealt with separately because I have placed on the Order Paper a Notice of Motion No. 252 which reads:

> That, in the opinion of this House, the Government should consider the advisability of undertaking negotiations with the provincial governments to establish a process for the parliamentary scrutiny of federal judicial appointments made under section 96 of the Constitution Act, 1867, in order to ensure that in making these appointments, the government is guided by the highest standards of conduct.

That motion will come forward at a separate time and it will give us another opportunity to debate this matter.

Of course I hope the Hon. Members will see fit to pass my Bill at second reading stage and move it on to committee today. Both the Bill and the motion provide for the parliamentary scrutiny of all federal judicial appointments. Let me quote the following statement: "That, in my view, is a necessity in order to reinforce public trust that all judicial appointments are of the highest calibre and that in making those appointments the Government is guided by the highest standards of conduct". I am quoting here directly from a comment made by the Prime Minister (Mr. Mulroney) on September 9 of last year when he introduced his seven points on public ethics and used those very words to describe the process that he hoped this House would adopt.

Now you will remember that during the 1984 federal election campaign, Government patronage appointments, and particularly judicial appointments, were a major issue. Just before he handed over power to former Prime Minister Turner the then former Prime Minister Trudeau reached an agreement with Mr. Turner that there would be certain patronage appointments made. The Right Hon. Leader of the Opposition (Mr. Turner), as he now is, agreed that there would be certain patronage appointments made, including a number of judicial appointments. Subsequently those appointments were made, and that touched off a controversy that gripped the country during the last federal election campaign, a controversy which, as we all know, is renewed in this House every time the Government makes an appointment of any sort.

The total issue of course is one that is much wider than merely that of judicial appointments; it covers all Government appointments. You will recall, as I said a few moments ago, that our present Prime Minister addressed the topic of Government appointments as part of his statement concerning standards of conduct required by the Government and the Public Service that he delivered in this House on September 9, 1985. In that statement the Prime Minister dealt with a package of seven major initiatives on public sector ethics. They included an experimental program of parliamentary scrutiny of Governor in Council appointments, and that, of course, is part of the package of reforms that is now before the House, is being

considered, and hopefully will be approved very shortly by everyone in this House.

In addition to that package of seven initiatives there was also included a review of the judicial appointment process. In his statement the Prime Minister announced that the Minister of Justice (Mr. Crosbie) had the judicial appointment process under active review. Well, of course it is still under active review and we have not had a report back from the Minister of Justice on that subject as yet. That is what Bill C-259 is all about, it is to bring forward a process for that form of review of judicial appointments.

In introducing this Bill I do not want to leave the impression that I question the competence or the integrity of our judges. The country has been and continues to be well served by its judges. However, I am introducing this Bill because I share a concern that was expressed by the committee of the Canadian Bar Association on the independence of the judiciary, which reported in August of last year and indicated that the existence of political influence in judicial appointments could undermine public confidence in the judicial system. At the same time it reported that Canadians are cynical about the current method of appointing judges and want a totally different method. I agree with those statements, and I also agree with the statement of the Chief Justice of Canada that was made a year earlier, in August of 1984—actually during the election campaign of 1984—when he said that, "the public is entitled to be reassured that our judges are appointed on the basis of merit and legal excellence alone". That is really what I am trying to accomplish in introducing this Bill C-259.

At the moment we have a process of federal judicial appointments that is behind the curtains, if you will. It is something that goes on away from public view. In fact, the Governor in Council can make some 760 federal appointments. There are some 760 federally appointed judges at the present time. The Governor in Council makes those appointments to the Federal Court; the courts of the Northwest Territories, the courts of the Yukon, the Tax Court of Canada, the Supreme Court of Canada, and also, as I indicated under Section 96 of the Constitution Act, appoint Superior District and County Court judges in each province, except for the Courts of Probate in Nova Scotia and New Brunswick.

In actual practice what goes on is that the Minister of Justice has the responsibility for recommending to the Governor in Council the persons who should be considered for this sort of judicial appointment. The appointment of the Chief Justice actually rests with the Prime Minister, but in all cases except, as I understand it, in cases of Supreme Court of Canada appointments, it is actually the Minister of Justice who performs this duty on behalf of the Prime Minister.

In actual practice, however, it is an official, of course, in the Department of Justice who does this sort of thing. He gathers suggestions from far and wide across the country through a network of persons, including judges, lawyers, law schools, Members of Parliament and provincial officials. Once he has a tentative choice for a candidate, that candidate's name is submitted to the national committee on the judiciary of the Canadian Bar Association. This committee then evaluates the suggested candidate and reports back to the Department its opinion as to whether this person is well qualified, qualified or not qualified enough.

Although political patronage in judicial appointments has declined over the years, it is obvious that it has not disappeared altogether. Of course, during the past election campaign there were appointments announced. They were announced without the advice of the national committee on the judiciary having been sought. That is what this Bill is aimed at trying to eliminate. We are trying to set up a process of openness so that every appointment will have the opportunity of being publicly vetted. There have been a good many suggestions as to how this should be done.

• (1810)

In our country, from 1956 through until 1979 I believe, there were some four different suggestions put forward as to how we should go about this. All of them involved some aspect of having provincial input into the selection of judges for the Supreme Court of Canada. In the summer of 1985, the Canadian Bar Association proposed a more comprehensive system on the topic of the independence of the judiciary. It proposed that an advisory committee be set up to seek candidates and to assess their qualifications. It also proposed that this committee be composed of judges, lawyers, representatives appointed by the federal and provincial Justice Ministers or Attorneys General, and members of the public. The Government would then be able to choose the best qualified from among those candidates. It is interesting to note that the committee did not advocate a parliamentary review of judicial appointments as my Bill proposes.

The Americans, of course, have adopted a process of having a Congressional or Senate review of judicial appointments. Some American judges are elected and some are appointed by state Governors. However, federal judicial appointments are made by the President with something that is called the advice and consent of the Senate. This means that while the President formally nominates a candidate for a judicial appointment, the matter is investigated by the Attorney General of the United States, by the standing committee on the federal judiciary of the American Bar Association, and then by the Senate judiciary committee, which reviews all nominations to the federal bench in the United States and which makes the ultimate recommendation to the Senate.

What I propose is not exactly an American-type of legislative review. Of course, it is one model which we could look to. There are also other models we could look to. What I am suggesting is a model of parliamentary review which, in fact, is already in use in Canada. While it is not a procedure which may be familiar to most Hon. Members, it is a procedure which is set out in a strange Act of Parliament entitled the Safe Containers Convention Act. It is an Act of Parliament, much to the surprise of most, I suspect which sets out exactly the same method I propose in my Bill.

The Act provides that where there is a recommendation made by the Governor in Council, or an order for a judicial appointment, that recommendation must be tabled in each of the Houses of Parliament within five days of the making of the order. The order is then referred to a committee of the House of Commons or of the Senate. The committee has the opportunity to review the appointment and report back to the House of Commons or the Senate within 30 days of receiving the order. If it is not reported back in 30 days, then the order is confirmed and the appointment is made. If it is reported back negatively, then Members of the House of Commons or the Senate are given the opportunity to place before the House a notice of motion, which is to be signed by either 25 Members of Parliament or 15 Senators, depending on which House deals with the matter, asking for a debate on the particular appointment. The debate has to follow within five days of the tabling of the notice of motion and is limited to five hours. If the motion is defeated, then the appointment goes through. If the motion is passed, then the matter is referred to the other place, be it the Senate or the House of Commons, and within five days of receiving the motion it must be debated by that place. There is also a five-hour time limit placed on debate. If it fails in that House, then the appointment goes through. However, if it passes, then the appointment is rejected. That is the procedure that I suggest in my Bill. It may not be a familiar procedure to most of us, but it is a procedure that is already in place. In that sense it is not something new or foreign. This is why I feel it is appropriate in this instance.

As I have indicated, the Canadian Bar Association does not recommend this method. It suggests the formation of an advisory committee of the bar association itself. The interesting thing I have noted is that in the United States there is an advisory committee of the American Bar Association. If the late President Woodrow Wilson had always accepted the advice of the bar association's judicial committee with respect to who should be nominated to the Supreme Court of the United States, then Mr. Justice Brandeis, a well known and respected jurist, would never have been selected since he was not recommended by the American Bar Association.

In my view, this reinforces the need for Canada to have an open process of parliamentary review for these judicial appointments. Basically, that is what I am saying in my Bill. I am saying that we should have a public scrutiny process. It is the only way by which we can reassure the public that this major concern which arose in the last election campaign can be dealt with properly. In this way we can reassure Canadians generally that all judicial appointments will be of the highest calibre and that in making appointments the Government will be guided by the highest standards of conduct. That is the basic thrust of my Bill.

It is with that in mind that I commended to the House that this Bill be given second reading and reference to a legislative committee. I hope that Members of the House will agree to my proposal for no other reason than to give us an opportunity to discuss the question of some sort of review or a new process for judicial appointments.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am very pleased to take part in this debate and I have to say to the House that it is unfortunate that we do not have all the time required to debate the value and substance of this Bill C-259, an Act to amend the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act.

At the outset, Mr. Speaker, may I commend the Hon. Member for this initiative which is excellent and quite timely indeed because it relates to something which is important to me, namely the parliamentary scrutiny of appointments to the various courts of the land.

Mr. Speaker, parliamentary scrutiny and review of such appointments is necessary if only because in most instances nowadays it is based on a system which is not only archaic but which in many cases does not quite reflect true democracy, which means public review and scrutiny of those appointments.

Mr. Speaker, I would like to draw your attention to a simple case which I have been mentioning in the House these past few days, as Hon. Members would know, and of course I am talking about the appointment of a bilingual Francophone judge to the Ontario Court of Appeal. It is unfortunate that this incident could not have been settled through the parliamentary process. I am certain that this House, for example, if it had to vote on the appointment of a judge in Ontario today, knowing full well that there are 500,000 Franco-Ontarians in this province, knowing full well that the provincial legislature passed a law in 1984 which was proclaimed in 1985 and which will be in force throughout the province in 1986, it would keep in mind the fact that Franco-Ontarians, like all other Francophones who come here from elsewhere in Canada, might have access to the courts in their own language. That is not what happened, Mr. Speaker, and it is unfortunate bcause we, as Parliamentarians, did not have the right to examine the appointment and to check the qualifications of the appointee, especially as concerns the linguistic criteria, which should always be kept in mind.

Mr. Speaker, I could read the correspondence of Mr. Robert Paris, for instance, the former president of the French-speaking jurists of Ontario, who recommends parliamentary review and examination of the linguistic qualifications of judges appointed to superior and appeals courts.

However, my time is limited and I want to leave my colleague of the New Democratic Party enough time to say a few words. Since we do not have much time and we do not have all the . . . Mr. Speaker, I would like to say that of the 16 judges of the Ontario Appeals Court, only two can speak French.

At the Quebec Appeals Court, there are also 16 judges, but they are all bilingual, and 8 of them, if I recall correctly, it is

in fact 18. Yes, I am sorry, but it is 18. Of these 18 judges, 8 are bilingual anglophones.

Mr. Speaker, I wonder whether the House could agree to something as simple as a review to ensure equity in these appointments to the courts. I do not think that it is too much to ask that these appointments be submitted to the Canadian Parliament to ensure linguistic equity in this country.

Mr. Speaker, I could give you the names of the judges in New Brunswick, where the proportion is fifty-fifty, in Quebec, in Ontario and elsewhere, but that is not the point. I think that the Hon. Member tried to make us aware of the need to implement a new mechanism for appointments which would require a review of judicial appointments by Parliament, meaning both the House of Commons and the Senate.

Before resuming my seat, I would like to congratulate the Hon. Member once more and tell the House that what is at issue here is not the legal ability of the judges. I do not know that much about it as I am not a lawyer myself. However, I do know that if I go before the courts in Ontario and I want to speak French, it is essential that the judge be able to speak my language.

When the House adopted Bill C-42 a few years ago, it accepted the principle whereby each Canadian has the right in this country to be heard by a judge speaking his or her own language. I suggest that is a basic right. I just cannot accept the fact that because only two cases were heard last year in Ontario out of 1,400, it is a good enough reason for disregarding the linguistic aspect.

Mr. Speaker, I suggest that a right cannot be quantified, that it is wrong to do so and that a right must apply to everybody. As a Parliamentarian, Mr. Speaker, I feel, as I am sure a great many of my colleagues do, that it is high time for the Government to submit its appointments to a parliamentary review and that this would be a major step for democracy in the country.

● (1820)

[*English*]

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I regret that we only have five minutes. In order to let other Hon. Members speak, I will be brief. It is unfortunate that we do not have much time because it is a very interesting Bill. It is a good Bill and I support it in principle. I have some questions about the procedure of applying the Safe Container Convention Act to judges. That is a new one, but it is very imaginative. I did not realize that procedure was there. It is a procedure for House scrutiny.

The Hon. Member for Burnaby (Mr. Robinson), the justice critic of the New Democratic Party, has in the past supported scrutiny of appointments, especially judicial appointments, by the House. I hope that a technically good way can be found to do that.

I regret it only applies to the federal courts and not to the Superior Courts in the provinces where the real judging goes on. If I had my way, I would almost abolish federal courts because I think we could have a much simpler system of justice if we ran them in with the provincial courts on the superior level.

I think this is overdue because of new laws like the Charter of Rights. We are asking a lot more from our judges. We are asking for high calibre and that they be completely unbiased. We expect them to be really quite extraordinary people, and many of our judges are extraordinary people.

I hope that judges come from other parts of society as well. I think we need more women on the bench. I would like to see some community lawyers on the bench, not just corporate lawyers. We need people who have been out in the world. That is what we will need for interpretation of the new Charter of Rights.

**Mr. Rob Nicholson (Niagara Falls):** I too would like to congratulate my colleague, the Hon. Member for York East (Mr. Redway), for bringing this subject before Parliament. There has been considerable discussion about the appointment of judges and I think it is an important issue for Parliamentarians to look at. My colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), in his discussion of the appointment of judges, raised a specific example. He referred specifically to the recent appointment of a judge in the province of Ontario and questioned the process by which that appointment was made. It is important to look at the facts of just who the judges are and who have been appointed in the province of Ontario since that issue is now before Parliament.

At the District Court level in the province of Ontario, there are 146 judges, 15 per cent of whom are bilingual. On the Supreme Court level, there are 18 judges at the appeal level, three of whom, not two, are bilingual. The Chief Justice of Ontario himself has said that there is no problem with bilingual trials or appeals.

The Hon. Member for Ottawa-Vanier says he is talking as a Parliamentarian. Well, I can say to you, Mr. Speaker, that as a Parliamentarian, he is doing a disservice to his province and to his country by injecting this matter into Parliament again and again since this appointment.

Bill C-259, the Judicial Appointments Bill, which was introduced by my colleague, raises a number of interesting points. It does not purport to cover all judicial appointments in Canada. In fact, I believe it covers just 50 out of the over 700 appointments which are made by the federal Government. It excludes those who are appointed under Section 96 of the British North America Act. My colleague said perhaps there would be constitutional difficulties. It would be an interesting case to have referred to the Supreme Court of Canada in order to see whether in fact a Bill such as the type introduced by my colleague could, in fact, be made and not have it ruled unconstitutional. In any case, the Bill deals exclusively with appointments to the so-called Section 101 Courts, which are the Supreme Court of Canada, the Federal Court, the Tax

Court and the Supreme Courts of the Yukon and the Northwest Territories. In order to accomplish the purpose of this Bill, the method of appointment to Section 101 Courts would have to be changed. At present there is a considerable variety in the statutory formulae applicable to the appointment of judges to each of those Courts. For instance, while all appointments are made by the Governor in Council, those to the Supreme Court and the Federal Court are by Letters Patent under the Great Seal.

• (1830)

**The Acting Speaker (Mr. Paproski):** The time provided for the consideration of Private Member's Business has now expired.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

**Mr. Waddell:** Mr. Speaker, would it be possible for the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) to go before me?

**The Acting Speaker (Mr. Paproski):** I see no problem so long as the Parliamentary Secretary who is going to respond is here.

**Mr. Waddell:** Is he here?

**Mr. McDermid:** Mr. Speaker, we have no problem with that. The Parliamentary Secretary is not here right now but I am sure he will be here shortly. I am staying anyway to answer questions.

**Mr. Nickerson:** Mr. Speaker, I presume that what is being suggested is that the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) exchange places. Is that correct?

**Mr. Waddell:** It is just that I am involved in something and I wondered if one of the other Members wanted to go first and I would go second. Perhaps the Hon. Member for Western Arctic (Mr. Nickerson) can go first. If that is possible I would appreciate it.

**The Acting Speaker (Mr. Paproski):** Is that agreed?

**Some Hon. Members:** Agreed.

### ENERGY—MAJOR OIL FIND IN BEAUFORT SEA

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the reason I am rising this evening is not because I was dissatisfied with the answer given by the Parliamentary Secretary on January 16. It is because I feel that the discovery of what appeared to be very sizeable oil reserves in the Beaufort Sea is something worthy of comment in this House. It is of extreme importance not only to the part of Canada I have the Honour to represent but to all Canadians.

On December 30 a press release was issued by Gulf Canada Resources announcing that they, in co-operation with their partners in the Amauligak I-65 well, had been successful. They estimated that the well was capable of producing something like 35,000 barrels of oil a day. Estimates as to the size of the oil pool in the Amauligak structure might be something like 1 billion barrels. To put it into perspective, that is something quite larger than Hibernia.

What does this represent for the North? First of all, it indicates some success for an exploration program which has been going on for many years. It entailed the expenditure of billions and billions of dollars. Credit is due to Dome Petroleum, one of the early major operators in that area. That company developed a lot of technology. While they themselves have not been that successful, Gulf has been, as so often happens in the circumstances. Esso have also been operators in that area. They invested a lot of money and are worthy of comment. We are all pleased to see the success. The effort has paid off.

• (1835)

My constituents in the delta were always very concerned that the exploration effort in that area might dry up. It had been successful in a way in that a lot of oil and gas had been found, but it had been in accumulations that were not big enough to justify the expensive transportation systems that would be needed to bring that oil to southern markets.

Regardless of what happens to the price of oil in the near future, the find now is of such magnitude that the owners thereof cannot walk away from it. Therefore, we can be assured of continued activity in exploration and development in that area for some years to come. We can look forward to the construction of a pipeline down the Mackenzie Valley. There is one there now from Norman Wells in the Territories to Zama in Alberta. If this particular find was put into production, that line would need looping and an extension. There may be need for a brand new line all the way from the delta to refineries in the Edmonton area.

I am pleased to report, Mr. Speaker, that a lot of the preliminary work has already been done. The socio-environmental studies, the economic studies, and the environmental studies have been largely done already. This could proceed expeditiously without getting into the same kind of mix-up we experienced 10 years ago. Exploration is still ongoing, but in the near future we can look forward to the development and production stage. I am pleased to see that legislation has been introduced in the House which gets rid of the old PIP program. If that system had any usefulness, it has now expired. We are looking at a royalty regime and a system of incentives that is more in keeping with the new stage in the production effort in the Beaufort Sea.

The Minister of Energy, Mines and Resources (Miss Carney), in a trip to Inuvik earlier this year, promised to work on a northern accord similar to the Western Accord, a system of revenue sharing to allow the people who live in the Territories to derive immediate benefits from developments as they take place. We need a better system of management than COGLA, which we have at the present time, which reports to two masters. Those are the things which remain to be done.

The last point I would like to make, Mr. Speaker, is that it has always been somewhat embarrassing to people like myself from the Territories who recognize that we take more out of Canada than we put in. It is expensive to operate education and health systems and to build roads there. We are very grateful for the amount of money that southern Canadians have put into the North. However, we look forward to self-sufficiency as a result of oil and gas activity. We look forward to being able to pay our own way in Confederation in the very near future. I think I speak for all of my constituents and all the people in the Territories when I say that we are delighted with this extremely important find which has been made in the Beaufort Sea.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, it is not often that one has good and exciting news to talk about. I know that my hon. friend from Western Arctic is very proud of his area. I have visited there with him on occasion. The news of the Amauligak discovery was greeted with some joy by everyone, no matter what their political stripe.

In December, 1985, it was announced that a major discovery had been made at I-65, the first delienation well drilled into the Amauligak structure in the Beaufort Sea. Drilling was carried out from the giant Molikpaq caisson over a sand berm. I was on the Molikpaq last summer and it is quite an exciting and interesting operation. Based on its first two tests, Gulf has stated that oil flowed at rates in excess of 7,000 barrels a day with calculated capacity on the second test of 35,000 barrels a day. Testing has been completed on I-65 and they are now doing additional drilling at I-65A, and will continue in the coming months. Based on the test results from I-65 delineation well, it appears to be one of the most productive wells in Canada's history. Needless to say, we are excited about the fact that it is the first indicated commercial discovery in the Beaufort Sea. The Government of Canada shares the industry's enthusiasm about these results. Nevertheless, we do recognize the requirement to undertake further testing and drilling on this structure to determine more precisely the magnitude of the field.

• (1840)

I might add that in the midst of plummeting world oil prices, it is encouraging to note that independent oil analysts have commented that project development of this field should not be impeded by lower international price levels.

The Amauligak well has produced the highest flow rates in the Beaufort Sea in more than a decade. We are hopeful that further drilling will yield more promising results that will result in Amauligak being the lead project prompting full-scale development in the Beaufort region. Of course, this will do nothing but good for the citizens of the North, especially in the western Arctic which my hon. friend represents so ably.

## ENERGY—INCREASES IN GASOLINE PRICES. (B) CONSUMER PROTESTS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I apologize to my hon. friend, but the Parliamentary Secretary is here and I would like to finish with him. He has certainly earned his keep today and yesterday. He has been here consistently as well as in the committee. I want to make life a little bit more difficult for him.

I rise tonight concerning a question I put to the Minister of Energy, Mines and Resources (Miss Carney) on January 20, 1986. Let me quote from page 9943 of *Hansard* on January 20, 1986:

> Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On March 28, 1985, on the date we debated the Western Accord, as reported at page 3473 of *Hansard* the Minister said in the House:
>
> "If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is right that by creating a market environment prices will continue to decline, obviously that provides the environment for gasoline prices to decline. They certainly are not going to increase in a declining market."

I asked:

> —why are gasoline prices increasing in a declining market? What does the Minister intend to do about it in order to protect the Canadian consumer?

The Minister has received much publicity in the press and is supposed to be one of the stars of the Government. That star has begun to fall in the last couple of weeks.

The question that I asked in the House of Commons is one that every ordinary Canadian motorist is asking. When they read in the paper that the price of oil has dropped from $28 American to $20 American and even lower, they ask why prices have not come down at the gas pumps. Why have Canadian consumers not benefited from this? That is the question I put on behalf of all Canadians. After the NDP kept pressure on for about a week, the Minister finally sent a telex, got down on her knees and prayed to the oil companies to reduce the prices.

We told her that she has the ability at her fingertips to do something about this. She has the power under Canadian law, Section 7(2) of the Petro-Canada Act, to instruct Petro-Canada—since it is our oil company—to lower the prices if the other oil companies will not lower theirs. The Minister said that she could not do that. She could not let Petro-Canada be a price setter, but rather a follower of the other oil companies.

Not only is Petro-Canada following the other oil companies, it is restricting competition for a small business couple in Gravenhurst, Ontario. They wanted to lower the price at their gas station by 2 cents a litre, but the Government oil company threatened to lock their pumps. This is taking place at a time of declining oil prices. That is why there is so much concern. People are angry.

• (1845)

I have had calls and letters from all over the country. Tomorrow we will be tabling a petition from the lower mainland of British Columbia with 3,500 signatures on it. The city council of Powell River, I think, has passed a motion complaining about the increase in gasoline prices. There is a group in Montreal, a spontaneous grass roots group, that has formed to fight the Government on higher oil prices. I am getting phone calls from Toronto, the Maritimes, from everywhere, Mr. Speaker. The Canadian Automobile Association put an advert in the newspaper. From British Columbia we got 1,500 replies in one week. People are angry.

The Parliamentary Secretary said that the Government expected the decline in prices at the retail level to come sooner than expected. Industry competition in the refined product business will come on like gangbusters, he said. Where is it? It has been 62 days since December 6 when the price of oil started moving from $29 to $27 a barrel. The price of gasoline has not come down. We hear that these things are in the pipeline. But we are still waiting.

The Americans have lower gasoline prices. Our problem is too many Government taxes. The Government keeps adding more taxes. The Liberal Government in Quebec did it the other night. The Liberal Government in Ontario was going to do the same thing until the NDP in Ontario stopped it. As well, we have a non-competitive system.

The Minister of Energy, Mines and Resources (Miss Carney) says the Government needs the money. I do not want to hear this argument from the Hon. gentleman opposite. We hear that the Government needs the money for social services. Why did the Government give $5.3 billion in tax advantages to the oil companies? The people of Canada have said enough is enough. They see oil prices declining. They want the price of gasoline to come down at the pump and they are asking why it has not.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, that was one of the greatest shows I have seen in a long time put on by my friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). He has been energy critic for the New Democratic Party for five years. I am surprised the Hon. Member does not understand the energy business any better than what he has apparently shown. The Member does not have a clue how the system works, no idea at all. The Member stands there and says when the price of a barrel of oil goes down today, the prices at the pump should go down today.

**Mr. Waddell:** That is not what I said. Sixty days you said.

**Mr. McDermid:** Let us make a deal. I sat quietly and listened to the Member's tirade, which was full of nonsense. I could have interrupted him many times. I have only three minutes. The Member had seven minutes, seven minutes too many, I might add.

Let me tell the Hon. Member that it takes 60 days from the time the oil comes from the wellhead to the time it reaches the market. The Member knows that. He talks about the price of oil after December 9 dropping from $29 to $27 a barrel. There was movement in the market-place at that time. That is when it started the downward trend. The real drop came January 28. The Member admitted this in the House himself the other day. That was a week ago, which means it will not be until the end of March before we see the dramatic drop hit the pumps.

We saw today that Imperial Oil lowered its rack price by 2 cents a litre in Toronto and Sarnia. That is what the free market is all about. When the Hon. Member stands up and quotes figures to the Canadian people, it is no wonder people are confused. The Member is being a little less than honest with Canadians in the way he throws figures around. He knows that. I thought much more of the gentleman because he was energy critic. The Member wanted to be Energy Minister in British Columbia. He volunteered his services. But they did not want him. They wanted him to stay here in Ottawa.

**Mr. Waddell:** Who told you that?

**Mr. McDermid:** If he were honest with Canadians, the Member would explain how the system works. He is taking an issue like this and playing cheap politics with people's lives and with gas prices. Canadians see through that. They understand. They know it takes time. They know that it took 60 days for prices to rise once stock was depleted. The same thing happens when the prices are coming down. We are going to see the results of that. In conclusion, he was critical of the Minister and said that her star is falling. I am going to tell you something, her star is on the rise. She is one of the best energy ministers this country has ever seen, and I predict she is going to be around, I predict, a lot longer than the Hon. Member for Vancouver Kingsway.

• (1850)

[*Translation*]

INSURANCE—LIABILITY COVERAGE (A) DIFFICULTIES FACED BY SMALL BUSINESS. (B) SOLVENCY GUIDELINES FOR INSURANCE COMPANIES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, to place the liability coverage issue in its proper context, I should like to return to the Question Period of November 4, 1985, when we, as Liberals, asked the Minister of Consumer and Corporate Affairs (Mr. Côté) to look very closely into the liability coverage crisis which was really exacerbating. His reply was to the effect that he was monitoring the situation very closely and that the Cabinet would adopt various measures.

Unfortunately, Mr. Speaker, the situation has greatly deteriorated now: institutions and small businesses have been receiving every day letters to the effect that when their insurance policies expire, there will be no renewals. Then, on January 16, as much as two months later, because the Conservative Government had failed to act on the pretext that it was a provincial jurisdiction, ten Liberal members asked for an

investigation under the Combines Investigation Act to shed light on the whole business.

Then, Mr. Speaker, on January 20, I asked the Minister of State (Finance) (Mrs. McDougall)—following our request for an investigation the Government had finally started to move—what she was going to do to help small businesses, financial institutions, arenas, municipalities and others which had no liability coverage. The Minister replied that that very morning, she had met representatives of the insurance industry and that a Bill was forthcoming. Mr. Speaker, we are still waiting for it!

But in order to shed light on this problem, Mr. Speaker, I should like to read just a few of the great many letters which I have received so far, including one from a chartered accountants firm.

**Mr. Vincent:** A C.G.A.?

**Mr. Gagliano:** No, not a C.G.A., but a C.A. It is not mine, but the Montreal firm of Richler & Tabac which wrote:

[*English*]

I have read with interest and have seen on Canada AM (CTV) concerning the problem of liability insurance.

Our firm recently paid an increase of over 150 per cent when we had to renew our professional legal liability insurance. Not only that, but whereas in the past, there was a choice of insurers, we were obligated to deal with the only firm who was writing this type of policy in the Province of Quebec.

I do not know what is going on but I cannot believe that such increases can be tolerated when inflation has been limited to less than 5 per cent.

I hope that your efforts in requesting a federal investigation to this matter will be successful.

Another letter coming from Ontario reads:

Re: Product Liability Insurance

Our company, a wholly-owned Canadian corporation, is a manufacturer of machine tools and employs three hundred (300) people in Windsor, Ontario.

In the past 26 years no product liability claims have been registered against us, because quality and safety is essential and primary in the manufacture of our products.

On July 1, 1985, our product liability insurance increased in cost by eight (8) times with $100,000.00 deductible.

I could continue, but my time is limited. All industries, all sectors were affected. Canada Public Works has a problem with liability insurance. To conclude my remarks, I would like to quote:

The head of the Insurance Bureau of Canada says now is a good time to shake up the insurance system a little to see if there are any problems.

"I think the mechanisms that sell insurance, the mechanisms that underwrite risks have to be looked at," John Lyndon told CTV'S *Question Period* in an interview taped for broadcast Sunday.

● (1855)

Those are the words of John Lyndon, the head of the Insurance Bureau of Canada.

The funny part—or perhaps I should say the tragic part—of this whole crisis occurred to me when I read in a booklet entitled *Le Portefeuille d'assurances*, at page 15, the following:

[*Translation*]

This is what has been predicted by Mr. Daniel Demers, an actuary for La Laurentienne Générale, at a luncheon of the Cercle d'Assurance Accidents de Montréal. He first indicated—

And I quote:

Recent social and legal events having created panic among insurers, reserves were increased to the point where a most profitable experience is predicted for 1985-86!

Mr. Speaker, people cannot get liability insurance, but companies are looking forward to a most profitable year. So we have every reason to ask the Government for action, and I know very well the point the Hon. Parliamentary Secretary will be making, that this again is a provincial responsibility. I am sorry, but the problems exists from Newfoundland to British Columbia, it is therefore a national problem. This Government should take the lead, get together with all provincial ministers in charge of insurance,and put an end to the crisis once and for all.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am pleased to reply to the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). It is unfortunate . . . as he said earlier, he asked the first question in November 1985, and since then we have been trying politely, kindly, tactfully, to make him understand the insurance problem in Canada. Unfortunately, I realize once more tonight he has not quite grasped it yet.

Mr. Speaker, on the one hand, the Minister of State (Finance) (Mrs. McDougall) tabled in June 1985 a report on financial institutions, part of which dealt with insurance companies. Now, when the Hon. Member for Saint-Léonard-Anjou states that we failed to assume our responsibilities as a federal Government, my answer is that in June 1985, before he raised the matter, we already had a factual report, Mr. Speaker.

**Mr. Gagliano:** Where is it?

**Mr. Vincent:** It was tabled.

**Mr. Gagliano:** What do we do now?

**Mr. Vincent:** We are now working on a bill. The report has been tabled.

Something else, Mr. Speaker. He referred to the increase in premiums. As you know, Mr. Speaker, insurance premiums are a provincial responsibility.

I had the oppotunity last week to take part in a debate on the program *Sur la Colline* and a renowned Montreal lawyer, a lady who deals with insurance, held a neutral position between the two of us. What did she say? She said: "I must admit that Mr. Vincent is right. What the Hon. Member for

Saint-Léonard-Anjou is asking for does not come under federal jurisdiction but under provincial jurisdiction".

He suggests the national Government must deal with it because it is a nationwide problem. Mr. Speaker, if every school in this country were to be faced with a problem tomorrow morning, would the federal Government intrude in a field such as education which comes under provincial jurisdiction? We would be... That is not our problem. As the Minister of State (Finance) (Mrs. McDougall) said, she first met with the various insurance companies, and she said she would introduce a Bill concerning the solvency of insurance companies. That is what she said. But solvency is not the problem, the problem has to do with premiums and hat falls within provincial jurisdiction.

Mr. Speaker, I see that my time is almost up. I might add that the Government said it would co-operate with the Province of Ontario, among others, and with all the organizations concerned.

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 7 p.m.

# HOUSE OF COMMONS

**Friday, February 7, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### DEPARTMENT OF SUPPLY AND SERVICES

TREATMENT OF LAWYER AND MEMBER'S STAFF

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, recently my office received representations from a constituent who was having difficulty getting a cheque out of the Department of Supply and Services. My constituent was represented by a local lawyer who prepared the submission and delivered it personally on October 29, 1985, to Mr. Lloyd Spiro, who is a counsel for legal services in the Department of Supply and Services. Following the submission, my constituent received word from Mr. Spiro saying that she would have a cheque by December 27, 1985, and then December 27 became February 1, 1986.

Out of frustration my constituent came to my office. One of my staff contacted Mr. Spiro's office. But, before returning my secretary's call, Mr. Spiro called my constituent's lawyer and was absolutely livid and rude. Then Mr. Spiro undertook to call my office and proceeded to call my constituent's lawyer a liar on several occasions and said that he would love to punch him in the mouth. During his tirade on the telephone to my secretary, Mr. Spiro accused my constituent's lawyer of misconstruing everything, and made some very degrading statements about him.

The point I want to make, Mr. Speaker, is that a public servant who acts in this manner does not deserve to be employed in the Public Service of Canada, and I am requesting that the Minister of Supply and Services (Mr. McInnes) take action. There is no way I will tolerate any member of my staff or a decent hard-working constituent having to put up with this kind of conduct and verbal abuse. The very least that I can expect is an apology to my secretary and to the lawyer concerned.

* * *

### SHIPBUILDING

CLOSURE OF B.C. MARINE SHIPBUILDERS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, the closure this month of B.C. Marine Shipbuilders, the oldest shipyard in British Columbia, terminates 250 permanent jobs in Vancouver East. The campaign promise of the Conservative Government to revitalize our shipbuilding industry was another betrayal. The only concrete action the Government has taken has been a complete elimination of all Government support for this once thriving industry. A workforce which once boasted 15,000 jobs for skilled workers across Canada will dwindle to 5,000 by the end of this year. On the West Coast, B.C. Marine Shipbuilders will be the third shipyard in three months to cease operations.

Instead of taking action to save these jobs, the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) have ignored telegrams and letters requesting immediate meetings and clear answers on policy direction. The Minister of Transport (Mr. Mazankowski) has made a complete mockery of the Government's promise to aid shipbuilding by failing to ensure that two new CN ferries planned for the East Coast are built in Canada. Although he told the House in November, 1984, that these ferries will be built here, he is now considering using foreign-built ships at a cost of 10,000 person years to Canadian workers.

I urge the Government to act now to save our shipbuilding industry. Go West and meet with the people in the industry. Ensure Government support so that ships operated in Canada are built and serviced by Canadians. Give back to those proud and skilled workers their jobs.

* * *

• (1105)

### CHINESE NEW YEAR

WELCOME FOR YEAR OF THE TIGER

**Hon. John A. Fraser (Vancouver South):** Mr. Speaker, as all Members with Canadians of Chinese origin in their ridings know, Sunday, February 9, marks the beginning of the Chinese New Year. I know Hon. Members will join with me when I say on behalf of this House and the Government of Canada that we join with all Canadians of Chinese origin in welcoming the Year of the Tiger.

**Some Hon. Members:** Hear, hear!

*S.O. 22*

## EMPLOYMENT

CREATION OF HALF A MILLION NEW JOBS

**Mr. Bill Tupper (Nepean-Carleton):** Mr. Speaker, the Government campaigned on the theme of economic renewal, always stressing the strategic importance of job creation. The results of a questionnaire which I circulated in my riding indicate that my constituents strongly supported the Wilson Budget of last May. This morning, editorial after editorial, recognizing that over half a million new jobs have been created across Canada in less than a year a half, are complimenting the Government on the 129,000 new jobs created in January.

**Some Hon. Members:** Hear, hear!

**Mr. Tupper:** This pushed the unemployment level below 10 per cent to 9.8 per cent. In the Province of Ontario some 14,900 new jobs were created every month for the last 17 months, for a total of 239,000 new jobs. In the last months some 21,000 new jobs were created in Ottawa-Hull, 17,000 in Hamilton, 61,000 in Toronto, and 12,000 in London.

Think of the joy and satisfaction in the hearts of 500,000 Canadians who are back in the workforce, and the new economic wealth being created by them.

* * *

## THE CENSUS

INCREASED THIRD LANGUAGE ADVERTISING URGED

**Mr. Sergio Marchi (York West):** Mr. Speaker, Census Day in Canada is rapidly approaching. However, the Conservative Government is threatening its accuracy by eliminating all funding for media advertising. Historically upwards of 2 per cent of Canadians are officially omitted from this statistics-gathering process, while unofficial reports claim the figure is significantly higher. A very worrisome statistic, however, is that of those omitted the majority are Canadians from ethnocultural communities. It stands to reason that without media advertising, including the important third language media outlets across the country, these numbers will inflate dramatically. That would indeed be most unfortunate.

Third language newspapers and magazines are widely followed, as are multilingual television and radio programming. In addition, ads placed in these media tend to offer greater prominence and therefore greater value for the advertising dollar, and better communication. I therefore urge the Minister responsible for Multiculturalism to urge his colleague, the Minister of Supply and Services (Mr. McInnes) at the very least to approve census advertising in Canada's third language media. It is vital that our national statistics accurately depict the real and contemporary Canada, including the integral and inseparable multicultural components.

## EMPLOYMENT

JOB CREATION INCREASE

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, 211 Progressive Conservative Members of Parliament were elected because we promised jobs, jobs, jobs. Today's figures from Stats-Canada have proven that we can deliver, deliver, deliver.

**Some Hon. Members:** Hear, hear!

**Mr. Schellenberg:** Not only has the rate of unemployment dropped across Canada to 9.8 per cent, the lowest in five years, but my home Province of British Columbia saw one of the biggest drops in the rate of unemployment of any province. Under a job-intensive Progressive Conservative Government the B.C. unemployment rate has gone from 15.2 per cent in 1984 to 12.9 per cent today. That is down 1.2 per cent in the last month alone. To put it in human terms, tens of thousands of British Columbians who were not working before the last election are working today.

There is an old saying that at a party the host sees the glass as half-full but the guest sees it as half-empty. Applying that philosophy to our job-creation figures, to the pessimist 9.8 per cent of Canadians are unemployed, but to the optimist over 90 per cent of Canadians are working.

However, beyond partisan pride I think every Member in this House is encouraged by today's figures. They mean that hundreds of thousands of Canadians who ask for nothing more than the feeling of accomplishment that comes from meaningful work have come through a horrible recession and bounced back into the workforce. Obviously there is more to be done. We want more Canadians working. However, today we acknowledge that we are well on our way to recovery and that the Government is fulfilling its mandate with jobs, jobs, jobs.

* * *

• (1110)

## NUCLEAR ARMAMENTS

VISITS BY UNITED STATES VESSELS ARMED WITH NUCLEAR WEAPONS

**Mr. Derek Blackburn (Brant):** Mr. Speaker, Canadians should not be surprised that the number of visits by American ships carrying nuclear weapons increased in the last two years, but this increase makes news in Canada, and that tells me that something is very wrong in the country. Canadians really have no idea of the extent to which their country is tied into the nuclear weapons race. They like to think that Canada is nuclear weapons-free because our forces do not actually have their fingers on the button. However, this is not true.

Nuclear weapons are anchored in Canadian ports, tethered to our docks by a few feet of rope, overflying our air space in B-52 bombers, and making test runs a few feet under the surface of our waters and a few hundred feet over Alberta and the Northwest Territories. Other nuclear weapons are ear-

marked to be sent to Canada in times of crisis. Canadians are either unaware of these facts or are ignoring them because their implications are too horrible to face. However, Canadians must face up to these facts if we are ever to deal effectively with the question of nuclear arms control and disarmament.

Governments, both Liberals and Conservative, have been guilty of keeping Canadians in the dark on nuclear issues. It serves their political purposes to avoid this controversy by hiding nuclear weapons agreements and asserting that Canada is nuclear free. This claim rings false to those who control the nuclear arsenals and know of our complicity in their deployment. Neither Moscow nor Washington will ever take seriously our plea that they cut their nuclear forces as long as we aid and abet the nuclear arms race.

* * *

## PUBLIC WORKS

LOCATION OF NEW UNITED STATES EMBASSY IN OTTAWA

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, the Government of Canada has embarked on a policy of selling the Crown jewels. First it was the threat of logging national parks, then selling our national aircraft manufacturer, then the possibility of privatizing Air Canada, and, finally, the potential sale of part of Mile Circle Park right here in the city of Ottawa to build a U.S. embassy.

This park is bordered by a residential neighbourhood. Hundreds of average Canadians live there and hundreds of children go to school there. It is the worst possible site for such a building. In the past American embassies have been the targets of very unfortunate events. Could the safety of innocent people living in the area be affected by the potential construction of such a structure in their neighbourhood?

As the opposition critic for the Department of Public Works, I call upon the Government to reject any American offers to buy or lease Mile Circle Park. I call on the Government to send a clear signal that Canadian parklands, our natural treasures, are not for sale. I call upon the Government to state clearly that it will not act improperly by selling Mile Circle Park or locating an embassy in it.

* * *

## LABOUR CONDITIONS

DECREASE IN UNEMPLOYMENT TO FIVE-YEAR LOW

**Mr. Felix Holtmann (Selkirk-Interlake):** Mr. Speaker, 15 months ago, after our Economic Statement, the Right Hon. Leader of the Opposition (Mr. Turner) and his soulmate, the Leader of the NDP, the "Nearly Departed Party", (Mr. Broadbent), were clamouring to whomever would listen that our policies would destroy thousands and thousands of jobs in Canada. Figures were being brandished around by the opposition Parties stating that 50,000, even 100,000 jobs, would be lost. What happened to these predictions of gloom and doom? They were shattered.

This morning Statistics Canada announced that the Government had just established an all-time record for job creation in a single month. One hundred and twenty-nine thousand new jobs were created in January of this year. The Liberal legacy of unemployment has dropped to under 10 ten per cent for the first time since April, 1982. The rate now stands at 9.8 per cent, a level which the Opposition claimed to be unattainable only 15 months ago.

The NDP and the Liberals are shuddering in their boots, they are shuddering in their skirts, and they are shuddering in their drawers, at this tremendous achievement. We have shown that, when you have a Government with vision, goals can be achieved and objectives can be attained and even surpassed. We in the Conservative Party have faith in Canada. We have faith in the ability of Canadians. We know, and we have proven, that as a nation we can stand with the best.

* * *

[*Translation*]

## EMPLOYMENT

GOVERNMENT'S PERFORMANCE

**Mrs. Suzanne Duplessis (Louis-Hébert):** Mr. Speaker, Statistics Canada announced this morning that we have set a new all-time record for the number of new jobs created in one month, namely 129,000.

One hundred and twenty-nine thousand new jobs for Canadian men and women, in January!

Mr. Speaker, since we were elected, we have created more than 589,000 jobs. More than one-half million! That is leadership. That is effectiveness. That is what excellent policies can do! Unemployment, that Liberal legacy, has dropped by 17,000 and is now around 9.8 per cent, its lowest level since 1982.

Mr. Speaker, these figures will probably not be well received by the Opposition nit-pickers who always try to see the negative side, nor will they be good news for those who set the interests of their party above the national interest. And they will certainly not be good news for all those people who like to spread gloom and doom in this country.

Well, Canadians have had enough of these tactics. It is time for Opposition members to start working for the well-being of their constituents by making a positive contribution to the debate in the House and being constructive instead of constantly criticizing and obstructing the proceedings.

Mr. Speaker, there are now 580,000 Canadian men and women who know the Government keeps its promises.

• (1115)

# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

### INTEREST RATE LEVELS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is directed to the Minister of Finance. With yesterday's increase in the bank rate, Canada will have the highest interest rates in the western world. Mortgage rates will climb, inflation will go higher, and business will be hard hit. What steps does the Minister intend to take to ensure that high interest rates do not undercut economic recovery?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe that all of these matters have to be considered as a comprehensive whole. I am sure the Hon. Member would like me to advise her today that last month we had a record high level of job creation of 129,000 jobs.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Since the Government took office, 1,100 jobs per day have been created for a total of 580,000 jobs.

Last year we had the largest single increase in job creation—a half million people. Over 1,100 jobs a day were created. That is the full measure of the comprehensive economic policies that this Government has followed, and that is what the Hon. Member should be focusing on rather than walking around under a little black cloud.

### EXCHANGE VALUE OF DOLLAR

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, interest rates were jacked up in order to prop up the dollar. There was massive borrowing to prop up the dollar. The dollar, which closed at 71.12 cents yesterday opened at 70.99 cents this morning, although it had moved up very slightly at eleven o'clock.

**Some Hon. Members:** Oh, oh!

**Miss Nicholson:** What does the Minister propose to do now since yesterday's massive intervention is clearly not having the dramatic effect that was hoped for?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we had what is probably the largest two-day increase in the level of the Canadian dollar in history. I think the Hon. Member is totally off base with her preamble.

I have always stated in the House that we must view economic policy as a comprehensive whole rather than nit-pick at little items of the policy without recognizing that—

**Mr. Gauthier:** What about the interest rate?

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is laughing. I suggest that he go to the streets of Ottawa-Vanier and ask his constituents—

**Mr. Gauthier:** I do every day.

**Mr. Speaker:** Order, please. The question was short. The answer can be short.

**Mr. Gauthier:** You come down to my riding, Michael.

### GOVERNMENT POLICY

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am happy to accept the Minister's invitation to put the matter into a broader context. May I just remind him that he inherited a dollar at 77 cents which he let drop to 69 cents. He inherited an economy that was growing at a rate of 6 per cent which he let drop to 4 per cent. When will he replace this ineffectual manoeuvring with a coherent policy?

• (1120)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not know where the Hon. Member has been for the last little while. We inherited an unemployment rate of 11.7 per cent. This month that rate is down to 9.8 per cent, the first time in over four years that unemployment has been below the 10 per cent barrier.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** We inherited a deficit of $37 billion. We have got that figure down a good deal lower. I will be coming out with a precise figure in a very little while so the Hon. Member will know exactly what it is.

We inherited a country that was growing much more slowly than is the case now. We inherited a country where the estimates of economic growth were far less than we were able to demonstrate through actual figures. This is what we inherited, Mr. Speaker. But more so—

**Mr. Speaker:** Order, please. This is becoming a speech.

### DOLLAR'S EXCHANGE VALUE

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the Government has been in office for over a year and a half. It has to stop talking about what it inherited—

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** Because it is embarrassing to the Liberals.

**Mr. Speaker:** Order, please.

**Mr. Gray (Windsor West):** If everything is going so well because of what the Government is doing, can the Minister explain why the dollar was worth almost 77 cents U.S. when it took office and it is only in the 71-cent range today? Can the

Minister explain that, because he is not really doing as well as he is trying to pretend today?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there are 580,000 more people working today, over 1,100 more people a day over the last 16 months. Eighty per cent of those jobs are full-time jobs. Only 20 per cent are part-time jobs.

The rhetoric which the Hon. Member throws at us here says nothing when you look at the facts. Facts speak louder than the empty rhetoric of the Hon. Member. I will match those 580,000 jobs against his rhetoric any time of day, any place in this country.

**Some Hon. Members:** Hear, hear!

INCREASE IN INTEREST RATES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the facts are the dollar today is in the 71-cent range and it was 77 cents U.S. when the Minister took over. Because of the Minister's action, interest rates today are at a 15-month high, costing consumers more, costing small business more, and costing homeowners more. Why is the Minister sitting by and letting those rates climb? Why is he revelling in that instead of bringing them down?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think that if the Hon. Member went out to Sparks Street and asked Canadians about the things that are important to them, they would tell him that 580,000 jobs are important.

The Hon. Member is talking about what we inheritated. We inherited a youth unemployment rate of 18.4 per cent. Last month that rate was down to 15.9 per cent. That is what we have done with our inheritance. We have improved the position of many, many thousands of Canadians, young Canadians and other Canadians, far, far more than had been the case for a number of years. That is much more important than the empty rhetoric of the Hon. Member.

MORTGAGE INTEREST RATES

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is also for the Minister of Finance.

On my way down Sparks Street this morning I was stopped by a number of people—

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** One must have been a policeman.

**Mr. Deans:** They wanted me to ask—

**Some Hon. Members:** Oh, oh!

**Mr. Blackburn (Brant):** You asked for that.

**Mr. Speaker:** Order, please. I am sure the people on Sparks Street want the Hon. Member to be able to put his question.

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** A lot of ordinary Canadians were on their way home or to work.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** From work or to work.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** Obviously, you don't understand. Many ordinary Canadians work nights.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** And days too.

**Mr. Deans:** The interest rate increase will affect 30,000 people this month who will have to renew their mortgages. It will affect numerous small businesses that have to carry inventory. They will have to charge higher prices as a result of additional costs, which will detrimentally affect the already high level of consumer borrowing costs. What action does the Minister propose to take now to ease the burden on those who will have to renew their mortgages during this month at higher interest rates?

• (1125)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I was also stopped on the way to the House today. I was not sure that I was going to be able to make it because of all the people who were stopping me and shaking me by the hand and saying: "Things are going pretty well with 580,000 jobs".

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The Hon. Member has raised the question of interest rates. As I indicated to him and to his Leader yesterday in the House, what we have done in the last few days has to be viewed as a package approach, or a comprehensive approach, to dealing with the problem of speculators in the market-place. However, I should remind the Hon. Member that current levels of mortgage rates still show a $70 per month saving, whether it is a one-year mortgage, a three-year mortgage or a five-year mortgage, from what had been the case when we took office. That is an annual saving of about $835.

We are not happy with the level of interest rates. We want to get them back down to a more normal level, but in order to preserve the balance in the economy it was necessary to do what we did over the past week.

SITUATION OF SMALL BUSINESSES

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, since the Minister seems happy with interest rates for mortgages and does not propose to do anything, what action does he propose to take to ease the burden of high interest rates which will have to be carried by small businesses and which detri-

mentally affects the cost of consumers because it will ultimately have to be passed on to them? Does he have anything to offer them by way of some action?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think the Hon. Member is focusing on the right point again. If he analyses what has happened to small businesses over the last 16 months, he will see that they are at the heart of the 580,000 jobs which have been created since we took office. Those 1,100 jobs per day have been created by small businesses because they are responding positively to the economic environment and economic policies set out by the Government. That is what we are doing for small business.

**Mr. Deans:** There is no action for mortgages and there is no action for small business costs.

[*Translation*]

INTEREST RATE INCREASES—GOVERNMENT POSITION

**Mr. Ian Deans (Hamilton Mountain):** What action is the Government going to take to counter the effect rising interest rates are having on the purchasing power of consumers?

**Hon. Michael Wilson (Minister of Finance):** Madam Speaker . . . Excuse me, Mr. Speaker!

[*English*]

**Mr. Speaker:** This had better be a short answer.

**Some Hon. Members:** Oh, oh!

[*Translation*]

**Mr. Wilson (Etobicoke Centre):** I would like to say that in Montreal, we created 1,000 jobs a week throughout 1985. This is very important for small and medium-sized businesses, because they have created jobs in Quebec, and I think it is very important for the Government to maintain the policies that have created the environment for this marvelous performance of our economy.

* * *

[*English*]

## LABOUR CONDITIONS

YOUTH UNEMPLOYMENT—GOVERNMENT POLICY

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is directed to the Minister of Finance. We welcome the improvement in the general rate of unemployment—

**Some Hon. Members:** Hear, hear!

**Mr. Allmand:** —but unfortunately the Government is using that moderate improvement to divert attention from—

**Some Hon. Members:** Moderate improvement!

**Mr. Allmand:** —and avoid action on some very serious underlying problems—regional unemployment, part-time employment, older workers, and the enduring rate of 15.9 per cent for youth unemployment.

**Mr. McDermid:** Down from 18.4 per cent.

**Mr. Allmand:** What will the Minister and his Government do to break the log-jam and alleviate that rate of 15.9 per cent for youth unemployment?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member has forgotten what I just said in response to a previous question. We have done something about youth unemployment. We have brought the youth unemployment rate down from 18.4 per cent to 15.9 per cent, still too high, but a considerable improvement over what it had been prior to our taking office.

• (1130)

I would also like to comment on another element of his preamble. He was talking about full-time jobs. Conservatives jobs are full-time jobs, 80 per cent of the jobs created have been full-time. Liberal jobs are part-time jobs; it is just about the reverse.

GOVERNMENT MEASURES

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, the Minister can pat himself on the back all he wants. Is he saying that 15.9 per cent for youth is acceptable? This week the Government cancelled Katimavik. It cut back on transfers for post-secondary education to the provinces. What specifically are you going to do to break that log-jam because it is stuck at 15.9 per cent?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, Challenge '86 is a program which has been introduced by my colleague, the Hon. Minister of Employment and Immigration. She has also, in the comprehensive Canadian Job Strategy Program, set out in a very focused way a much greater target of training as part of our job creation, working with the private sector and working the provinces to ensure that young Canadians are assisted in learning skills which can help them get full-time jobs. I think the performance that we have demonstrated in getting the youth unemployment rate down from 18.4 per cent to 15.9 per cent is a clear demonstration of the success of our policies.

* * *

## THE ECONOMY

INTEREST RATES—EFFECT ON FARMERS

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, my question is directed to the Minister of Finance and concerns his comprehensive interest rate policy. Since December prime rates have increased 2.25 per cent, which for farm

people means that falling farm land prices fall even faster, debt-to-asset ratios grow, and even more people are pushed out of farming. How does that help Canada's economy?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, my colleague, the Hon. Minister of Agriculture, has addressed the questions that the Hon. Member has put on these topics in the past in a very effective way, demonstrating the actions—I think it is 145 pieces of specific action—

**Mr. Blackburn (Brant):** You're turning farmers into truck drivers.

**Mr. Wilson (Etobicoke Centre):** —that we have taken to address the problems in the farm community. Yes, there are problems in the farm community. Yes, those problems are caused by some international phenomena over which we do not have control. But we are doing a tremendous amount to deal with the problems within our total control, and we will be doing more in the future.

FARMERS' NET INCOME

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, virtually all of those 145 actions that the Minister of Agriculture relates would have taken place whether there was this Government, the old Government, or no Government. Would the Minister explain what his Government is proposing to do to turn around the dismal net income situation for farmers, which has stayed virtually the same since 1974, even though those same dollars will buy only half as much?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, it is widely recognized that the agricultural industry has gone through one of its toughest years in 50 years. There is also a great recognition out there that there are a number of areas to which the Hon. Minister of Finance has referred in the international market-place which cause us great difficulties. Since assuming office this Government has supported the agri-food industry consistently. We are going to continue to support it. We know that we have to do more in the area of farm finance. As the Hon. Minister of Finance indicated, that is exactly what we are going to do.

* * *

## LABOUR CONDITIONS

UNEMPLOYMENT IN ATLANTIC PROVINCES

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is directed to the Minister of Finance. The Minister will know that unemployment in Atlantic Canada is very high and his economic policies are not working. I want to ask the Minister, and ask him sincerely, what he proposes to do now to change that dramatic situation in those communities, whether they be Halifax, Saint John, Cape Breton, Moncton or Summerside. What will he do now to try to alleviate the hardship with which those communities are confronted?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is quite right. The main increases in employment have been in the central part of the country, and to a lesser extent in the western provinces, but we have always acknowledged the very important need on the part of the Government to address regional unemployment problems. My colleague, the Hon. Minister of Regional Industrial Expansion, has addressed this issue on a number of occasions in this House. The Hon. Member knows full well that in the region he comes from we have the most generous tax incentive programs in order to draw business to that part of the country. This is a continuing concern of this Government and will be a focus of our policy in the weeks and months ahead.

CANADIAN JOBS STRATEGY PROGRAM—REQUEST FOR CHANGES

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I say sincerely to the Minister that response will not provide comfort or hope to the thousands of Canadians who are unemployed or have no hope of getting any employment at all. Will the Minister amend the Canadian Jobs Strategy Program and put in place a special job program for Atlantic Canadians in order to give them an equal opportunity, as is inscribed in the Constitution?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think what the Hon. Member has said in his question and what I said in my answer to his first question are pretty consistent. We both share the concerns of those in Atlantic Canada who are out of work. We know there are greater numbers out of work in Atlantic Canada. As the broad recovery taking place in this country continues there will be clear results for those in Atlantic Canada. As I have indicated, there will be specific policies directed toward developing more employment opportunities in Atlantic Canada.

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## HEALTH

HIGH INCIDENCE OF CANCER SUFFERED BY GOLD AND URANIUM MINERS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It concerns an extremely serious matter. A recent Government of Ontario study revealed that gold and uranium miners in Ontario, particularly at Timmins, Elliott Lake, and Fort William, suffer a tragically high incidence of lung and stomach cancer. It was also revealed that between 1943 and 1979 the mines introduced aluminum prophylaxis treatment which was not voluntary but involuntary.

**Mr. Speaker:** Is there a question, please?

**Mr. Rodriguez:** Is he prepared to work with the Steelworkers of America and the Province of Ontario to launch an in-depth study with respect to the effects of aluminum prophylaxis on those who worked in those mines during that period of time?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, we are aware of the problem with aluminum prophylaxis, and the health and safety aspects of it. Much of it is handled by the Government of Ontario. I think it is important that perhaps a joint study by Ontario and the Governmenbt of Canada, the unions, and possibly the companies, should be examined. I am going to take this matter up with my colleague, the Minister of Labour, the bottom line being the protection of the Canadian miners' health.

REQUEST THAT MINERS' REGISTRY BE ESTABLISHED

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I thank the Minister for the answer. My supplementary question is for the Minister of Labour. Is the Minister of Labour prepared to co-operate with the Steelworkers of America and the Province of Ontario in establishing a registry for all those miners who worked within that period of time in the gold and uranium mines? Will he also help them in their efforts to obtain recognition of and compensation for their illness?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, we would assist in any way that we possibly could, recognizing that the responsibility and jurisdiction rest with the Government of Ontario concerning gold miners. The other thing that should be drawn to the Member's attention is that for three years the Ontario Ministry of Labour has been researching literally mounds of documentation to try to establish a probable cause for the injuries suffered by the miners. However, we recognize that this has been a serious occupational health and safety problem. If there is any way that Labour Canada or the federal Government can assist, we would be only too happy to do so.

* * *

● (1140)

## LABOUR CONDITIONS

DROP IN UNEMPLOYMENT

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, my question is directed to the Minister of Finance and involves the announcement that unemployment has dropped for the first time in the last five years to single-digit figures in spite or opposition predictions that—I am trying to work my preamble up to only about half the length of opposition preambles.

**Mr. Speaker:** Order, please. I believe the Hon. Member has a question now, just a question?

**Mr. Hicks:** Mr. Speaker, my question is directed to the Hon. Minister. Would he like to comment further on this dynamic, exciting revelation—

**Some Hon. Members:** Sit down!

**Mr. Speaker:** Order, please. I am sure the Minister would, but the Hon. Member will know that that question—I think I will simply go to the next questioner.

UNEMPLOYMENT IN NEWFOUNDLAND

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Finance and I will give him the opportunity his colleague wants him to have. Yesterday the Minister of Employment and Immigration refused to agree or disagree with the assertion, based on Statistics Canada's unpublished figures, that real unemployment in Newfoundland is a full 10 per cent higher than the figures officially announced by Statistics Canada. Is the Minister aware that with the exception of one area in Newfoundland where fishermen have gone back to work, unemployment has increased everywhere else in Newfoundland this month, including the ridings of the Hon. Member for St. John's East and the Hon. Member for St. John's West? Unemployment on the Avalon Peninsula has increased from 18.4 per cent last month to 20.6 per cent this month. Where are the jobs, jobs, jobs that have been promised?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, as I indicated to the Hon. Member's seatmate, we are very conscious of the fact that the recovery is not as strong in Atlantic Canada as it is in other parts of the country. I indicated very clearly in my response to the previous questioner that my colleague, the Minister of Regional Industrial Expansion, is working on policies to encourage a greater degree of economic activity in Atlantic Canada. I am sure my colleague would welcome the suggestions of the Hon. Member if he has any ideas on how to best do that. We share his concern and we are dealing with it.

INCREASE IN YOUTH UNEMPLOYMENT IN NEWFOUNDLAND

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, Atlantic Canada is not recovering, it is haemorrhaging to death. I would ask the Minister whether or not he is aware that youth unemployment in the Province of Newfoundland has increased from 29.6 per cent in December to 33.9 per cent this month, an increase of a full 4.3 per cent in just one month. Would the Minister agree that the only difference in job strategy for central Canada and Atlantic Canada is that there has been the election of two Liberal provincial Governments in Ontario and Quebec recently?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think the Hon. Member would expect anyone in the House to be so naive as to fall for that one. He knows that the job-creation performances in both Quebec and Ontario were

improving considerably long before any Liberal administration took over.

[*Translation*]

And the Hon. Member for Montreal-Sainte-Marie said he has a problem with the employment and unemployment figures. I may remind the Hon. Member that in the province of Quebec, we have created, I think . . . Just a second please—

[*English*]

**Mr. Speaker:** Order, please.

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## EXTERNAL AFFAIRS

### OUSTER OF DUVALIER REGIME

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs who will join the impoverished people of Haiti in the one thing over which they have to rejoice, the departure of the autocrat.

**Some Hon. Members:** Hear, hear!

**Ms. Jewett:** I wonder if the Minister can give us the latest word on the situation in Haiti, on the transfer of power, on the role of the militia, and a word from the 2,000 or more Canadians who are in the country.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I thank the Hon. Member for her question. The House will know that I am answering this question in the absence of the Minister of External Relations who has been handling this file with skill and effectiveness. There appears to be an atmosphere of calm in Haiti and the new Government seems to be in control of the country. Naturally, we are monitoring developments on an hourly basis.

With regard to the some 2,000 Canadians who are in Haiti, the Canadian Embassy there has established direct and systematic contact with them. We have every reason to believe that they are all safe although I must indicate to the House that, given the dispersed nature of their presence in that country, there cannot at this stage be a 100 per cent guarantee, but that is our impression at the moment. We are working now with various other countries to put in place a system by which Canadians who might want to leave Haiti would be helped in doing so if that were necessary and if that were their choice.

### POSSIBILITY OF ELECTIONS

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, the House is glad to hear that from the Minister. I wonder if he could elaborate a little further on the nature of the Government now in power and the Minister's information on the possibility of elections being held.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I have no other developments. The initial assessment of the officials of our Department is that it is in fact a representative Government and one that is able to establish authority and control over the country, and that indeed some of its more prominent figures are people who have taken positions with regard to questions of human rights that Members of the House would find very encouraging.

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## UNEMPLOYMENT INSURANCE

### EFFECT OF INCREASED EMPLOYMENT ON UNEMPLOYMENT INSURANCE FUND DEFICIT

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, my question is for the Minister of Finance. Over the last four years there have been large deficits of billions of dollars in the unemployment insurance account as a result of record high unemployment. How much will that deficit be reduced next year as a result of nearly 600,000 jobs being created in the next year and a half and consequently more people paying in and fewer people collecting? My own estimate is that it will decrease by over half a billion dollars a year. Is the Minister's estimate more, or less?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I thank the Hon. Member for his question. I do not have a specific number to give off the top of my head of what that change would be. Clearly the breadth of the economic recovery and the resultant decreasing number of unemployed will have a very positive effect on the Unemployment Insurance Fund. However, that does more than just change the numbers in the fund. It conveys a much greater sense of confidence and well-being to people in Canada, gives Canadians the sense of confidence that their jobs are secure, and gives them the sense of confidence that will lead them to make big-ticket purchases such as a new refrigerator or a new—

**Mr. Speaker:** Order, please.

### PAYMENT OF PREMIUMS BY ARMED FORCES PERSONNEL

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Minister of Finance. Why are members of the Canadian Armed Forces forced to pay unemployment insurance premiums at a time when they do not qualify to collect benefits when they retire, because of changes made in the UIC regulations by the Government?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe that is a question that the same Hon. Member put to my colleague, the Minister of Employment and Immigration, just yesterday. Oh, that is right, the Hon. Member bumbled when he asked the question. I forgot that.

The answer to the question is quite simply that these changes were announced in November, 1984. They have been referred to the Forget Commission because it is a very complex issue. It is something which will impact not only on the people in the Armed Forces but on others who might be taking early

retirement as well. The Hon. Member's concern is well noted and the Forget Commission will be giving us some good advice on this matter, I am sure.

• (1150)

CHANGE IN REGULATIONS—APPOINTMENT OF COMMISSION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, will the Minister stick to the subject matter and explain to this House and to all Canadians why the Government changed the unemployment insurance regulations, which have virtually denied the right of former members of the Canadian Armed Forces to collect benefits therefrom, and then, after the fact, it appointed a commission to review the Unemployment Insurance Program? Why did the Government not wait until at least its own commission had reported? It changed the regulations and then it asks someone to review the whole thing.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there are a very wide range of issues which have been referred to the Forget Commission, not just the single issue referred to by the Hon. Member. We have not had a full review of the unemployment insurance system for a number of years now—

**Mr. Axworthy:** It was 1981.

**Mr. Wilson (Etobicoke Centre):** —and a lot of changes have occurred in the system. There have been changes in a number of social programs to assist people who are out of work, and there have been changes in the economic environment in which people are living and working.

It was because of all of these things that we felt, in the middle of last year, that it was very important that we refer the whole question of unemployment insurance to the Forget Commission. I would ask the Hon. Member to watch for the results of this Commission and to give us some advice when the Commission comes down with its report.

* * *

## PUBLIC SERVICE

INDEXATION OF PENSIONS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I, too, have a question for the Minister of Finance. It is in regard to the statement in last year's Budget that the Government intended that the indexation of Public Service pensions would be replaced by a new formula. Is the Minister aware that just before New Year's the President of the Treasury Board told the press that the level of benefits under the new plan would not be inferior to the level of benefits under the existing plan for the 200,000 superannuates who have already retired from the Public Service? Can the Minister confirm that it is now Government policy that people who are retired from the Public Service, from the RCMP or from the Forces, will not suffer because of new plans and will not lose the benefit of indexation?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this is a question which I will take as notice and refer to my colleague, the President of the Treasury Board. The Hon. Member and the President of the Treasury Board have had a number of discussions on this subject, I know, and I am sure the matter will be considered and discussed with the Hon. Member within a very short time.

POSITION OF SUPERANNUATES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, is the Minister aware of the fact that a number of his colleagues from the Conservative Caucus have in fact raised this question in the House of Commons? Why can he not now confirm that these people who have been retired from the Public Service should not be forced to suffer because of retroactive changes in the plan to which they contributed in good faith in order to receive an indexed pension?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the President of the Treasury Board was in the House yesterday. I am sure he will be in the House next Monday or Tuesday. I would think it would be far more appropriate for the Hon. Member to refer that question to the Minister who is responsible for this particular issue.

* * *

## THE DISABLED AND THE HANDICAPPED

REQUEST THAT GASOLINE TAX REBATE BE INCREASED

**Mr. David Daubney (Ottawa West):** Mr. Speaker, my question is also directed to the Minister of Finance. It concerns the gasoline excise tax rebate which is received by disabled Canadians who require the use of their automobiles. In light of the increase in the federal excise tax on gasoline, would the Minister consider increasing the rate of this rebate for disabled Canadians from the current rate of 1.5 cents a litre to 3.5 cents a litre to reflect the increase in the excise tax?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I appreciate very much the interest of the Hon. Member in this matter. His interest in the well-being of disabled Canadians is certainly very well known.

**Mr. Deans:** How come you don't thank us when we ask those questions?

**Mr. Wilson (Etobicoke Centre):** As the Hon. Member knows—

**Ms. Copps:** Yes, and he passed a Bill taxing the blind.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, I am not going to compete with a canary on the other side of the House.

[*Translation*]

## JUSTICE

### ALLEGED IMPOSSIBILITY OF APPOINTING FRANCOPHONE JUDGE TO ONTARIO COURT OF APPEAL

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, my question is directed to the Minister of Justice. I would like to get back to the case of the judge and to the appointment at the Ontario Court of Appeal where a bilingual Francophone was replaced by a unilingual Anglophone. Mr. Speaker, in his reply on February 5, the Minister informed the House:

> In 1985, there were two appeals among 1,400 applications which required a French panel.

Mr. Speaker, how can the Minister use the small number of appeals in 1985 to justify his refusal to appoint a Franco-Ontarian to the Court of Appeal? Does the Minister consider economy before rights? Is the number that relevant?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, there is no refusal to appoint a Francophone judge in Ontario; certainly not. In fact, of the 15 judges appointed in Ontario by this Government, four of them, or 27 per cent, were bilingual. Mr. Justice Lacourciere has not retired from the Bench. He is going to act as a supernumerary judge. He is available now, just as he was a month ago, to sit on appeals of anyone who requests that their appeal be heard in French. We have seven other bilingual judges in the Ontario Trial and Appeal Court. So this attempt on the part of the hon. gentleman to suggest—

**Ms. Copps:** They are bilingual like you.

**Mr. Crosbie:** —that we are not interested in appointing persons who speak both official languages, or Francophones, to the Court, is simply not correct. Forty-three per cent, or 35 of the judges we have appointed to date, are Francophones or have French capabilities. That is a very high proportion.

[*Translation*]

### DEMAND THAT FRANCOPHONE JUDGE BE APPOINTED TO ONTARIO COURT OF APPEAL

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, the Commissioner of Official Languages has also commented on and objected to this appointment, as have many others.

I would ask the Minister whether he is aware that in Quebec, out of a total of 17 or 18 judges, all are bilingual, 8 are Francophones and 8 are Anglophones. Why doesn't he reconsider his decision? Why doesn't he appoint a Franco-Ontarian to the Court of Appeal, and I am not talking about any of the other courts, but the Court of Appeal of Ontario?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the Attorney General of the Ontario Liberal Government, Mr. Scott, was consulted about the appointment of Mr. Justice Krever, and has authorized me to say that he has stated he approved of that appointment. In a press scrum yesterday after Question Period in Toronto, when asked about this, Mr. Scott stated: "Who is Gauthier, anyway?"

**Some Hon. Members:** Oh, oh!

**Mr. Blackburn (Brant):** Did he give you permission to say that?

**Ms. Copps:** Bravo, John.

**Mr. Speaker:** Order.

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## HEALTH

### BIRTH CONTROL RESEARCH

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The serious concerns of Canadian women regarding safe birth control methods were highlighted today by the call of the Vancouver Women's Health Collective to remove the Copper 7-IUD from the market. Safe, effective methods of birth control must be found. Will the Minister assure the women of Canada that increased money will be designated in the upcoming Budget for research into safe, effective birth control?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the matter of the Copper 7-IUD is well known to me and to the Department. The Hon. Member will possibly be aware of the fact that this product has been removed from the American market by G. D. Searle and Company due, at least from our information, to its concern about lawsuits. We are looking very carefully at the situation in Canada. We believe there are approximately 100,000 Canadian women who are using this product, and all of our research from a health point of view shows that the product is safe. However, I have indicated to the Department that I want a very close monitoring of the situation, and if any further action is necessary, we will take it.

### DEPOPROVERA—REQUEST FOR PUBLIC HEARINGS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I asked the Minister if he would put more money into research instead of cutting it, as he has done this year. Will the Minister now take preventive steps to reduce the health risks to women? And will he agree to hold public hearings on DepoProvera as requested by the growing coalition of women and health groups across Canada?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Hon. Member is wrong again. I have given her this information in writing. She cannot read so I will give it to her in the House. In 1983-84 the Government of Canada

spent $8.525 million. In 1984-85 it spent $9.891 million. In 1985-86 it spent $10.782 million. That is an increase. It is not a decrease.

**Ms. Mitchell:** You haven't answered the question.

**Mr. Epp (Provencher):** In addition, the Minister responsible for CMHC could tell the Hon. Member that in 1983-84 there were 63 transition houses which were funded in part by CMHC.

**Ms. Mitchell:** What does that have to do with it?

**Mr. Epp (Provencher):** Today there are 228 transition houses funded by CMHC.

• (1200)

There was the question of CAP and that there should not be a means test. We removed the means test, and she is not happy about that. We have had the Badgley Commission and we are responding to that.

**Mr. Speaker:** Order.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), one question.

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[*Translation*]

## INDUSTRY

REQUEST BY MONTREAL EAST SURVIVAL COMMITTEE FOR ZONE 4 DESIGNATION—MINISTER'S POSITION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** I have only one question and it is directed to the Minister of Finance.

I must say that this morning, representatives of the Gulf Refinery employees called me on the telephone, and they are in no mood to shake hands with the Minister of Finance, certainly not, now they have met the President of Ultramar.

Considering the fact that unemployment has gone up in the Montreal area, is the Minister prepared to support the Montreal East Survival Committee's request to have this area designated "Zone 4", which would release funds for modernizing businesses and creating jobs, thus preventing plant closings and the loss of 5,000 jobs?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member says there is an unemployment problem in the province of Quebec and in the city of Montreal. I may remind him that we have created 10,000 jobs a month in the province of Quebec since September 1984. In Montreal, we created 1,000 jobs per week last year.

To answer to Hon. Member's specific question—if the Hon. Member would care to listen, I will give him his answer. His representations are important, and my colleagues, the President of the Treasury Board and the Minister of Regional Industrial Expansion and I will consider them and will give him a reply.

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[*English*]

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with one exception, presented by Hon. Members on Thursday, February 6, 1986, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for York North (Mr. Roman) does not meet the requirements of the Standing Orders as to form.

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## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I think the Government House Leader is now in a position to respond to a question with respect to the Business of the House for today and next week.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I appreciate the question from the Official Opposition House Leader. I would like to take this opportunity to outline the Business of the House for the next several days.

As you are aware, the first item of business today will be second reading of Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band. Following that we will resume consideration of Bill C-90, an Act respecting pension plans. If the debate on Bill C-90 concludes, the next item of business will be resumption of second reading debate on Bill C-45 concerning the creation of unions on Parliament Hill.

On Monday the first item of business will be Bill C-80, an Act to amend the Excise Tax Act at third reading. If that debate is completed, the House will move to Bill C-55, an Act to amend the Immigration Act, 1976, which is at report stage.

On Tuesday the focus of debate will be House of Commons reform. Following extensive consultations with Members from all sides, yesterday I tabled a revised package of proposed Standing Orders and a Notice of Motion which seeks to implement the proposed rules for a trial period commencing with the return of the House following the February recess and ending on the last sitting day of this year. I hope that after Members have had the opportunity to register their views in debate the House will take up the challenge of reform and agree to what I believe would be a very constructive experiment.

In the event that debate wraps up early, and in keeping with the other reform initiatives, the backup to the debate on the proposed Standing Orders will be Government Order No. 71. That order is the motion referring to the paper entitled *Lobbying and the Registration of Paid Lobbyists: A Discussion Paper* to the Standing Committee on Procedure and Organization for their consideration and recommendations.

Finally, I hope that we will have made sufficient progress by Wednesday to call Bill C-86, an Act to amend the Canada Deposit Insurance Corporation. If that debate is completed it would be my intention to commence consideration of Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, which is at second reading.

**Mr. Gray (Windsor West):** Mr. Speaker, I thank the Hon. Minister for his statement. I want to make sure he realizes that so far as the Official Opposition is concerned, we have not entered into any agreement that the motion on the changes to the Standing Orders will be disposed of on Tuesday. We will take part in the debate in a positive and forthcoming way, but we do not want any misunderstanding. We are not saying at this point that we are ready to come to a conclusion at the end of business on Tuesday.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, in the interests of making sure that everyone's position is clear in this regard, I want to say on behalf of my colleagues that we do believe there has been a considerable amount of time spent in the negotiation process. I am not entirely satisfied that everything will work according to the way it is interpreted. I hope it will. However, we are prepared to deal forthrightly and expeditiously with the package in an effort to have it in place for a trial period on the understanding, of course, that as problems arise we will meet and resolve those problems and not delay the resolution until the end of the trial period.

**Mr. McGrath:** Mr. Speaker, I welcome the announcement by the Government House Leader but I would like to ask him if the Government intends to proceed with the non-procedural reforms? What we have on the table deals with the procedural recommendations of the special committee, but there are I think some 29 non-procedural reforms having to do with support services, administration of the House, et cetera. Is it the intention of the Government to proceed with these?

**Mr. Hnatyshyn:** Mr. Speaker, I appreciate the comments and responses of the House Leaders and I look forward to dealing with this matter expeditiously.

It was my intention that the matter would be debated at an early date so there would be an opportunity for participation. I think we have a very acceptable package. We have attempted to meet the concerns expressed by the opposition Parties in particular with respect to the provisional rules to be implemented.

With respect to my very distinguished colleague, the Hon. Member for St. John's East (Mr. McGrath), and I see sitting beside him the Hon. Member for Papineau (Mr. Ouellet), as well as the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), to whom we all owe a very great debt of gratitude with respect to the work they have done, let me say unequivocally that the Government has already announced it has the firm intention of proceeding with those non-procedural items with dispatch. We intend to carry out the intentions which the Hon. Member as chairman and his colleagues brought forward in their excellent report.

We look forward to entering into this new period of reform and I want to again compliment him and his colleagues for the excellent work and leadership they have shown in this area.

* * *

## POINT OF ORDER

### TIME ENCROACHMENTS ON PRIVATE MEMBERS' HOUR

**Mr. Alan Redway (York East):** Mr. Speaker, this is somewhat along the same lines as the discussion relating to House reform. Yesterday the time for Private Members' hour was shortened to Private Members' half-hour as a result of the encroachment of Government business and a vote during that hour. That was the latest in a series of encroachments on Private Members' hour which have taken place since the beginning of this Parliament. In fact, Private Members' hour was shortened on two occasions for Royal Assent and on seven occasions for other Government business. I would ask you, Mr. Speaker, and all of the House Leaders, if you will be kind enough in future, in the spirit of parliamentary reform, to guard Private Members' hour as jealously as you do Question Period.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I have a twofold and brief answer to the Hon. Member's question. I know he is very, very active in the affairs of the House of Private Members' Business.

• (1210)

First, the rules of the House provide for postponing Private Members' Business until later in the day but not for a curtailment of the time which is used for that business. Second, it is my intention with respect to the reforms that have been tabled to enhance Private Members' Business and, indeed, give it a profile which it has not had in the history of the country. I look forward to that experiment so that all private Members will be able to participate fully in the deliberations of this House.

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## POINT OF ORDER

### DISALLOWANCE OF SUPPLEMENTARY QUESTION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, I rise on a point of order. I simply want to bring to the attention of the House that yesterday's *Hansard* shows that I was, in fact, in the middle of a question when I was cut off by you.

**Mr. Speaker:** Order, order! *Hansard* may record, as it does, what the Hon. Member said in the House. *Hansard* does not record, as the camera records, when I rose. If the Hon. Member wishes to check the tape, he may do so.

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[*English*]

## SECHELT INDIAN BAND SELF-GOVERNMENT ACT

MEASURE TO ENACT

On the Order: Government Orders:

February 5, 1986—Second reading and reference to a Legislative Committee of Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I have indicated the first item of business for today. I have given my opposition colleagues a copy of this order. There has been an agreement with respect to Bill C-93 with respect to the Sechelt Indian Band that, rather than going to a legislative commitee after second reading it will, by consent of all Parties, go to the Standing Committee.

Therefore, I think you would find a unanimous disposition to accept and have adopted without debate the following draft order:

That the order for the second reading and reference to a legislative committee of Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band be altered to provide for reference of the said Bill to the Standing Committee on Indian Affairs and Northern Development.

**Mr. Penner:** Mr. Speaker, with respect to the order just read by the Government House Leader (Mr. Hnatyshyn), I want to indicate that this matter was discussed in the standing committee. It was the wish of the standing committee that the Bill be referred to it rather than to a legislative committee. We concur in that and give our consent.

**Mr. Skelly:** Mr. Speaker, on behalf of the New Democratic Party, I would like to confirm that we supported that particular order and we concur in it as well.

**Mr. Speaker:** The House has heard the order. Unanimous consent is required to introduce the order. I take it there is that consent and agreement that the order carry.

**Some Hon. Members:** Agreed.

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# ROUTINE PROCEEDINGS

[*Translation*]

## COPYRIGHT

TABLING OF GOVERNMENT'S RESPONSE TO SUBCOMMITTEE

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, pursuant to Standing Order 70(16), I have the honour of tabling the Government's response to the report of the Sub-Committee on Copyright.

* * *

[*English*]

## PETITIONS

GASOLINE PRICES—TAX INCREASES

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, I rise to present a petition compiled by Mr. Alex Blake of Coquitlam, B.C. and signed by 3,499 residents of my riding of New Westminster-Coquitlam and of surrounding areas in the lower mainland. The petition protests the exorbitant price charged for gas by the oil companies at the pumps and the injustice of gasoline tax increases imposed by the Government on the consumer.

PROPOSED MOVE OF AIR CANADA INTERNATIONAL FLIGHTS

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, rather than presenting 13 petitions today with over 1,000 names on each of them, I comply with your request made several times, and will simply table one petition. The petitions are all approximately the same and contain 13,000 names in total. Since I am not permitted to make comments, I hope that your Honour will recognize me at two o'clock on Monday to make relevant comments.

The prayer of the petition is quite simple and quite brief. Whereas Air Canada has made application to move its international flights from Gander to St. John's, and whereas this move will cause Gander Airport to lose its international status which will have a disastrous effect on the Town of Gander and the surrounding area, be it resolved that we, the undersigned, ask the Minister of Transport to reject Air Canada's application to move international flights from Gander to St. John's. The number of petitioners will increase over the coming days, Mr. Speaker.

PROPOSED DEVELOPMENT OF NCC PARKLAND

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, the spirit of democracy is very much alive and well in my riding as well. Last night I was presented with petitions signed by almost 2,000 persons who are opposed to the National Capital Commission's proposal to develop the parkland around the Mile Circle into an embassy row. It is my honour, my duty,

and my privilege, to present their petitions to this distinguished House on their behalf.

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## CANADA-NEWFOUNDLAND ATLANTIC ACCORD IMPLEMENTATION ACT

MEASURE TO ENACT

**Hon. David Crombie (for the Minister of Energy, Mines and Resources)** moved for leave to introduce Bill C-94, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing, and to make related and consequential amendments.

**Mr. Speaker:** Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, today question No. 517 will be answered.

[*Text*]

MR. SIMON REISMAN

Question No. 517—**Mr. Caccia:**

Did Mr. Simon Reisman divest himself of any role, interest or responsibility related to the Grand Canal Company (Grandco) of St. John's, Newfoundland, and (*a*) if so, on what date (*b*) if not, for what reason?

**Mr. Len Gustafson (Parliamentary Secretary to Prime Minister):** Mr. Reisman has never received any remuneration; he has never owned any shares nor has he held any office related to the Grand Canal Company of St. John's Newfoundland. Mr. Reisman acted as an unpaid advisor to the Grand Canal Company, at the request of its President, during 1984 and 1985. Mr. Reisman has had no contact with the company or any of its officers since accepting his present assignment.

(*a*) Mr. Reisman has no role, interest or responsibility to divest. (*b*) Answered above.

[*English*]

**Mr. McDermid:** I ask that all remaining questions be allowed to stand.

**Mr. Boudria:** Mr. Speaker, I would like to ask the Government a question in the spirit of reform which was discussed earlier this morning. I would like to have the attention of the



Government House Leader (Mr. Hnatyshyn) on this issue, if possible. I wonder if the Government House Leader could indicate to the House—

**Mr. Speaker:** Order, please. Questions may be put to the Hon. Parliamentary Secretary in this regard. This procedure is to allow Members to make representations on matters which they regard as urgent rather than to ask questions of Ministers about questions that are on the Order Paper.

**Mr. Boudria:** Mr. Speaker, I was only attracting the attention of the Minister who was responsible for answering the question to start with, as I understood it.

I would like to ask the Parliamentary Secretary or the Minister responsible for responding to those questions when the questions that were put on the Order Paper over a year ago will be answered by the Government, if the Government is at all serious about reform. I refer specifically to question No. 285 dated February 28, 1985; question No. 287 of March 6, 1985; and question No. 319 of April 1, 1985. There are numerous other more recent questions. It is quite obvious that if the Government wanted to, it could respond to questions after a one-year delay.

**Mr. McDermid:** Mr. Speaker, I am glad the Hon. Member raised that point. It gives me an opportunity to point out that in the package of reforms which the Government is bringing before the House there is a time limit suggested for the answering of questions on the Order Paper. Therefore, the Government is acting responsibly. We are hoping that when we debate these reforms the Opposition will be supportive of them.

I also point out to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) that, if one takes a look at the Government's performance in answering questions on the Order paper—

**Mr. Speaker:** Order, order. Order!

**Mr. Boudria:** I never heard such nonsense.

**An Hon. Member:** Do you ever listen to yourself?

**Mr. Boudria:** Well, it's arrogance on your part, and you know it.

**Mr. Speaker:** Would the Hon. Member please come to order?

**Ms. Copps:** Mr. Speaker, some days ago on a similar occasion I asked the Parliamentary Secretary, then responsible for answering Order Paper quesions, why I have waited since November 9, 1984 for an answer to my question about the then economic statement of the Minister of Finance (Mr. Wilson). I was advised by the Parliamentary Secretary some days ago that I would have an answer forthwith. I would like to ask this Parliamentary Secretary when I am going to get an answer to a question that was put on November 9, 1984, on a budget matter which interests all Canadians.

• (1220)

**Mr. McDermid:** I have been assured by my colleague, the Parliamentary Secretary to the Government House Leader (Mr. Lewis), that the Hon. Member will get an answer in the fullness of time.

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

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### SECHELT INDIAN BAND SELF-GOVERNMENT ACT

MEASURE TO ENACT

**Hon. David Crombie (Minister of Indian Affairs and Northern Development)** moved that Bill C-93, An Act relating to the establishment of self-government for the Sechelt Indian Band, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, today I rise to ask all Hon. Members to consider legislation that will restore self-governing rights to the Sechelt Indian community of British Columbia. Moreover, the proposed legislation will demonstrate the Government's commitment to advancing self-government for all Indian people and thereby advance the cause of Canada.

I believe that this legislation is in the best tradition of Canadian federalism, demonstrating creative flexibility and power sharing not only for the benefit of the Sechelt community but for the country as a whole.

There was a time when all Indian nations had self-governing powers in this country, those very powers which Canadians enjoy today, but which they very often take for granted. These self-governing powers, the most basic of all human rights, were taken away from Indian people. But today with this legislation we have the opportunity to recognize those rights of self-government again, at least for one Indian community.

This proposed Act will catch the interest and I hope the imagination of native people all over the country. Canadians in general and, I can assure some, indigenous people the world over.

As I have already mentioned, self-government is not new to Indian people. In fact, finally there is a growing realization in this country that Indian culture has been fundamental to the growth of democratic and political institutions in this country. Those who are familiar with the rich Indian heritage will know that various forms of Government existed among Indian nations in this country for centuries. What better example, and perhaps one of the best known, than the formation of the League of the Iroquois, inspired by Hiawatha around 1570. That confederacy over 400 years ago, which consisted of the Mohawk, Oneida, Onondaga, Cayuga, Seneca and later, the Tuscarora, exerted a dominant political and millitary influence throughout eastern North America for more than 200 years.

The political and social structure of that League, its emphasis on an equal voice for all members of the confederacy, its respect for human dignity and its emphasis on rights, obligations and participation has remained an enduring legacy in this country for those who have the wit to look at it. I could mention scores of other examples, from sea to sea to sea, which act as historical beacons for Indian people in their quest for the renewal of self-government in our own time.

For the broader public, self-government for Indian people has raised interest, support and a lot of questions. How will it be worked out? What will it mean in practice?

I think the Prime Minister (Mr. Mulroney), in his opening remarks at the First Ministers Conference on Aboriginal Rights on April 2, 1985, put the situation very well when he said:

> We Canadians are a cautious people and self-government is a term which is worrisome to some of us. But self-government is not something that I fear. It is not an end in itself, but rather a means to reach common goals.

He said:

> The federal Government's approach to self-government for aboriginal peoples takes account of these realities, of the inventiveness and creativity that Canadians have always shown in developing their democratic institutions. It is through self-government that a people can maintain the sense of pride and self-worth which is necessary to productive, happy lives.

The Sechelt proposal gives us one set of answers to what self-government can mean to one community and how it may be worked out for other communities. But even as this Parliament works to afford the Sechelt concept the recognition of law, I can assure you that there are hundreds of Indian communities right now who are fashioning their own forms of self-government and who will be looking for our support in the very near future.

They include the Swampy Cree in northwestern Manitoba; the Nishawbe-Aski Nation representing Cree and Ojibway people in northern Ontario; the Kahnawake; the Akwesasne; the Tyendinaga community proposal on Mohawk self-government; Pointe-Bleue in the Province of Quebec; the Enoch band in Alberta; the Kootenay Indian Area Council representing five communities in the interior of British Columbia, the Robinson Treaty Nation proposal submitted through the Union of Ontario Indians; the Pas band in Manitoba; the Yellowhead Tribal Council; the Sushwap Nation of British Columbia; the Caribou Tribal Council and so many, many others.

Of course, a number of Members in this Chamber will know that self-government arrangements have been tried before. In 1984, through the James Bay and northern Quebec land claim settlement, the self-government aspirations of the Cree and Naskapi peoples of northern Quebec were given recognition in law by the House. I am looking forward to an implementation plan that will match the imagination of that understanding.

The current push for self-government emerged from a well known history of discontent. After Canada's national Government took shape in 1867, it was the Indian agents who controlled a large part of Indian life. In the last 20 years, Government tried to turn over more management to Indian people, but usually kept the final say for itself.

Indian people now want to put on their own face and their own stamp on their own Government. Here is one Indian community which wants to chart its own course, to plan its future and turn its dream into reality. However, I can assure you again that it is a vision that is shared by all Indian communities in this country.

When Parliament's Special Committee on Indian Self-Government in Canada held hearings in 1983, Indian native people from all parts of the country said that they wanted two main changes. First, they wanted a new and more self-reliant relationship with the federal Government; second, a better and stronger economic base.

Both these goals involve more community power to determine their own membership; to control such matters as health, education and social services, to manage their own economic enterprises and their own lands and to determine the form of Government under which they will live.

Today, some communities are eager and some are cautious. Some want one approach and some another. However, everyone agrees on one thing—that the time has come to establish Indian self-government in Canada.

All Parties in the House endorsed the recommendations of that Special Committee. The Government has accepted that report as the important fundamental document from which Indian self-government will proceed. That is why the Government has taken a community-based approach to self-government because it means that Indian people can tailor their own form of Government, one suited to their own circumstances, which reflects their own past and one in which they can mould their own future.

There are many forms of self-government, many degrees of self-sufficiency and many dimensions of self-determination. It might take place by legislation, by new funding arrangements that transfer responsibility, in conjunction with native claim settlements, or by a maximum use of by-law powers in the present Indian Act.

● (1230)

Our concept is a simple one. Instead of making communities fit our legislation, we will make legislation that fits the community. Self-government will be more than the end result; it will also be part of the process. Working in this way, Indian people can build self-government at their own pace and according to their own lights.

But who are these Indian people? What sort of people are they?

I think my colleague and friend, the right Hon. Member for Yellowhead, now the Secretary of State for External Affairs (Mr. Clark) described very eloquently who they are. He was participating in the debate in this House nearly one year ago when we were amending the Indian Act with Bill C-31. The changes this Government introduced, which he so vigorously supported and which this House endorsed at that time, provided for equality of men and women under the Act and a measure of self-government by giving Indian communities the power to control their membership. During that debate he put it this way:

> The children of the Eden Valley Reserve west of my home town were as free as I was to run, to ride and to be children. However, when we stopped being children, the youngsters of Eden Valley were not as free to be themselves as the youngsters of High River because to be Indian in the land which the Stoneys, the Blackfoot and the Cree discovered was to have your life run by someone else. There is somewhat more freedom now for the Stoneys, the Cree and the Blackfoot, but their memory and our legacy was of Ottawa running Indian lives, Ottawa setting Indian standards.

Now, Mr. Speaker, let me look at the specifics of the Bill by which we are untying the strings.

After many discussions with the Sechelt people and the B.C. Government, we have agreed on a form of enabling legislation. Instead of a skeleton framework that leaves everything too vague, or an exhaustive agreement that sets too many rules, this legislation will let various new powers come into place over time, subject to negotiation within certain clearly defined parameters.

The enabling legislation sets up the community as a legal entity with all the capacities, rights, powers and privileges of a natural person. With this legislation, the Sechelt community may enter into contracts and agreements; acquire and hold property; sell and dispose of property; expend, invest or borrow money.

Under this legislation, the community will develop its own written constitution, a document which will be the fundamental cornerstone of its government. Under the constitution, the community can establish the composition of the Council, its terms of office and tenure of its members; establish procedures or processes to be followed by council in exercising the band's powers and carrying out its duties; provide for a system of financial accountability of the council to the members of the band; include a membership code for the band; establish rules and procedures to be followed in respect of the disposition of interests in Sechelt lands; set out specific legislative powers of the council and provide for any other matters relating to the Government of the band, its members or its lands.

This brings us, Mr. Speaker, to the legislative powers of the council. I will note some of those things, but the list is obviously not exhaustive.

The council will have the power to make laws in relation to matters coming within any of the selected classes of matters to the extent that it is authorized by the constitution of the band: access to and residence on Sechelt lands; zoning and land use planning; expropriation for community purposes; use, construction, maintenance, repair and demolition of buildings; taxation for local purposes of interests in Sechelt lands and of occupants and tenants of Sechelt lands, including assessment, collection and enforcement procedures and appeals; administration and management of property belonging to the band;

education; social and welfare services; health services; preservation and management of natural resources; preservation, protection and management of fur-bearing animals, fish and game; public order and safety; construction, maintenance and management of roads, operation of businesses, professions and trades et cetera.

In short, the Sechelt people will have a Government accountable to their own electors and not accountable to a remote bureaucracy in Ottawa. They will have a Government determined to use its resources to strengthen that community.

Their type of Government will nurture culture, give life to language and will extend the dimension of this country.

In 1984, the Sechelt people held an historial celebration and placed three carved figures in their community; a young warrior, a mother figure representing culture, and a father figure or headman with a talking stick. But unlike the traditional talking stick, it had no carvings because the Sechelt felt that they lacked achievements under their own authority.

They believe their real identity will come with their understanding of self-government. In the words of the ceremony of that day, they said as a community:

We want to carry our own stick and govern ourselves and be a resource to this great country of ours . . . Canada.

I am asking the House, Mr. Speaker, for its best consideration for this Sechelt legislation. I do so for three important reasons. First, it fulfils a dream of the Sechelt people for self-determination and self-government. Second, it represents a first expression of this Government's commitment to a community-based approach to Indian self-government. Third, it is a beginning, a moment in Canadian history to be marked, a time to affirm the Canadian heritage of freedom so clearly intoned in this House on July 1, 1960, by that great parliamentarian, the Right Hon. John G. Diefenbaker. He said:

I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern—

The people of Sechelt want that freedom to be Canadian in a way that respects their history, their culture, their language and their pride in who they are. They want to begin, and they need our help.

That is my appeal to this House for them and for other Indian communities who are working and planning to build their own expression of self-government, which I hope we will have the privilege of considering in the months ahead.

I would normally close now, but before I take my seat, Mr. Speaker, I thought I might conclude my remarks by offering some acknowledgements and thanks to a number of people who worked so very, very hard over the last number of months. Most Bills that come through this House are faceless in the sense that we sometimes fail to recognize the folks who actually do the work.

In this case, the Bill, whatever its advantages, whatever its shortcomings may be seen to be, is the product of some very creative work done by a number of people both in this place and outside of it. I want to make sure they are recognized.

I would like to offer my congratulations and my heartfelt thanks to Chief Stanley Dixon, to his Council and to the people of Sechelt. They exhibited tremendous tenacity, patience and imagination. I want to offer thanks to Mr. Graham Allen, and Mr. Gordon Anderson, advisers to the Sechelt community. I thought of what words to describe their contribution. Tough insistence are the two words which I came up with. I want to thank John Tait, Mary Dawson, Fred Caron and Claude Bisaillon, all from the Department of Justice. They were willing to engage in some imaginative and creative law which can be found in the Bill. Also I want to thank Audrey Doerr of my own Department who pushed, pulled, prodded and pleaded to get it done and bring it home. She was ably assisted by Steve Aronson, Graham Swan and Carol Ann Brewer. I acknowledge the tremendous "beyond the second mile" effort on their part.

• (1240)

Finally, if I could have the indulgence of the House for a moment or two longer, I should like to thank Theresa Nahanee, my legislative assistant, who dreamed and worked and wrote a wee poem which I want to share in my concluding remarks. I received the poem the other day; I hope I will not embarrass her. She called it "Sechelt". Theresa Nahanee is not only my legislative assistant; she is a Squamish Indian women from Vancouver. Her poem reads:

a giant step for Indian-kind
if the arrow is true
to its mark
—a drop in the ocean
if the target be missed
(easily corrected)

a microcosm of Indian-life
to sift through gently
to learn from in earnest
—the strong, survive
the weak, perish

in the dustbin of history
each minute particle of change
represents heroic effort
of herculean proportions
celebrations of an era
—in its time, fought for with vigour
in the future, remembered with dignity

fling the future to the wind
but never to chance
for nothing is fixed
in man's mind
historic changes are marked
in light-years.
like little sparks flying,
Sparking, dying in their time
littering history like a milky way.

to the victors, spoils,
to the vanquished, defeat
for those who struggle, reward
for those who don't, nothing

opportunities to cast a giant shadow
or shed a great light,
come not often in a lifetime.

but here you have
another opportunity.
what will it be?

What will it mean?
history will record.

**Some Hon. Members:** Hear, hear!

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, I am pleased to follow the Minister and to speak on behalf of my Party in respect of what has to be regarded as a most important piece of legislation for the Sechelt Indian people, a piece of legislation for which they have worked and looked forward to for a very long period of time.

When the Minister introduced Bill C-93, it was accompanied by a communiqué that spoke about a Bill establishing self-Government for the Sechelt Indian Band. In that communiqué, the Minister said: "This Act allows the Sechelt Indian Band of British Columbia to move toward Indian self-government".

I would just to indicate, and only in passing, that the word "allows", meaning that the federal Government will permit, will certainly grate upon the ears of some Indian elders in the country who would be very swift, if they had the opportunity at this moment, to remind us that the right to Indian self-government was never at any time in our history relinquished. It was never given up or transferred to any colonial power or to the Government of Canada as we know it today.

The Minister's phrase in the communiqué, "move toward Indian self-government", perhaps could have been "move further toward Indian self-government". I say that to point out that in fact the Sechelt Indian Band, which consists of 33 reserves and covers some 2,500 acres situated north of Vancouver between Gibson's and Powell River, has already taken advantage of all the optional powers available to it under the Indian Act. In other words, it has occupied all the space which we as a Government allowed them. Of course Hon. Members, and most particular the Minister himself, know that occupying that space is self-government in name only. It is not genuine self-government because under the Indian Act there are still many strings attached, many guidelines and many circulars issued when we allow an Indian band or an Indian Government to take certain over responsibilities.

Nowhere can that be better demonstrated than when we consider how the Government—not just this Government but the previous administration as well—has a different interpretation of Indian control over Indian education. When the document "Indian Control of Indian Education" was first introduced by the then National Indian Brotherhood, it meant exactly what it said, that Indian people were to have full control. It was to be community-based control. But we know that the current administration and the previous one interpreted that as meaning that it was only to allow a degree of participation, which is quite different from Indian control over Indian education.

Be that as it may, I simply point out that the occupying of space under the Indian Act is not Indian self-government. The Sechelt Indian people have occupied that space. They virtually operate all programs and services made available by the Department of Indian Affairs which are appropriate to their circumstances. For example, the Band has its own primary school. It administers its own social assistance program. It has a housing authority, and it looks after its own economic development. However, let me remind Hon. Members that it is always with provisos, restrictions or limitations. With Bill C-93 the Sechelt band will be able to go further in the direction of self-Government.

This Bill alloows—and again I point out the word "allows"—or devolves power or responsibility from the federal Government, and also some from the provincial administration, but it does not recognize that self-Government is a basic, essential and primary aboriginal right. I will return to that point later in my remarks. Nevertheless, with the passage of Bill C-93, the Sechelt Indian Band will be allowed to become a legal entity. I want to tell my colleagues in the House what that means.

In its own right, the Sechelt Indian Band will have the power to enter into contracts, to hold property, to borrow and to spend money, and even to sue and be sued. At the present time none of those rights can be undertaken by the Band without the consent of the Minister and his officials. Bill C-93 will allow the Sechelt, to a certian extent, to get out from under the totalitarian regime of the Indian Act. Let us be fair and accurate in this regard.

This is not a Bill giving total emancipation to the Sechelt Indian people. It moves toward that and, therefore, my Party and I support it. However, we want it to be seen in its proper context. It moves toward, it allows the Sechelt people, to a certain extent, to get out from under the totalitarian regime imposed upon it by the Indian Act, and out from underneath the paternalism, as well meaning as it often is, of the Minister and his officials. The Sechelt band will be enabled to go on its own to a greater extent than is now possible living under the Indian Act and under the full authority of the Minister. So it will become, first, a legal entity.

• (1250)

Second, Bill C-93 will enable the Sechelt Indian Band to gain legal title to its reserve lands. These lands will be transferred in fee simple to the Band, subject, of course, as I have said before, to certain restrictions. Many Canadian people would be amazed to learn that Indian people do not have legal title to their own reserve lands at the present time. Bill C-93 will change that situation, as the Minister said, with respect to one band which has 2,500 acres of land. There are restrictions, however, but I am not going to dwell on those now. We will examine them more carefully when this Bill is in committee. There are restrictions relating to the ownership and exploitation of minerals, for example.

I want to remind the Minister of the report of the Special Committee on Indian Self-government to which he referred. He indicated that it is now a document that has been accepted by this administration, and for that we express our gratitude. I remind the Minister that the report of the special committee was convinced that in order to ensure that self-government becomes a reality, each Indian First Nation must have full

rights to control its own lands in the manner that it sees fit. That is somewhat different from what we have in Bill C-93. The legal title to those lands is given, but harken, there are restrictions.

Third, the Band will have its own constitution. It should be noted that the Government must give its approval to any constitution that is adopted by the Band. The Band will have to seek Ottawa's consent for the original constitution, for the approval of that constitution, and later on if there are amendments it must come to Ottawa, to the Governor in Council, to have those amendments approved. That will be of interest to Hon. Members because—

**Mr. Crombie:** Every government in Canada, all governments.

**Mr. Penner:** —that is exactly what we had to do when our Constitution was changed. We had to go to Westminster and have that approved. The difference is that we did it for the last time, we do not have to do it again.

**Mr. Crombie:** Every Government in Canada has to do it now, the federal Government.

**Mr. Penner:** I have to remind the Minister who is interjecting—the Minister is interjecting here that all Governments have to do it.

**Mr. Crombie:** Yes, they do.

**Mr. Penner:** Being in conversation with his colleague he missed the point that I was making earlier—

**Mr. Crombie:** I heard every word. Every Government has to do the same thing.

**Mr. Penner:** —that the right to self-government by Indian First Nations was never at any time relinquished to any other power. There is a big difference and the Minister knows that. At the time that our Constitution was formed the powers between the federal Government and the provincial Governments were divided and constitutions had to be approved within a federal state. The Minister is very, very touchy, so I must have hit upon a point that bothers him.

**Mr. Crombie:** I don't wish you to diminish something that was a real stride forward.

**Mr. Deputy Speaker:** Order, please.

**Mr. Penner:** The Minister recognizes that this is a touchy point, but when I move on further in my remarks I want to make it clear that this is not something that is being imposed on the Sechelt people, it is something that they are prepared to accept and live with, and something that they participated in.

I want Hon. Members in this House to know that when they build their constitution and put it together it has to be approved by Ottawa. If they change it at any time it has to be approved by the Governor in Council. That point should be known.

**Mr. Crombie:** The whole Constitution of Canada has that obligation.

**Mr. Penner:** The Minister wants to keep arguing. I want to ask the Minister to stand in his place and tell the Indian people of the country, or to tell this House, when that power was relinquished and given to the federal Government, so that now you have the power to approve Indian constitutions and the power to approve of amendments. When did that happen? Is the Minister prepared to answer that?

**Mr. Crombie:** If you want to ask the question, I will answer it. Yield the floor and I will answer it.

**Mr. Penner:** I will yield the floor. If the Minister can answer the question then let him answer it.

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Minister to make a comment?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The floor will then go back to the Hon. Member for Cochrane-Superior (Mr. Penner).

**Mr. Crombie:** Mr. Speaker, the point I make to the Hon. Member, only because I respect his contribution over these many years, is that the Sechelts' obligation to come back with respect to any constitution or any change is indeed the same restriction we have for every government in this country, whether it is provincial, federal or territorial. Constitutional changes have to go through a process which involves the Governments of this country. That is all. It is no more or less. I might say, it is a striking advance over anything that was brought forward by the previous administration.

The reason I keep interjecting is because I know that the Hon. Member needs to say some things which are not of a laudatory nature. While he is doing that—and I respect the Hon. Member very much, as he knows—I do not want anyone to believe that somehow there was not a striking legal advance made in the development of that point in this Bill.

**Some Hon. Members:** Hear, hear!

**Mr. Penner:** Mr. Speaker, on the latter point, there never was an argument with the Minister. What the Minister did not address is the historical reality with respect to the aboriginal right to Indian self-government. That is the historical point, and the Minister did not address that.

**Mr. Crombie:** I would be happy to. The federal Government's position, Mr. Speaker, with respect to the right to self-government in the Constitution is well known and was indicated at the last conference on aboriginal rights between the federal Government and the provinces. Indeed, that position of the federal Government is one which is supported by constitutional aboriginal groups in this country, as the Hon. Member may well know.

**Mr. Penner:** We were at the point where it was indicated that the Sechelt Indian Band will have their own constitution, and how that constitution will come into existence, and how that constitution will be amended. The band will, under its constitution, be able to know what powers it can exercise and what procedures it must follow in the exercise of that self-government. When the Special Committee on Indian Self-government was holding hearings representatives of the Sechelt Indian Band, came before the special committee, and demonstrated that they were progressive and forward-looking in their approach. They did so by presenting to us an example, or a draft of enabling legislation that would permit them to opt out of the Indian Act and operate under a band charter, or constitution, which would have the force of law for that Band.

During those very same hearings we heard also from the Grand Council of the Cree, and they described for us their negotiations with the Government which led eventually to the drafting of the Cree-Naskapi (of Quebec) Act, which has already been enacted into law by the Parliament of Canada. This particular Act was a follow-up, as the Minister said in his speech, to the James Bay and Northern Quebec Agreement. I want to point out to the House that at the time the Cree appeared before the standing committee to tell us about the negotiations leading to their Act they made it very clear that the legislation they were working toward was, and I quote, "the Cree aspirations and the Cree position".

Chief Stanley Dixon and the council of the Sechelt Band have also stressed that what Bill C-93 does is to meet their urgent needs to be delivered and to be freed from the limitations imposed on them by the powers and the jurisdiction of the Indian Act. I do want to point out, and the Minister has done this as well in his communiqué, that neither the Cree of northern Quebec, nor the members of the Sechelt Indian Band in British Columbia, have ever suggested for a moment that their particular pieces of legislation are to be regarded in any way as models. Other Indian First Nations are free to accept from either the Cree-Naskapi (of Quebec) Act or from Bill C-93, any appropriate elements. It should be understood that there is no imposition of any kind by this statute upon other Indian First Nations.

I would like to call it one o'clock and continue my remarks after the break.

**Mr. Deputy Speaker:** It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

**Mr. Deputy Speaker:** We will resume debate with the Hon. Member for Cochrane-Superior (Mr. Penner).

**Mr. Penner:** Mr. Speaker, the House is debating a Bill introduced by the Minister of Indian Affairs and Northern Development (Mr. Crombie), Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band. I was telling the House earlier that this Band, consisting of some 33 reserves and having 2,500 acres of land, is located in the Province of British Columbia North of Vancouver.

When we recessed at one o'clock I was pointing out, as the Minister did in his remarks, that this is by no means the first time the House has legislated self-government. The previous Parliament legislated the Cree-Naskapi (of Quebec) Act. I think it could be argued quite convincingly that in many ways the Cree-Naskapi (of Quebec) Act was a more progressive piece of legislation. I am not going to take much time of the House to dwell on that. I will leave that to another spokesman for our Party. However, it should be pointed out that the Cree-Naskapi (of Quebec) Act did flow out of what may be described as the bilateral process.

The Cree-Naskapi (of Quebec) Act came out of an agreement that involved Quebec, Canada and the Grand Council of the Cree, the James Bay and Northern Quebec Agreement. However, the Act itself was negotiated between the federal Government and the Cree and Naskapi people. The Bill we are debating today could be more accurately described as one coming out of a tripartite process. According to this Bill, the British Columbia Government has certain major roles to play. I will leave it to other spokespersons to point out what part the British Columbia Government will play in the implementation of this legislation. I believe some Hon. Members from British Columbia may wish to dwell on that, and I am sure they will want to express some concerns, because, as we know, in that part of Canada there has not been the most far-sighted understanding of the importance and prominence deserved by the recognition of aboriginal rights. In fact, in that province there has been a very reactionary situation that has led to many sorts of difficulties, the most recent being the case of the Haida people and Lyell Island.

With respect to the Cree-Naskapi (of Quebec) Act, I was emphasizing at one o'clock that the Cree themselves have said that that particular Act represents Cree aspirations and the Cree position. The leaders of the Sechelt Band have expressed the same view but in slightly different words. Chief Stanley Dixon and the Council of the Sechelt Indian Band have stressed that Bill C-93 meets their particular urgent need to be freed to a certain extent, but not entirely from the limitations imposed on them by the Government of Canada. Certainly they will be freed from the jurisdiction imposed upon them by the Indian Act. But as I pointed out earlier, there are still many restrictions imposed on this Band.

When I made those comments, the Minister reacted with some sensitivity, but I think he will have to admit that this is not in any way a Bill of emancipation. It does not in any way provide full self-government, even with respect to the transfer of legal title to the land. We know that there are restrictions of which the British Columbia Government will be very quick to

remind the Band, restrictions particularly related to the exploitation of mineral resources.

Neither the Cree-Naskapi (of Quebec) Act nor the Bill regarding the Sechelt Band can be regarded as models for any other Indian First Nation. Never has that been argued, even by the Minister himself. Of course, it can be said that if there are appropriate elements in Bill C-93 or in the Cree-Naskapi (of Quebec) Act that other Indian First Nations may wish to adopt, they are free to do so, but there is to be no imposition of any kind.

The Minister has indicated very clearly that he understands this particular point. In the communiqué he issued in conjunction with the introduction of the Act he said that this is an example of the community-based approach to self-government reflecting the specific, special or particular circumstances of the Sechelt Band. The Minister strested that it is not a model for other communities. Chief Dixon of the Sechelt Band echoed this very same view when he said that enabling legislation might not be the answer for other Bands and that they will have to choose their own path when they are ready.

I do not want to belabour this point, but again I make the argument that Members of the House who are concerned with policy relating to Indian people are particularly distressed by the situation in British Columbia. None of us should think that Bill C-93 contains any avenues that will help us solve all the difficulties experienced by aboriginal people in the Province of British Columbia. We are not dealing here with a model, and that approach, of course, must always be avoided. I have said, as has the Minister and other Members of Parliament, that there is too much diversity in the Indian community of Canada to have a single model that in any way could fit the needs or aspirations of all Indian First Nations, and therefore we must avoid imposing that approach. The Special Committee on Indian Self-Government became very much aware of the diversity that exists in Canada when it held its cross-country hearings. That is why in the report we tabled there is no model or description of what self-government should look like. I can remember how disappointed some members of the news media were. They asked us what Indian Self-Government looked like. They felt that there had to be a chart or a graph somewhere. But there was none because none can ever exist. Indigenous self-government must relate to the needs of the people and flow either from traditional sources or from present current needs. Of course, that is what we are doing with the Sechelt Band.

The Sechelt Band legislation is very modern. It meets the needs of these Indian people who are surrounded by other municipalities but cannot act as other municipalities can. They are limited by what we here have imposed upon them by way of the Indian Act and all of the policies and regulations that flow from that Act. It is that from which they are being relieved to a significant extent.

● (1410)

I have to express a little concern. The Deputy Minister of Indian Affairs and Northern Development, when he appeared before the standing committee, made this observation regarding the Sechelt Indian Bill: "It is not what we consider a model". Good. But then he went on to say: "But rather what we consider an indication as to how far we are willing to go as a department". In other words, what we have here today is the outer limits of how far—if the spokesman from the Department can be believed and that is an accurate reflection of Government policy—the Department will go.

**Mr. Oberle:** How far we can go.

**Mr. Penner:** My hon. friend who served on the committee asks how far we can go. That is exactly the point I want to stress. Perhaps it is how far the Department is willing to go or how far it can go, but it is for that very reason that Indian leaders are somewhat apprehensive about the route we are taking today, the so-called legislative path or avenue. That is why Indian leaders continue to stress with vigour that what we have to pursue is the constitutional route. When we have done that, and when we have been successful at the constitutional level, then it will not be how far the Minister or the Department is willing to go or, as my hon. friend opposite said, how far they can go. Rather, it will be what rights or powers flow from the Constitution of Canada. Legislation cannot replace the need for constitutional recognition.

Let us come back to where the Minister took us in his remarks. I have to concur entirely with him when he said that Bill C-93 is a major step forward for the Sechelt Indian Band. That is a fact, that is why I support Bill C-93 and that is why my Party will vote in favour of it. For that Indian Band, this is an historic occasion for which it has planned and worked with great determination and much skill over a very long period of time. But Bill C-93 has to be seen in context. We must return to what I consider to be the touch-stone of the policy of Indian Self-Government, to which the Minister referred, entitled *Indian Self-Government in Canada, a Report of the Special Committee.*

For the benefit of hon. Members who may not have been here at the time the report was tabled, I will give them the first two recommendations in the report. First, the Committee recommends that the federal Government establish a new relationship with Indian First Nations, and that an essential element of this relationship be recognition of Indian Self-Government. What the "new relationship" in this context means is cutting the strings, severing the ties that bind, letting go. I point out to the House that Bill C-93 does not cut all of the strings. It cuts the strings which are in the Indian Act but replaces them with new ones. In fact, it gives the province of British Columbia some strings it didn't have before.

**Mr. Crombie:** Stan Dixon says "We'll be free with 93".

**Mr. Penner:** I do not know why the Minister did not take his full 40 minutes.

**Mr. Crombie:** I wanted to give you time to be a gentleman, that's why.

**Mr. Penner:** He wants to interject during my speech. I don't know why he didn't use his full 40 minutes since he is so proud of Bill C-93. He should have taken his full time to praise it to the hilt. I think he is very disappointed—

**Mr. Crombie:** Disappointed in you, Keith.

**Mr. Penner:** —that some other Hon. Members—

**Mr. Crombie:** In you.

**Mr. Penner:** —are giving an objective analysis of the Bill.

**Mr. Crombie:** You are not, and you know it.

**Mr. Penner:** Since when did an objective analysis become a problem for the Parliament of Canada?

**Mr. Crombie:** You're misleading people, and you know it.

**Mr. Penner:** Recommendation No. 2 of the touch-stone of the policy of Indian Self-Government states that the rights of Indian people to self-government be explicitly stated and entrenched in the Constitution of Canada. All Hon. Members of that committee, representing all of the Parties, unanimously agreed that the surest way to achieve permanent and fundamental change in the relationship between Indian peoples and the federal Government was by means of a constitutional amendment.

**Mr. Oberle:** Read on, Keith.

**Mr. Penner:** An Indian First Nation Government would be a distinct order. My hon. friend remembers how we argued for days before we finally agreed that we would recognize that there was to be a distinct order of Indian Government with that jurisdiction defined.

These two recommendations continue to serve, I believe, as the beacons pointing to genuine self-government. They embody the hopes and dreams, unfulfilled aspirations and unrealized goals of the Indian people. The fact that such recommendations were made unanimously by an all-Party Committee indicates that there are unkept promises which have not been forgotten.

However, we knew that the constitutional process would not be an easy one. We knew it would be difficult, disappointing and frustrating, and that has turned out to be the case. Sometimes here and there in the constitutional process there have been some heartening aspects. There have been some small rays of light from time to time breaking through the darkness, fear and ignorance of those First Ministers Meetings as they applied to the whole vital issue of aboriginal rights. The Special Committee anticipated accurately that there would be these difficulties and that constitutional recognition of the right to aboriginal self-government would have to follow a very steep, rugged and slippery path. Therefore, we proposed that there be a temporary or intermediate fall-back position, and so while the Committee concluded that the surest way to lasting change is through constitutional amendment, it encouraged both the federal Government and Indian First Nations to pursue all processes leading to the implementation of self-government, including the bilateral process, and that was the third recommendation. That is how we got the Cree-Naskapi (of Quebec) Act and, to a certain extent, it brought forward the Sechelt Indian Band Self-Government Act, although as I said earlier it is more trilateral than bilateral.

The Ministers who were involved, our present Minister and his predecessor, plus the Indian leaders who engaged in the negotiations leading to these agreements, deserve our praise, admiration and our gratitude. I am reflecting all of the good words the Minister said earlier. I do not know why he has been so troubled by a little objective analysis.

**Mr. Crombie:** Misleading.

**Mr. Penner:** This House should encourage and support what has occurred but it has to be seen in context. That is my point and the point that Indian leaders have already made to the Minister and which they will make to the Minister again.

**Mr. Crombie:** Misleading.

**Mr. Penner:** To this point I want to say to the Government that in what has been given today, or what will be given when we complete all stages of this Bill, let there be no reneging. Let there be no backing off, no hiding behind legalisms or obscure officialese. We cannot shortchange these Indian people who once again have negotiated and contracted with us in good faith. We must proceed on the same basis when we negotiate with the Indian people.

• (1420)

We have seen some of this before in the James Bay and Northern Quebec agreements. It was the standing committee which took leadership in the last Parliament with the previous Government and pointed out that they were trying to escape some of their obligations. We forced them into an inquiry and they finally had to admit that although they had not violated any of the legal aspects of the agreement, they had failed to live up to its spirit. I am saying to the Minister, let the letter and spirit of this legislation, as far as it goes, be lived up to.

We are still troubled by the Cree-Naskapi (of Quebec) Act insofar as there was an accompanying Memorandum of Understanding signed by the previous Minister. We are still worried and want to be assured that, although that was not in the Statute itself, it is not seen as an obligation of this Government. Just because it was signed by a previous Minister—

**Mr. Crombie:** The Sechelt is in the legislation.

**Mr. Penner:** —is no reason for this Government to back out of a memorandum entered into by agreement.

**Mr. Crombie:** It is statutory to the legislation. Why didn't you do it?

**Mr. Penner:** That is why it was signed by the previous Government and—

**Mr. Crombie:** It was not done right and you know it.

**Mr. Penner:** It is this Government which has to live up to the renegotiation of the funding agreement.

**Mr. Crombie:** Quit playing politics with it.

**Mr. Penner:** I am going to tell the Minister that Bill C-93 is going to be carefully examined by the standing committee.

**Mr. Crombie:** I hope so.

**Mr. Penner:** We are going to hear directly—

**Mr. McDermid:** You are more of a man than that. Come on.

**Mr. Penner:** We are going to hear directly from the Sechelt people. Mr. Speaker, why are these hon. Members so annoyed when I deal with legitimate concerns expressed by Indian leaders in this country? I raise it in the House and they become very sensitive.

**Mr. Crombie:** Because you are misleading.

**Mr. Penner:** We know—

**Mr. Crombie:** They believe you and you are misleading.

**Mr. Penner:** —that we are touching some pretty sensitive nerves today.

**Mr. Crombie:** No, you are misleading and they believe you and that is a tragedy.

**Mr. Penner:** I ask that that be withdrawn.

**Mr. Crombie:** No.

**Mr. Penner:** The Minister says I am misleading. There is none of that going on here and I ask that it be withdrawn right now.

**Mr. Crombie:** You are misleading.

**Mr. Penner:** I ask that that be withdrawn.

**Mr. Crombie:** No.

**Mr. Penner:** And I do not want this to be taken out of my time. I am raising a point of order, that there has been no misleading in this House.

**Mr. Towers:** Don't tell the Speaker what to do.

**Mr. Skelly:** Mr. Speaker, I recognize the difficulty we find ourselves in today on the broader questions in Indian Self-Government, the expectations that raises among many Indian bands and the constitutional issues. However, this is a very proud day for the Sechelt people. It is the fruition of a decade of work and it would be of great benefit to all of us to consider the Bill before us, to the degree possible, in light of the requirements of the Sechelt people. We have some issues we wish to raise at another time. We will express many of the points raised by the Hon. Member for Cochrane-Superior (Mr. Penner). I hope we will not get ourselves into a procedural difficulty, but that we move forward in the spirit which has brought this Bill before the House today.

**Mr. Crombie:** Mr. Speaker, I entirely agree with my friend from the NDP. I have interjected and I apologize to the Hon. Member for Cochrane-Superior (Mr. Penner). I did not mean to interject but there have been so many people who worked so hard on this legislation. It is not an uncomplicated matter, and I think with great respect it deserves a greater sense of understanding than has been offered. There are matters in the legislation which require examination and they are important to the Sechelt people. I did not want to have that lost in the kind of political rhetoric which the Indian people have had to pay for, for so long. I wanted to get down to what was important to them. I apologize to the Hon. Member for interjecting and I will of course, refrain, but I can tell you, Mr. Speaker, it is with some difficulty.

**Mr. Penner:** Mr. Speaker, I concur entirely with the comments of my friend from the NDP. Of course this is an important day for the Sechelt Indian Band. If my remarks are examined coolly and calmly he will see that I indicated repeatedly how important it is to meet their needs. I never for a moment thought that what was taking place in the House of Commons today was a ceremony. I thought the House of Commons was a place—

**Mr. Crombie:** We are talking about the Sechelt.

**Mr. Penner:** —where men and women representatives could debate issues and raise matters of concern. I was trying to raise these matters in a cool and dispassionate way. If I became rather heated at certain moments, it was not because I intended that to be the case, but because of the interjections of the Minister. He has apologized and I accept his apology. Certainly we want to praise the Sechelt people, but I wanted to point out that failures to live up to treaties and agreements and understandings are too much a part of the history of this country. The committee will hear the Sechelt Band and we will praise them for the work they have put into this. There has been an enormous input from these people and their adivisers. The committee will want to know exactly how this Bill will impact on these people over a period of time. Once the Bill has been passed, without any obstruction at all from us, then we will monitor the Bill and see how it is working in the communities under the jurisdiction of the Sechelt Band.

I will conclude by using exactly the same words used by my friend from the NDP. Bill C-93 is a significant achievement for the Sechelt people. All Hon. Members want it to succeed. In adopting this Bill we want to say from this part of the House that it has to be seen in the context of larger issues pressing upon the hearts and minds of the Indian leaders of this country. I raised those issues and I am sorry if I broke the ceremonial atmosphere which the Minister wanted to create, but my obligation as a Member of Parliament is not to come here and engage in ceremony, but to make sure we get the best

possible legislation. It should neither be underplayed nor overplayed. It should be seen in its proper and correct perspective. I believe that is our obligation.

It is an important day. We are not blocking this Bill. We only have two speakers from this Party. We are going to work expeditiously in committee to see that it comes back quickly for third reading. We are going to rejoice with the Sechelt Indian people on the day this Bill is finally proclaimed in law.

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, it is with a great deal of pride and satisfaction that I rise today to comment on this legislation. Before commencing to do so I would like to offer my thanks to the Minister and the Government for bringing the Bill forward. It is an important step. A great many hurdles were overcome. It has been a long process. It has involved more than one Government. Direction has had to be established and the bugs have had to be worked out to bring us to the point we are at today. The Minister and his staff, as well as previous Governments and Parliaments, have worked on this problem and it has now come to a point where I think the Sechelt people are very pleased.

I would also like to extend my thanks to the Official Opposition representative who just spoke. He voiced many important concerns to native people. I know he has supported these people in their endeavours toward self-government and they have a great deal of respect for the Hon. Member for Cochrane-Superioe (Mr. Penner), as do many other native people in Canada. The points made by the Hon. Member were certainly not lost today. They will be raised again in committee. The issues which concern him and his Party, as well as ours, will be raised again.

Today is an important day for the Sechelt people in a lot of respects. This Bill is not a product of the current Government alone. It is not a product of the current band administration alone. This is the unfolding of aspirations of the Sechelt people which they have held for many years. There are about 650 people who live on the Sechelt Peninsula in British Columbia. They live in areas which have great potential. Over the years they have felt thwarted in their efforts to use the resources on the lands they occupy in order to bring about a better way of life for their people.

• (1430)

The Indian Act provided an impediment to progress. The Band has been lucky to have had good managers and very active participants in the government of their community. I believe the Band has been exemplary in the way in which it has developed. Eventually the Indian Act became a very serious impediment. Alterations were made which allowed Bands discretionary power. Those options were fully utilized by the Sechelt Band. They were able to make the decisions which affected their community in a number of areas. Later those powers became too limited. Progress for native people across the board in Canada did not move forward in a timely manner to aid the people of Sechelt. They began to think in terms of a piece of legislation which would enable them to develop their community resources in a timely way which would be meaningful to them. I believe that the Band has always had responsible leadership which reflected the wishes of the people. The Bill before us today represents that particular situation.

The interesting thing about this particular legislation is that it goes back at least 10 years. Many people have been responsible for bringing it forward. I want to give credit, on the record, to the people who have been involved with it. They include Chief Stan Dixon and the present Council of the Sechelt Indian Band, Benedict Pierre, Clarence Joe, Lloyd Jefferies, Ann Quinn, Gilbert Joe, former Chief Calvin Craigan, and Ted Dixon, a very well respected member of that community who was active in bringing forward the concerns of the Sechelt people on this and other issues. There was a very strong force which assisted the people of Sechelt to bring this, as well as many other projects, forward. Involved in developing this concept, filling out the framework, doing the detailed work, and providing an enormous amount of the energy which brought it forward, were the Band's legal adviser, Graham Allen, and the Band's financial adviser, Gordon Anderson.

There have been years of blood, sweat, tears and enormous frustration and problems. Instead of yielding to those frustrations they reorganized, applied more effort and more resources, and overcame the impediments. They convinced people that their course of action was correct and needed to be heeded and dealt with. We have the ultimate product of that before us today.

Mention has been made of the provincial Government in British Columbia. There are certainly occasions on which we disagree with it. It is interesting to note that the provincial Government does appear to support the thrust and direction of this legislation. It would appear that it is prepared to make moves to complement the Sechelt Indian Band Act and bring the desires of the Sechelt Indian people to fruition. We support that. I think the Government of British Columbia will make an effort to co-operate with this legislation.

On the other side of the coin, the Member for Cochrane-Superior has alluded to the problems in other areas with native people. The Government does seem to have a course of action which is not conductive to co-operation with some Indian bands. Ultimately, as is the way in our country, the people of British Columbia will make the decisions on those issues.

I would like to conclude my remarks by again thanking the Minister and the representative of the official Opposition, the Member for Cochrane-Superior, for assisting in bringing forth an agreement today which will allow this Bill to pass through the House. We will definitely hear more about this in committee. There is no doubt in my mind that the Sechelt Indian Band will have this legislation which will be a tremendous boon to the development of their community and to the satisfaction of their people.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

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## PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House resumed from Tuesday, January 28, 1986, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, I will speak very briefly because I believe there is consent by all Parties to move this legislation forward as well. It has been 10 years since the subject of pension reform was first raised in the country. There have been 10 years of study, and now is the time for action. I have participated in the debate for most of those 10 years.

It is interesting to trace how many levels of Government have studied the problem. The Quebec Government has studied the issue with the Cofirentes Plus. The Ontario Royal Commission has studied it. The Lazar Interdepartmental Task Force has studied it at the federal Government level, as has the Senate Task Force on Aging. We have had the National Pension Conference, which I was privileged to be able to announce in the House on behalf of the present Minister of Indian Affairs and Northern Development (Mr. Crombie) nearly seven years ago. There was the Ontario Select Committee on Pension Reform, as well as the House of Commons Task Force on Pension Reform chaired by the Member for Sudbury (Mr. Frith).

This Bill and those which will follow it are among the most important social measures that this House will examine in this session, because they deal with the issue of poverty among the elderly and the prevention of poverty among the future elderly. This Bill contains many specific provisions which will improve the situation of the elderly in the future. We are guaranteeing access to pensions for part-time workers. We are improving vesting, introducing, for the first time, portability provisions, providing for disclosure to employees and employee representatives of the state of the fund and of benefits accrued, looking after widows and widowers by making survivors' pensions mandatory, and looking after women by ensuring that they receive benefits equal to those received by men from pension funds. We are improving death benefits out of pension funds on a mandatory basis.

I am pleased, as I am sure are Members of all Parties, that the pension critics for the Liberal and New Democratic Parties support this Bill. They raised three issues in their speeches on the Bill which I would like to deal with. The first issue raised by both Members was that of the CPP changes which are part and parcel of the reforms recommended by the House of Commons Task Force on Pensions. In particular, the Member for Sudbury argued that we should be bringing homemakers' pensions forward on a rapid basis. That is outside the scope of this particular Bill, but the Government agrees with him and the Minister of National Health and Welfare (Mr. Epp) has indicated in the House that we intend to proceed with that measure as quickly as possible. We hope to have that measure in place by January 1, 1987. I hope that the Member for Sudbury will use his considerable influence on the new Government of Ontario to ensure that it feels as strongly as he does so that we can bring this forward on January 1, 1987. That is something which will dramatically reduce poverty among our elderly. As he is aware, I testified in favour of this at his committee when I was representing the Canadian Institute of Actuaries. Indeed, I was involved in bringing that measure forward to the Progressive Conservative convention when it was adopted as part of our Party policy.

• (1440)

The second issue raised by the Member is that the pension task force recommended that we should implement inflation indexing for pensions. Again, I agree with the Hon. Member for Sudbury and, as he is aware, I testified before his committee on behalf of the Canadian Institute of Actuaries, not only indicating that it was desirable but also how we could do it.

The Hon. Member is very thorough and has read the Bill. I am sure he is aware that Clause 21(5) of the Bill makes provision for outlining what types of inflation protection will receive credit by the federal Government in recognition of the obligations that employers undertake.

Although we were unable to carry the provinces with us, we hope that the introduction of this clause will encourage the private sector to bring in these inflation protection measures on a sound financial basis and indeed encourage other provinces to buy into this procedure in order to make pension reform work.

When the committee studies this Bill, we will table papers showing how we chose the formula in Clause 21(5), and how employers can introduce sound indexing and inflation protection on a basis which does not expose them to unlimited cost. We will be in a position to explain why this basis was chosen, and I hope the Hon. Member for Sudbury uses his considerable influence to persuade the Ontario Government to replicate the provisions in our Bill. As he knows, that Government backed away from inflation protection and I hope it will recognize that we are taking a positive step forward.

**Mr. Frith:** There is no inflation protection in the Bill.

**Mr. McCrossan:** Yes, there is. It is in Clause 21(5).

**Mr. Frith:** Give me the formula.

**Mr. McCrossan:** Seventy-five per cent of the cost of living less 1 per cent, or its actuarial equivalent, which would be excess interest over 5 per cent. It is in the Bill, Clause 21(5).

The Hon. Member for Sudbury and the Hon. Member for Beaches (Mr. Young) raised the issue of withdrawal of surplus from pension funds. I believe they have identified a key issue which needs to be dealt with in the committee. This question has obviously received a considerable amount of attention recently, with the recent actions taken with respect to Dominion Stores. It is an important issue that deserves detailed study and action in the committee.

**Mr. Frith:** Good heavens, Paul. You have a plan to provide indexation. You are not forcing companies to have indexation.

**Mr. McCrossan:** That is right.

**Ms. Copps:** So tell the truth.

**Mr. McCrossan:** I am telling the truth. I would be happy to elaborate on that briefly. We have provided an incentive. As the Hon. Member is aware, the provinces wanted to have only a fifty-fifty cost sharing. The federal Government's position was that we wanted to encourage people to bring in the stronger basis of inflation protection. Therefore, we have provided an incentive in this Bill for employers to adopt mandatory inflation protection.

That is as far as we could go with the provinces. I believe it is an important step forward because once this Bill is enacted many companies will indeed opt for better formulae in the Bill; it can be set up on a sound basis.

Let me return to the issue of withdrawal of surpluses. I first raised this in 1980 with Wells-Bentley of the Pension Commission of Ontario. I still strongly believe that such protection for the workers is needed in law. Again, I give my undertaking to Members that I will try to help develop a response to their concerns so that we can have a much better pension system in the future.

**Mr. Frith:** Mr. Speaker, I recognize that the Hon. Member has done a great deal in the debate on pension reform in this country, not only as a Member of Parliament but in his previous occupation. Will he admit on the record that there is absolutely nothing in Bill C-90 that will require inflation protection for pension assets on a mandatory basis? Will he also acknowledge that in the Lalonde Budget of the previous Government, Mr. Lalonde agreed with the recommendations from my task force that would allow for mandatory inflation protection on every pension fund in this country? Would he at least admit that?

**Mr. McCrossan:** Mr. Speaker, I will admit both of those things. However, I will also point out to the Hon. Member for Sudbury that one of the key recommendations of his report was that we bring in uniform pension legislation across the country rather than a patchwork quilt system. The Hon. Member knows that the Progressive Conservative Government of Ontario and the federal Liberal Government at that time were the only two Governments willing to go ahead and mandate inflation protection.

In order to put the package together last February, we had to make certain compromises. The federal Government held out for making a provision in the Bill that would encourage people to implement inflation protection, and indeed, that provision is in the Bill.

The question with which we must be concerned is, what is the greater need? We felt that achieving a consensus and moving forward on something which has been studied for 10 years in reaching unanimous agreement was most important, because in those 10 years many people have received inadequate benefits, lost their benefits and, indeed, people have retired without survivors' pensions. We must move forward.

We stuck to our guns and put in those provisions. We have clearly indicated our direction for the future by encouraging this type of inflation protection. We intend to build on this in the future. I am sure Hon. Member will recognize the practicalities of achieving unanimous consent among 10 provinces and the federal Government in this area.

**Mr. Frith:** Mr. Speaker, I indicated that we agreed with Bill C-90 in principle when it was introduced for second reading. I also said that at committee stage we would move a number of amendments on areas in which we believe the Bill can be improved.

Will the Hon. Member give us some co-operation and undertake to at least consider these amendments in a straightforward way rather than on a political partisan basis?

I believe there are some serious deficiencies in the Bill, one of which is the definition of part-time under this law. There are also ways in which we can significantly improve pension benefits for all Canadians workers.

I would be the first to agree with the statement that in the interest of getting on with pension reform we at least approach this on the basis that the consensus package is the lowest common denominator for this reform and, therefore, we will not block the Bill at second reading.

Frankly, I hope we will be able to make progress with this in committee so that we can have legislation in place by January 1, 1987. Do I have the word of the Hon. Member that he will at least try to discuss with his Party, in a very straightforward and objective manner, the amendments I wish to put forward?

**Mr. McCrossan:** Mr. Speaker, I would be happy to give my word, provided that the Member lives up to his preamble. He asks that this Bill be dealt with in a non-partisan way, and I agree. To the extent that the amendments he proposes are indeed non-partisan and designed to further the interest of pensioners in this country, I would certainly be prepared to exercise whatever influence I have in my caucus to make sure that we bring in appropriate amendments.

**Ms. Copps:** Mr. Speaker, my question deals with the issue of inflation protection. The Hon. Member has certainly left the House with the distinct impression that this legislation

includes inflation protection. One only needs read the clause which he cited to see that it does not provide for automatic inflation protection. In fact, the Conservative Government has backed down on a previous commitment by the federal Liberal Government to have full inflation protection. How can the Member make such a misleading statement in the House with a straight face when he knows that his Government has backed down on the issue of inflation protection?

**Mr. McCrossan:** Mr. Speaker, I believe that was clarified in my remarks and in answer to the two questions from the Hon. Member for Sudbury.

If the Hon. Member for Hamilton East (Ms. Copps) feels so strongly about this issue, she should talk to her former Leader to make sure that he brings in measures that are in his Bill which he dropped in the Province of Ontario. It is about time we proceed with this, and if she feels so strongly about it let her act on it. I acted on it. I made sure this provision was in the Bill to ensure that we had a model for the private sector to follow. I have taken some positive steps. I invite her to take some herself.

• (1450)

**Ms. Copps:** Mr. Speaker, as a matter of fact, the protection to which the Hon. Member alludes in this House is not in the Bill is under discussion by all Members today, and presumably I am here to make contribution to this Government and this Bill. You are leaving it up to the companies, if they so choose, to provide inflation protection. They will then be subject to the sections of the Act, but there is no inflation protection on a general basis.

Let me ask the Member again how he can continue to mislead the House on this issue when he knows full well the previous Liberal plan had included full inflation protection.

**Mr. McCrossan:** Mr. Speaker, I conceded to the Hon. Member for Sudbury that the Lalonde Budget included mandatory inflation protection. I also reminded the Hon. Member from Sudbury about his recommendation that no significant measure go forward without the unanimous consent of the provinces, which it was not possible to get.

What is the greater principle? There was such a strong recommendation from everybody who studied this issue that we not have a patchwork guilt of legislation.

Very specifically, there is no mandatory inflation protection in this Bill, but there is a model to encourage employers to bring in voluntarily inflation protection which will protect the workers. I believe, and I believe history will bear me out, that many employers having seen the studies, which we are going to table in committee, will choose voluntarily to bring that in, and that we will see the issue take hold in the private sector.

**Ms. Copps:** Mr. Speaker, the argument of the Member that we are in some way prevented from introducing, on federally regulated pension plans, the notion of the inflation protection eludes me. The Member will know that the Bill we are discussing today deals with federally regulated pension plans, which cover the federal public sector and those employees covered under the Canada Labour Code. Obviously we would love every province in Canada to provide full inflation protection as well, but we are dealing with proposals for a federally regulated pension plan. Why does the Member hide behind the notion that somehow the federal Government cannot provide the lead in this area, and that without unanimity he is not prepared to move on the issue of inflation protection, specifically in federally regulated pension plans?

**Mr. McCrossan:** Mr. Speaker, there are two complementary ways of protecting workers to make sure that they get a fair shake in a pension plan. The first alternative, which nine of the 10 provinces favoured, was the imposition of a fifty-fifty minimum cost sharing of pensions. That provides considerable protection for workers, but it is not nearly as strong as having automatic inflation protection. The consensus was reached that the fifty-fifty which is referred to a couple of clauses earlier than the one I cited would be the main model to offer workers protection. Indeed, that does offer considerable measure of protection for workers.

In order to move on with this, the federal Government decided we would go beyond the provincial consensus. The provinces were arguing that it was too costly at this fragile time in the Canadian economy, when recovery is just taking place, to impose the most expensive item of pension reform on a mandatory basis. We said all right, we will bring in the minimum with which all the provinces agree, but we will provide an incentive for companies to move forward to what we believe is the ultimate step that should be taken.

**Ms. Copps:** Mr. Speaker, can the Member tell us why this legislation does not include a provision so that surpluses which may accrue in a pension fund can be pumped back into the fund for the benefit of the employees rather than simply taken over by the employer investor?

**Mr. McCrossan:** Mr. Speaker, I raised this issue in my opening remarks. When the provincial consensus was being developed, there were no examples before us of the type of situation which had developed with the Dominion Store workers within the last few months. Almost without exception, employers had acted responsibly. When they had made surplus withdrawals, it had been to get money to keep the company alive. Many companies, and I am sure the Member is aware of them particularly in the transport sector back in the 1981-82 period, needed access to funds just to stay alive. The particular provision in this Bill says that the companies can have access to funds where that access does not impair the solvency of the fund. Companies cannot get any more back except that which was surplus to the obligations they committed to.

Since the time this Bill was tabled it has become apparent, and I think there is a well known high profile case I cited in my speech, and no doubt the Member will cite it in hers—where it is felt there may well be injustices to workers. The fact that there had not been a problem up to that time is the main reason that there is nothing in the Bill to prohibit it.

In the United States, which brought in a similar provision prohibiting entirely withdrawals of surpluses, there has been ample demonstration that that type of approach to the problem is counter-productive. It is counter-productive because employers stopped funding on anything other than the minimum basis. They left the minimum amount of assets in the fund, and when they got into financial difficulty the funds folded and the workers were left high and dry.

If you bring in a strict prohibition against withdrawal of surpluses, as we can see now from nearly seven years of experience in the United States, the effect is to leave workers in a worse off position. Employers take steps to reduce their contributions to the bare minimum in order not to get caught. It is not as simple as just prohibiting the withdrawal of surpluses and saying that means workers will be better off.

We have all kinds of evidence. The pension benefit guarantee fund in the United States has lost hundreds of millions of dollars as a result of the actions that employers have taken by minimizing funding and then leaving the fund high and dry when employers got into trouble.

**Mr. Deputy Speaker:** Resuming debate. The Hon. Member for Hamilton East (Ms. Copps).

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I would like to join in this debate because the Hon. Member who spoke to the Government's position on the proposed pension legislation has made a number of assertions, assertions that somehow this legislation would be of great benefit to those among our society who currently represent the poor, in particular women, and those women in poverty.

This piece of legislation does include a shorter vesting period. Obviously we in the Liberal Party support that because the Liberal Party in the budget of Marc Lalonde originally introduced the notion of reducing the vesting period. Our Party supports more portability in pensions. Our Party supports a reduced vesting period to allow the kind of pension mobility that we know is following the mobility of workers in society. It is important we have this portability so workers can feel if they move from job to job, as is currently the case in a highly mobile Canadian society, that those workers will continue to have coverage. However, the Government's position and refusal to look at the issue of full indexation in fact belie and contradict the very claims made by the Hon. Member in respect of the leadership of the federal Government on this issue.

● (1500)

We know that under the previous Liberal Government the national policy was committed to a full indexation of pension plans. Now we hear Government spokesmen saying that they would rather leave it to the private sector, somehow hoping that private companies will take their responsibility and in fact provide a clause for full inflation protection. That has not been the case in the past. The Government continues to support a pension fund where the excess of the investment can be withdrawn by the company for use in developing its profits margins, supplying other products and expanding into new areas. Essentially this is not for the benefit of those who contributed to the pension plan, but for the benefit of shareholders of the company. There is a principle involved here which speaks to whose dollars are in the pension fund. Are they dollars for the shareholders? Are they dollars for company products? Are they dollars for workers who have contributed with matching contributions from companies to provide their own future inflation protection and retirement benefits? I suggest that we are speaking about the latter. Those pension funds should be solely directed toward the payment of pension benefits to retiring and outgoing workers. The company should not be permitted to skim off the cream of pension investments. Otherwise, the pension fund is not being used for the benefit of workers and the investment is not there to assist in the retirement of workers but is there to pass off an extra few cents or dollars to the shareholders, to the management of the company or to the company's bottom line.

Why does this particular measure discriminate against the majority of employees who work for small businesses in Canada? When I speak of small businesses, I am talking about businesses with less than 50 employees. Many of the provisions, including the establishment of a pension committee and an invitation to have some worker involvement in the investment process of the company, are restricted to those companies with 50 or more employees. If we are truly concerned about the tripartite approach of labour, management and Government which we as a Parliament have paraded over the last number of years, both previous Liberal Governments and the current Conservative Government, then we should encourage worker involvement in pension funds at the company level, even if the workers happen to work for a company with less than 50 employees. We should not only encourage that type of involvement, but we should facilitate it by suggesting that any worker in any organization where workers want some involvement in the kinds of investments which will be used to guarantee their future retirement should be permitted to do so. In light of current Government changes, as they specifically relate to the Government's consideration of pension benefits as income for the purposes of calculating unemployment insurance, we will see that more and more workers will want a direct say in what happens in their company pension plans.

At the same time as the Minister of Finance (Mr. Wilson) is introducing the Pension Benefits Standards Act and subsequent Conservative Members are speaking to it, the Minister of Employment and Immigration (Miss MacDonald) is creating a disincentive to private pension plans by introducing the new notion that, for unemployment insurance, pension benefits will now be considered as income. That has created a two-class system of citizens. The first class includes those citizens who are not salaried employees. Not only does this particular measure indicate that those with pension benefits will not be allowed to collect unemployment insurance, it applies only to those who are salaried employees with a company pension plan. However, if one happens to be in business and has contributed to a private money purchase plan, an RRSP, the

Minister of Employment and Immigration has said in her wisdom that one is exempt from the new regulations. In other words, an upper-middle income Canadian, who has had an opportunity to contribute to a private Registered Retirement Savings Plan, which has accrued and built up over the years, and has retired from work, will be entitled to collect unemployment insurance benefits for the 52 weeks following retirement if he or she has not yet reached the age of 65 years. At the same time, salaried employees who are in company pension plans are denied that right.

When we adopted the Canadian Charter of Rights and Freedoms, we said that all citizens and residents of Canada were created equal, with the same rights and obligations. It is not only this particular pension measure which discriminates against employees of companies with less than 50 workers. A concurrent measure of another Minister dealing with pension benefits indicates that salaried employees, such as steelworkers in the riding of Hamilton East, will not be allowed to collect unemployment insurance as long as they are receiving a pension from their companies. At the same time, if I am forced into retirement by the voters of Hamilton East and have an RRSP—and subsequently I can take another job or cash in my RRSP—I can collect unemployment. Is it more important for the steelworker in the riding of Hamilton East, the salaried employee or company person, to collect a pension or is it more important for the upper middle-income Canadian who has contributed to a private money purchase plan to be able to collect unemployment insurance?

We have been elected to protect those who are least able to protect themselves. Those of us who can afford private money purchase plans, who can afford to play the stock-market and who can afford accountants to give us the loopholes we need so that we do not have to pay as much in taxes as we might have to do if we were straight salaried employees, have built in protection. It is the salaried company person who does not even have any input into how his or her pension funds are spent who is hamstrung by the decision of the Government. If in fact good pension investments should result in a higher than average yield and in an increase over what was expected for the pension plan, such workers, unlike private RRSP investors, will not be able to take advantage of that excess. That excess can be skimmed by the company and sunk back into its profit margins, its president's salary and its shareholders' return. The people who will be left holding the bag will be those who thought they had a greater say in pension funds as a result of the mesures about which we are talking today.

Many issues have not been addressed in this particular Bill. They have actually been ignored. The difficulties have been compounded by the current position taken by the Government in respect of the calculation of pension benefits as earnings for the purpose of unemployment insurance.

When the Hon. Member commented upon the situation facing the women of the country, he neglected to say that while the particular Act will obviously be of benefit to those people who are currently in a pension plan or are currently in a company with over 50 employees, it does nothing to speak to the basic inequities currently being faced by senior citizens and elderly women between 55 and 65 years of age who may find themselves, through no fault of their own, never having been in a company pension plan.

[*Translation*]

Mr. Speaker, this Government which is talking about equity for women and the poor, which has just announced a program under the Bill for women or widows between the ages of 60 and 65, this Government is at the same time discriminating against women who have never married or who for whatever reason are divorced or separated. In other words, the Government Member would have us believe the Government is doing its best for women who have no other means of support. However, we all know that under the Bill announced in 1985 by the Minister of National Health and Welfare, which concerns women between the ages of 60 and 65, these women were not covered if they were single or divorced. They were not entitled to the same pensions offered to widows, a group the Government had decided to give a pension.

So there are some very large gaps, not just in this Bill but in the Government's whole policy on pensions.

Speaking of the Bill, I think it has two major shortcomings, one being the Government's decision to reject the policy of the previous Liberal Government by saying that every pension plan must contain guarantees against inflation.

Mr. Speaker, we now know, whatever may be said from time to time in this House by our Prime Minister (Mr. Mulroney), that the real rate of inflation in 1986 is practically the highest ever. For instance, the banks are offering us from 6 to 7 per cent on our investments, while they are charging from 11.5 up to as much as 14 per cent on mortgages and other types of loans.

So, the so-called spread between the real rate and the rate charged by the banks is 6 or 7 per cent, which is much higher than what we had two or three years ago.

When we see the spread between the interest rates and the rates charged by the banks, we have to conclude that the Government has ignored the pleas of Canadians, of employees and companies, for real protection against inflation, while we also know that the real rate of inflation continues to widen the gaps.

I would say that especially the elderly and those living on pensions are among those who are least protected against inflation. We young people who are in good health can always go out to work or find another job, or even have two jobs or find some other way to save money. When we look at a person who has to take early retirement at 60 for health reasons, that person does not have the same ability to adjust to inflation rates of 6 per cent, 7 per cent, 8 per cent, 10 per cent, 11 per cent, 12 per cent and 13 per cent, as is happening at the present time.

I think it is much more important for the Government, first of all, to provide protection against inflation, and second, this would have been a very good Bill if the Government had decided that the funds invested in these pension plans . . . If the investment happens to be a good one and the pension fund has a surplus over what it is supposed to have, I think this would have been a good piece of legislation if the Government had decided to give employees the right to return these funds to the pension plan.

Mr. Speaker, what is happening now is that if we end up with a surplus in the pension fund, we allow the companies and employers the possibility to use these surpluses either as profits or to return them to the investors, without really giving employees the opportunity to benefit themselves from the surpluses in their pension funds.

What is the purpose of a pension fund, Mr. Speaker? It's not intended for the investors, for the company or to make profits. The pension fund is there to help employees when they retire. That is the reason why we are dealing with this Bill today. That is the reason why the federal Government has decided to act in a responsible manner and to create a climate where uniform pension funds can be developed.

But when the Government refuses to allow these pension funds to be re-invested for the benefit of the employees, it shows it is more interested in protecting the interests of companies than those of the workers who, in all fairness, should have the opportunity to benefit from surpluses which result from their own investments in the company.

• (1510)

[*English*]

We see, Mr. Speaker, that because of these two shortcomings the Government has failed to recognize the importance of employee involvement and employee contribution to private company pension plans by refusing to provide full inflation protection and by refusing to allow surpluses that may occur in pension funds to be pumped back into the employee's pension benefits. The federal Government is saying that, in fact, it does not really believe that employees, first and foremost, should be involved in the management of their company pension plans. Employees should not have that opportunity except if, by some happenstance, they are employed by a company of 50 or more people and if, by some happenstance, the company happens to have agreed to some type of inflation protection. It is the same kind of voluntary approach of the private sector that we see has failed so dismally when it comes to the so-called Challenge '85 and Challenge '86 programs.

The Minister of Employment and Immigration said: "Leave it to the private sector, they are going to create jobs. Leave it to the private sector, they are going to give us inflation protection". I dare say that the workers in the steelmills in Hamilton know they have been able to accrue some inflation protection by the sweat of their brows and not because of any largess on the part of a company boss. In fact, some of those workers have gone on strike, some of them have been forced to walk a picket line to get the kind of inflation protection that is now built into their pension plans. In the same breath we see that that inflation protection, that particular benefit—if you want to consider it so, a carrot that might encourage people to take early retirement—has not only been ignored by the lack of inflation protection in this particular Bill, but has been further jeopardized because of the action of the Minister of Employment and Immigration when she told the workers and the salaried employees of this country: "You will no longer be eligible for unemployment insurance because you are on a pension plan".

Mr. Speaker, if you were a union negotiator and you were negotiating a contract which would be coming up for renewal in 1986, would you tell your older workers that they should be looking for more pension contributions? Would you tell your older workers that the company should be building up the pension funds and encouraging early retirement to allow younger employees to come on to the job? No, you would tell them to get the bottom line now, get into private RRSPs and get out of the pension company system, because the Minister of Employment and Immigration has introduced discriminatory legislation. I would hope the Government would consider some amendments to those regulations while we are discussing this issue of extreme importance to all Canadians, that is, pension protection for all workers, not just those who are lucky enough to have their own private RRSPs.

**Mr. Frith:** Mr. Speaker, I would like to ask a very leading question of the Hon. Member for Hamilton East (Ms. Copps). It will facilitate the workings of this House this afternoon, as Members are in the middle of those discussions right now.

Under present legislation the definition of part-time work is 35 per cent of the year's maximum pensionable earnings. That definition will not cover 80 per cent of the women in this country who work part-time within the federal jurisdiction. Would she be in favour of that definition or does she think it would be better defined in committee?

**Ms. Copps:** Mr. Speaker, I know that the Hon. Member for Sudbury (Mr. Frith) has a great interest in this question because he chaired the committee that came up with a number of good recommendations in this particular piece of legislation. However, where the Government has missed the boat is on the question of part-time workers. Unfortunately, it chose to ignore the recommendations of the Wallace Report as it dealt with part-time workers. The Wallace Commission travelled across the country and talked not only to women but to men to find out how we could deal with the ever-growing workforce of part-time workers, both in terms of getting them the kind of benefits protection they want and also of ensuring they are working part-time because they want to and not because they cannot find full-time jobs. It seems to me that by ignoring the recommendations of the Wallace Commission, the Government is trying to reinvent the wheel.

• (1520)

I think there will be some very good presentations brought before the committee, and I know the Hon. Member for

Sudbury has been in close contact with groups across the country that are concerned about expanding the definition of part-time work for the purpose of receiving benefits under this particular piece of legislation. However, the Government has had all the facts in its possession since its overwhelming mandate began on September 4, 1984. To date, the Government has chosen to ignore those recommendations.

While I know the Hon. Member for Sudbury will be doing his best to get the message across, I am not optimistic about Government Members unless we can get through to some of them who seem to think that women are working part time for little money and no benefits because they want to do so. Unfortunately, there are still many Members of the House who feel that a woman's place is only in the home and that a woman does not have the right to the same type of job and protection that men have. We have to convince these Members of Parliament that women have the right not only to compete equally but also to be afforded equal protection in part-time employment. We must convince them that women need protection regarding the question of the social costs of bearing children and having families.

We know that the Government is talking about taking maternity benefits out of unemployment insurance. Again, that is a Neanderthal attitude on the part of the Conservative Party that does not really believe in equality for women. The Hon. Member for Sudbury will be highlighting those issues in committee, but I would encourage those members of the Government who are not Neanderthals to join us. The Hon. Member for Nunatsiaq (Mr. Suluk) says that he is not a Neanderthal. I would encourage him to join us in committee to make sure that the Government brings in changes which allow part-time workers, primarily women, to take advantage of the same kinds of pension benefits and protection that are currently being awarded to full-time workers.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am very happy to have a chance to say a few words on the matter of the Government's pension reform Bill. I would like to introduce what I am saying with a few comments on what I see as the background of the principle of pensions.

Private pensions are something that only a minority of the workers of Canada enjoy because most pension plans have been negotiated by unions with their employers and it is only a minority of the workers who have as yet attained union status. Therefore, pensions are always negotiated as part of the wage package. There are the official wages and there are other economic benefits in the contract, and then there are pensions, if there are pensions. Of course, by no means have all unions been able to negotiate pensions as yet.

I recall that for 12 years as an officer in my local union, I was helping to develop the pension policies of our company, Continental Can. The company did have a pension plan. We had to negotiate improvements to it. Every time we negotiated a new contract every one or two years, the company said that there is this much in the pension fund and that much in wages, or we could have it all in wages or we could have it all in the pension plan. There were different ways the package would be offered, but the money in the pension plan was traded off against our wages. It is a very important principle that at least half of the money in the pension fund is the workers' money. The other half of it that the company puts in in the formal sense is also there by virtue of negotiations. It is part of the package that the workers negotiate. It is traded off against wages, against hours, against working conditions and fundamentally it is part of what is traded off for the goodwill and co-operation of the workers and the no-strike clause in the contract that lasts for the length of the contract. That point is not sufficiently recognized by many employers. Notorious for this is Conrad Black who took millions of dollars out of a pension fund because he felt he had a legal loophole which enabled him to do so. However, what he did was thoroughly immoral. Morally speaking, it was theft. He took money that belonged to the workers to use for his own private purposes without any moral excuse whatsoever. This Bill only goes a very small distance toward recognizing that principle.

Our Party will be supporting the Bill because it represents a small progress, but it falls far short of what would be just, and in fact it falls far short of what the Government promised. The main object of the Bill is to regulate the private pension funds of the country. It does not apply to the federal public servants who are already governed under the Public Service Superannuation Act. The Government says that it will extend comparable benefits to those employees, but of course it has not said when it will do so. Why the Government did not bring that forward at the same time as this Bill is something it has not told us. We are being asked to believe that the Government will do it reasonably soon and in reasonable conformity with its promises.

Although we are supporting this Bill because of its degree of progress, we have to object to, and hope there will be some improvement in, two particular faults of this Bill. One fault which has already been mentioned is the fact that it does not provide mandatory inflation protection. It does not protect the workers against having a pension that may have looked good at the time it was negotiated but may be peanuts by the time the workers have retired and are collecting on it. The Bill also notoriously fails to provide any protection against the kind of theft that Conrad Black practised against the workers of Dominion Stores. Why the Government refuses to protect against that, of course, is something that it has not told us.

In an inflationary situation, the workers get hit twice. They get hit once because retired workers find their pensions are worth much less than they thought they would be and much less than they were led to expect they would be. It hurts future pension beneficiaries because it encourages the employer, as in the Conrad Black case, to look at the surplus in the pension fund which has grown because of inflation and to decide to scoop it out rather than convert it back into benefits for the employees who paid for it and earned it.

We very much hope that in committee, Government Members will see fit to agree to amend this Bill in those two respects. At least, we hope they would honour the promise that was made by the Minister of Finance (Mr. Wilson) in his

Budget and to honour the Government policy statement, *Better Pensions for Canadians*, which was issued in 1982 by the previous Government and which many workers took as being a guideline for what the Government might do.

Two things are needed to bring minimal justice to this Bill rather than the half-justice for which we will have to vote if the Government refuses to relent. The first thing needed for minimal justice in this Bill is the provision of mandatory protection against inflation, not voluntary protection. I do not know of employers or vendors who have been willing voluntarily to give a break to their workers or consumers as against inflation. It has to be made mandatory, either through Government legislation or through union action. Union action may very well have to include strike action.

Workers may be forced once again to go on strike to get decent pensions for themselves, for those who have retired and for those who may come after them. Many Members on the opposite side deplore strikes and wish that unions would not use their only weapon, the strike. It would be sensible for those Hon. Members to amend this legislation in such a way that public opinion, which recognizes the need for pensions and the need that workers' money in these pensions should be used to their benefit, should find expression in legislation by this Government, by this Parliament, which would ensure that the pension funds are protected against inflation and that they are protected against theft by the employer.

• (1530)

There is, of course, a better way to do this. There is a better way still which our Party has advocated and which our predecessor Party, the CCF, advocated and which those who founded the CCF were advocating even before the CCF was founded, that is, a Government pension such as the Canada and Quebec pension. That would be the most just and economical way of ensuring a decent level of retirement income for all Canadians. But to do that, the rate of benefit of the Canada and Quebec pension would have to be sharply increased. Those workers who can negotiate with their employers, those minority workers who are in the fortunate position of being in unions and able to negotiate with their employers for a private pension, which will be in addition to their Canada and Quebec pension, of course, at the present time find that they are obliged to do that as a matter of prudence because they have no reason to believe that this Government will increase the Quebec and Canada pension to a level that provides for a decent living. But if this Government, on the one hand, wished to avoid strikes, by those workers in a position to struggle for better pensions, or if it wished, on the other hand, to avoid the compulsory, that is the mandatory, inflation protection we are asking for, the Government has a simple solution. It could announce that it will increase the Canada Quebec Pension Plan to a level that makes it unnecessary for workers to negotiate away part of their wages in return for a private pension plan.

The Government has two good options if it does not wish to promote industrial unrest, that is, either make a suitable increase in the Canada Quebec Pension Plan or else amend this legislation by including genuine mandatory inflation protection and ensure protection against the employer lifting the surplus out of the pension fund.

I hope that suggestion will be taken quite seriously by the Government Members.

**Mr. Deputy Speaker:** Questions or comments? Resuming debate.

[*Translation*]

The Hon. Member for Saint-Jacques (Mr. Guilbault).

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I too am pleased to comment briefly on Bill C-90 to make changes to the pension plans of companies and organizations under the jurisdiction of the Government of Canada.

We find that this timely piece of legislation includes several measures which will be of great benefit to people who work for the Canadian Government or for companies under its jurisdiction.

Indeed the Bill takes into consideration the fact that the situation has changed drastically over the years. It will make it a lot easier to administer pension plans and give more leeway to individuals who will now be able to transfer their pension funds from one employer to another, an option which workers have now been seeking for several decades.

We want to see this Bill get second reading and be referred to committee, but it does not necessarily mean that we fully endorse all its provisions. For instance, we are anxious to send the Bill to a committee of the House for further consideration because we know that several groups have already expressed the wish to appear as witnesses in an attempt to amend some of the clauses of the Bill. Indeed, one of the changes on which the workers will certainly insist relates to the indexation of their pension benefits. In other words, they want those benefits protected against erosion due to increases in the consumer price index.

Unfortunately that is probably the most obvious shortcoming of this measure—it offers no protection whatsoever against inflation. Hon. Members who have been in the House for some time will recall some of the proposals made in the past. For instance, when the Hon. Marc Lalonde was Minister in the previous Government he proposed a formula which I will outline in a few moments. From the outset, Mr. Speaker, I can say I did not think it was overly generous, but at least the formula did take into account the fact that a worker's pension is regularly eroded by the ever rising cost of living. Mr. Lalonde's formula was simple enough: take the increase in the consumer price index, deduct 2.5 per cent from this and then grant 60 per cent of that figure as an hedge against inflation. If the inflation rate were about 5 per cent, for instance, we would take away 2.5 per cent, which would leave 2.5 per cent, and pay 60 per cent of that amount, which would mean that,

in a period when the consumer price index goes up by 5 per cent, pensioners would receive a protection of only 1.5 per cent. That is not a lot. However, it would at least be somewhat more than a symbolical recognition of the fact that pensions are eroded by inflation, and I am quite surprised that this Government has not introduced such a minimal protection because it really is the least that we could do, and I am sure that many employees of companies covered by this legislation would not be satisfied with it. I have to ask myself why the proposals of the Government do not take into account the negative effects of inflation on the amount of pensions. When this legislation is referred to a committee, as it will be before long, it will be very important to think seriously about amending it to provide more than a symbolical protection for pensions so that they will not be constantly eroded by inflation.

Another part of the legislation which seems seriously defective is the description of part-time workers. As we know, in well-managed pension plans, full-time workers make contributions to the plan, or at least such is the case in most civilized societies. There are also companies where part-time workers have the option of contributing to the pension plan. However, I find the description of part-time worker contained in this legislation insufficient and defective. The Bill says that, to be a part-time worker, someone must have accumulated over one year 35 per cent of normal annual earnings, which means that he must have worked about one-third of the time, which seems reasonable at first glance. However, according to our research, if this standard is applied, there will probably not be more than 20 per cent of part-time workers eligible, especially in the case of women. And this for the obvious reason that there are more women than men employed in temporary jobs, part-time jobs in our Canadian society. It is more normal for a female employee to spend certain parts of her time at home, and certain times at work. According to our estimate, if we were to apply that 35-per-cent standard to maximum annual earnings, we would find ourselves in the situation where there might be four women out of five who might not have the opportunity to participate in a pension plan. This in our view is an aspect the Government should be considering and assessing before the legislation is passed.

Also, concerning protection against inflation, both in the definition or description of part-time work, it is our firm intention, when the legislation goes before the appropriate committee of the House of Commons, to suggest changes and to move amendments. I hope that at that point, after the debate in this House, the Government will agree to give particular attention to those two areas and make the changes that are needed in my view.

This being said, Mr. Speaker, we have no intention of protracting the debate on Bill C-90, but only to take the time needed to make the Government realize, before we go to committee, that it is most important that some of the shortcomings I have just described should be corrected before the Bill is returned to the House at report stage so we will have before us, at the end of our discussions at the report stage and third reading, a bill that will be closer to perfection than this one. Those, Mr. Speaker, were the comments I wanted to bring to the attention of the House and the Government at this stage.

• (1540)

[*English*]

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I wanted to make a few comments about these amendments which have been so long in gestation that there must be people who have retired and died since they were originally proposed back in the 1960s. It is scandalous that so many pension plans seem to be designed to benefit not the employee but only the employer. They give the illusion of protection but it is not followed through. The rules for vesting are so inappropriate because they require that an employee attain the age of 45 and have more than 10 years of service before benefits can be vested. That is being changed in this Bill and it is a welcome change. However, it has taken a heck of a long time to get to that point. I believe the reason for that is that the employers and the pension industry have not wanted those changes to be made. I want to go on record as condemning their record and their failure to understand the necessity of providing income security for that large number of people who work for employers where there are pension plans regulated under federal or provincial legislation.

When I was in the Ontario Legislature the question of pension reform came up frequently. We had a royal commission. It was studied by a legislative committee. Vast amounts of studies and research were produced. However, what we could not get around was the lack of political will by the Conservative Government of Ontario and the then Liberal Government of Canada to make the necessary moves. The only place where reform really came forward was in the Province of Manitoba under an NDP Government. That province decided, regardless of the failure of other provinces and the federal Government to move, that they would make the necessary and desirable reforms in order to ensure that employees who contributed to pension plans had a good chance of actually benefiting from them.

We finally have some changes. They are watered down and inadequate. In particular, they are objectionable because they only apply after 1987. They do not take into account contributions people have made prior to the beginning of next year. Some might say it is better to have that than to have nothing. We say that too. The NDP is supporting this Bill. We discussed it in caucus and decided that although we object to the failure to back-date and the fact it falls short of what is needed, we had better support the Bill because it is the best we are going to get from this Government. It is a heck of a lot better as well than what we got from the previous Government when nothing was done on this subject at all. Nonetheless, let us not fool ourselves. There are still an awful lot of loopholes in the Bill which will allow our pension legislation to continue

benefiting employers to the disadvantage of employees who have a legitimate need of income security through the contributions they make.

The fundamental problem here is that there is a real quarrel out there as to just who pension contributions belong to and whether or not they are a form of deferred income. It has been increasingly accepted that they are a form of deferred income. If an employer contributes 7 per cent or 8 per cent of an employee's wages or salary to a pension fund, then as far as I am concerned that money should be seen as belonging to the employee and be used for his or her benefit. That should be a fundamental principle. These days it is becoming more and more obvious that long-term employment in one particular job will become less and less the norm. That is happening now and I suppose there are many Members of this House who have already had two, three or four different careers. Perhaps they were in business, perhaps they were teachers. Perhaps they began in a trade or they went on to take post-graduate studies or practise law. I was a journalist, an alderman, a provincial MPP and now I am a federal MP. I might be a business consultant some day trying to wake up the business community to the needs of working people.

**An Hon. Member:** Dream on.

**Mr. Cassidy:** Who knows? I am the only socialist MBA in this House, with the exception of my friend from Kenora-Rainy River who shares that distinction with me. Perhaps there are one or two back-benchers in the Conservative Party who have not revealed their true stripes.

We still have a long way to go before the principle that contributions made by employers as well as employees rightly belong to the employee is universal. I am glad to see that harmonized legislation is now coming forward from the provinces and the federal Government to implement Bill C-90. However, that is not going nearly far enough. Other elements of income security which are important have not yet been into place. In fact, the Government is actively leading the way in the opposite direction. Today I was preparing a brief to the Forget Commission on unemployment insurance. One of the points I want to make is that the Government's decision to disallow unemployment insurance benefits for any person receiving more than a certain amount of pension income prior to the age of 65 is a fundamentally objectionable principle. It will hurt ex-service people and Public Service employees who retire before 65. It will also hurt people in the private sector who chose early retirement or are compelled to take early retirement at a reduced rate. They are then looking for some form of income security from a job, but if they lose it they will have no right to unemployment insurance benefits in return for the premiums they will be compelled to pay. The Quebec Pension Plan allows for retirement before 65. The pension is less than the full rate, but the right exists and that has not yet been put into the CPP. Obviously it should be included in order to correspond with the right of early retirement provided for under federal jurisdiction in this Bill. The QPP provides for an increased rate of pension benefits to people who chose to retire after the age of 65, and that is a flexibility we should see in our pension arrangements in this Bill as well as the CPP.

My colleagues have talked about specific measures in the Bill. This Bill does not apply to federal public servants and they are now being compelled to accept a situation where the indexation they have fought for is going to be taken away. It does not cover people in the Forces who have very serious problems and who are being given absolutely no say in the management of a pension fund which amounts to some $13 billion. This is nominally in their account but they have not say at all in its management. As my colleagues have said, this Bill does not ensure that all retirees will enjoy adequate, dignified retirement incomes. It only covers a proportion of people under federal jurisdiction who happen to have pension plans.

● (1550)

I do want to talk about those persons because, if we can get decent standards for them, they will not be in the position of requiring the guaranteed income supplement or other forms of assistance from the federal or other Treasuries after they retire. They will be able to live in dignity. They will be able to be sun-seekers, if they want, or to live in the country with dignity. They will not be under the constraints which govern people who live out their retirements in poverty today.

There are some fundamental principles which must be considered. The first is that the net effect of this Bill is very negligible for the next few years because vesting after two years is only provided for with respect to contributions after 1987. There are large numbers of employees under the age of 45 who work in federally-regulated jurisdictions who now have up to 15 or 20 years of service with an employer and who still stand at risk of losing the benefit of the employer's contributions and the benefit of vesting in the foreseeable future. That could continue for as long as 10 or 15 years with respect to persons who may have 10 years of service and are aged 30. They will not reach the magic age of 45 for some time, and they have no right to the employer's contribution for the years of service they have now.

There could have been some negotiation on that front. It could have been provided that the full rate of interest on employers' contributions would not begin to be paid until after this Bill was proclaimed. It seems to me that the Bill should now be amended to provide that when employees have been in a particular job for a number of years they should not lose the benefit of vesting if they should happen to lose or change their job prior to reaching the age of 45 and meeting the requirements under the previous Pension Benefits Act. That is very objectionable, Mr. Speaker.

I think the two-year rule is too long. It should probably be only one year, at least for anyone over the age of 25, at which time the work careers of people begin to settle down. To forward date it means that it will be a long time before people who are contemplating retirement now will be assured of substantial portability in their pension benefits. This Bill does not provide for instant portability, despite what the pension

industry and private employers want to tell us. It provides for a very qualified amount of portability. The first portability provided for under this Bill, believe it or not, will not occur for about 1,000 days, that is not until January 1, 1989.

I welcome the fact that the Bill provides for making information available to employees. However, some improvements could be made in those particular provisions. The actuarial and other information should be on file at the administrator's office and should be available to plan members and their unions at any time. However, I do welcome the fact that that information will be available. I hope we do not get into silly situations whereby employees who seek to look at that information are denied the right to take copies or to make copies at a reasonable charge.

The provisions for the direction of the plans are quite unacceptable as far as I am concerned. I do not care how much protestation there is from employers about this. I find the idea that employers shall continue to be the sole administrators of pension funds objectionable and unacceptable.

I have given a great deal of thought to the question of how the Canadian industry should work in the future. Everything that I see and hear, not only from my friends in the trade union movement, but also from business consultants, from the example of Japan, and from management consultants in the United States, indicates that if we in North America are going to be competitive in a very difficult world environment over the course of the next years, we will have to build relationships built on trust and co-operation in the workplace rather than on the current practice which seems to prevail whereby the employer knows best and tries to treat the employees like dirt.

That means that pensions should be run on a joint basis by employers and employees with equal representation on the board directing the administrator, possibly with a neutral chairman. That kind of arrangement could and should have been included in this particular Bill. The current provisions give employees no guarantee of any say in the administration of pension funds if there are fewer than 50 employees. Most people who study the subject know that it is very difficult for employees to get together and say that they want to exercise their rights because they do not have an organized mechanism by which they can make the provisions stick.

In addition, this Bill says that there will be only a consultative committee and that employees will have the right to representation on some unexplained basis, direct or indirect, on that consultative committee. The committee could have 10 or 15 members and there would only be a requirement that one be representative of the employee. There is no guarantee that the committee will give any credence or voice to the objections or concerns which may be raised by the employee representative. There is no guarantee that the employee representative will not be that of the middle management employees covered by a particular plan. The blue collar, pink collar, or white collar employee may have no representation at all. I think that is inadequate and the Government should have recognized that in drafting the Bill. It should recognize that now and bring forward appropriate amendments to that particular part of the Bill.

I believe the employees should have a substantial voice in the policies and investment provisions of the pension fund in which an important part of their future security is put. On the one hand, I think that is more effective than only having investment rules that are administered by a superintendent of insurance or of pension schemes here in Ottawa. Second, I think it lends itself to innovative forms of finance into which many employees may be prepared to have their pension fund enter.

What happens, for example, if a particular enterprise which has $10 million or $15 million in its pension fund is in a difficult situation? It may well be that employees under that situation would be prepared to see up to 25 per cent of the value of their pension fund used in a rescue effort to get that company back on the rails. That is a possibility. It may well be that a pension fund could be used to provide important benefits to employees. Many employees cannot currently afford to make an investment in a house. Yet, at the same time, they may have credits in a pension fund which, if they could draw on them, would permit them to make such an investment.

I am not sure whether there has been agreement among the House Leaders that this matter should come to a vote now. I understand that some of my colleagues may have some comments to make. If not, I am sure the matter could come to a vote later. I know that the Member for Hamilton East (Ms. Copps) has a question and I will allow her to ask it.

**Ms. Copps:** Mr. Speaker, I would like to ask the Member for Ottawa Centre (Mr. Cassidy) whether he could comment on some specific concerns we have with respect to the definition of part-time workers in the Bill. The Government has chosen not to follow the recommendations of the Wallace Report. Does he have any comments on that? We are particularly concerned that from the federal Public Service perspective there seems to be a fair movement toward the contracting out of services and the use of part-time, unprotected workers, as opposed to full-time, fully-fledged civil servants under the Public Service Alliance Act.

● (1600)

**Mr. Cassidy:** The time is short so I will be brief in my comments. Without commenting on the specific recommendations of the Wallace Report, I gave a brief recommending that federal and provincial labour statutes should in fact be applied as much as possible to part-time workers. I believe that should be the case for people regularly employed as part-timers in companies that are federally regulated, just as it should apply to companies that are provincially regulated.

I agree with the Hon. Member's concern that the Bill is too restrictive in the way it is being applied to part-time workers.

**Mr. Deputy Speaker:** It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

# PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

## PUBLIC SERVICE

### ADVISABILITY OF GRANTING RIGHT TO POLITICAL PARTICIPATION

The House resumed from Friday, September 13, 1985, consideration of the motion of Mr. Cassidy:

That the Standing Committee on Miscellaneous Estimates be empowered to study the question of granting to federal public employees the full political participation enjoyed by other Canadians and, that the Committee report its findings to the House no later than June 28, 1985.

And on the amendment of Mr. Benjamin:

That the motion be amended by deleting the year "1985" and inserting the year "1986".

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, there is an amendment before the House that the motion be amended by deleting the year "1985" and inserting the year "1986". That would, in effect, require that the question of granting full political participation to federal public employees be referred to the Standing Committee on Miscellaneous Estimates and that the committee report its findings to the House no later than June 28, 1986.

Hon. Members will recognize that this resolution has already been debated in the House on two previous occasions, on April 15, 1985 and on September 13, 1985. The purpose of this resolution is to give an opportunity for federal public employees, their unions and members of the general public to comment on the question of granting political rights to public employees of the Government of Canada. Its purpose is also to give some momentum to an issue which seems to have bogged down in the 17 months since the federal election.

I consulted with the Table Officers today concerning the specifics of the motion, anticipating that we might have to seek another amendment. However, I have been advised that that is not necessary.

The House Leaders are presently negotiating because of the new rules that will be debated next week. Therefore, should they decide that the subject matter of this resolution should go before another committee, they can do that by consent. That would be acceptable to our Party and I hope to all Members of the House.

However, it is with some frustration that I ask the House to allow this matter to be sent to a committee and to ensure that the matter is not talked out for a third time as it was on two previous occasions.

When this issue was raised last April and September we were assured by Members representing the Government Party that this matter was under discussion with the unions and, threfore, it would be inappropriate for a parliamentary committee to intervene at that time. I believe that excuse is becoming somewhat thin and I hope the House will take the necessary action to allow a committee to consider this matter over the course of the next few months.



I point out to my hon. friends that this matter is under very active consideration in Ontario where it has been referred to the Ontario Law Reform Commission. In fact, they have had very short notice and will be preparing a report for the Ontario Government some time in May. The Ontario Government, with the support of the NDP in the Ontario Legislature, as a result of the accord between those two Parties, has undertaken to take early action on the matter of expanding political rights for provincial public employees. The question is whether we will forever be bogged down with this issue or whether action will be taken.

Let me also point out that this is a matter of importance to those of us who represent members of the Public Service of Canada not only because of a pending election in 1988 or 1989 but because it is posing a real dilemma for employees of the Public Service of Canada. Yesterday I received a phone call from an individual who has returned to the Public Service after taking leave and is now under great pressure to abandon his activities within the riding association of a political Party. He is identified in the community as being part of that political Party because he was a candidate in an election.

There is no law stipulating that he should not be part of a riding executive between election campaigns but the pressure is there, with no clear definition of his rights and responsibilities apart from the guidelines issued by the Public Service Commission. However, the court has determined that these guidelines have no legal effect. Nevertheless, these guidelines apply in terms of disciplinary action by his employer.

Let me read into the record a specific promise which was made by the Prime Minister (Mr. Mulroney) when he was campaigning for office in 1984. In a letter to Mr. Jack Donegani, who was then President of the Professional Institute of the Public Service of Canada, the Prime Minister, then Leader of the Progressive Conservative Party, stated:

We believe that this matter—

The matter of political rights for federal employees:

—should be addressed by an all-Party Parliamentary Committee in consultation with public service organizations and we believe the situation can be quickly resolved. Much of the work, after all has been done as part of the D'Avignon Report, but the current Government has not demonstrated the political will necessary to implement the long overdue changes.

I do not always agree with the Prime Minister, but with regard to what he said to the Professional Institute in August, 1984, I am entirely in agreement. The former Liberal Government lacked the political will. The reform in terms of granting political rights to Public Service employees is long overdue. While Members from different sides of the House may have somewhat different ideas about exactly what should occur—I believe there is harmony—its consideration is surely long overdue.

I have been proposing that this matter go before a parliamentary committee since last April so that the issue could get on the rails rather than being side-tracked as appears to have been the case due to other priorities of the President of the Treasury Board (Mr. de Cotret) and the Government.

As the Prime Minister indicated a couple of years ago, the matter can be quickly resolved if there is the political will to do so. It is up to Members of the House to demonstrate that we have the political will to act. This question has long been a priority of the unions representing federal Public Service employees and they have indicated their support for quick parliamentary action on political rights.

I am somewhat disappointed that the Conservative Government has failed in its efforts to fulfil promises to Public Service unions so far. However, this is not a costly issue and involves a categorical promise made by the Government. For that reason I suggest we can send this question to a committee and allow it to come back with a report and recommendations that would expedite this matter.

Members are aware that there is a group of Public Service employees who are taking this issue to court in April. I have some association with that case but, frankly, I would prefer to see the matter settled by Parliament before going through such court procedures. I believe this matter can be decided in Parliament.

I also point out that the *Equality Now* report issued by a committee of this House gave a clear recommendation in favour of giving political rights to public employees. Members will recall that the committee considered representations from myself, the Public Service Alliance and others. Let me quote from the *Equality Now* report under the heading "Political Rights of Public Servants". It reads:

● (1610)

All Canadian citizens have the right to take part in the political process of their country. Freedom of expression and freedom of association are enshrined in section 2 of the *Charter*. The democratic right to vote and to serve as a candidate in provincial and federal elections is also recognized in section 3 of the *Charter*. The law does recognize a number of legitimate restrictions on these broadly state rights. Concern was expressed in several submissions to the Committee about the limitations on the political rights of federal public servants.

Section 32 of the Public Service Employment Act forbids public servants from "working for, on behalf of or against" a political party or candidate for election to the House of Commons or a provincial or territorial legislature. Federal public servants subject to the Act are also barred from being candidates in such elections unless they obtain a leave of absence from the Public Service Commission. The participation of public servants in the political process is limited to voting, contributing funds to a political party or candidate and attending meetings. If a public servant engages in activities prohibited under Section 32, he or she can be dismissed by the Public Service Commission upon inquiry after a complaint is made by a candidate or former candidate for election.

This has been said many times. It is significant that, despite the fact that that law has been on the books for almost 20 years, no such complaint has, in fact, ever been launched with the Public Service Commission. In other words, we and our predecessor Members and all those men and women who ran as candidates have never ourselves been offended by the participation of federal public employees in election campaigns. As the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) and my other colleague from the Ottawa area know, I do think a few federal employees have taken part in campaigns.

The Equality Now subcommittee report goes on to state:

While we believe that the political neutrality of the public service must be preserved as a general principle, it seems to us that the rights of public servants are, at least in certain circumstances, unduly curtailed. The prohibition against campaigning, soliciting funds and assuming official functions with a political party applies to all public servants, even to those whose job classifications are such that no suspicion of conflict of interest or breach of trust might arise from the exercise of such political rights.

Again, that echoes some comments made in the D'Avignon Report which tried to draw the distinction between the 4,000 or 5,000 senior members of the Public Service who clearly exercise policy making or policy development functions on the one hand and, on the other hand, a large number of people who work as nurses, draftspeople, truck drivers, et cetera who clearly are not in a position to influence policy, were they to indulge in apparently partisan activities.

The recommendation of the Equality Rights Subcommittee reads:

We recommend that Section 32 of the Public Service Employment Act be amended to ensure that no greater limitations are imposed on the political rights of public servants than are necessary to maintain a politically neutral public service.

I would have liked to have seen a little stronger recommendation, but nonetheless I think that is a challenge put out to the rest of us in this House by the Equality Rights Subcommittee. I think it is something on which we are in a position to act in view of the promise made by the Prime Minister.

Just what does that mean? The Equality Rights Subcommittee had to look at a vast range of other matters as well. It dealt with political rights only in one paragraph or two and in that one recommendation. I believe this is a matter which affects 250,000 federal public employees. Indirectly it affects some 600,000 people working for Governments at different levels across Canada. I do believe it is important for the Government of Canada to try to give a lead.

I will conclude my remarks so that other Members can have a chance to contribute to the debate. Since September 4, 1984, we have heard more about political rights for federal employees in this House than I think we had in a century before that. This has been good, the matter has been ventilated, and it is being raised. Now I believe it is time for all of us in all three Parties to implement the commitment that our Parties gave in the 1984 election, which was to take action on political rights so that before the 1988 election, hopefully sooner than that, federal employees can have the kind of rights that I think would be in the spirit of the report of the Equality Rights Subcommittee, of the Charter of Rights and Freedoms and of what most other democratic jurisdictions give to their Public Service employees, that is, with very narrow restrictions, that civil servants can be treated like any other citizens of this country when it comes to political rights.

I urge my colleagues on all sides of the House to support the amendment and then to send this out to a Commons committee for a report by the end of June, 1986.

**Mr. Bill Tupper (Nepean-Carleton):** Mr. Speaker, I welcome the opportunity on behalf of my constituents in Nepean-

Carleton to rise this afternoon and offer some comments on the amendments before the House to the motion moved by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), respecting political rights of public servants.

I think we should congratulate my colleague from Ottawa Centre on his interest in extending the political rights of public servants. He has been an advocate of it while a member of the provincial legislature in the Province of Ontario, and an advocate of it in a very aggressive and thoughtful way since he has taken his seat in this House. He was particularly involved with the matter during the 1984 election campaign.

I think we should take note that the Hon. Member represents the federal riding of Ottawa Centre. This House should be cognizant of the fact that his predecessor from that riding was in many ways instrumental in delaying legislation relative to the extension of the political rights of public servants during the course of the previous Parliament.

I think every Government, regardless of its political stripe, requires at its side a strong Public Service, a competent Public Service, a contemporary and willing Public Service and one that is loyal.

The Public Service I know is that kind of Public Service. The people who work in the Department of Energy Mines and Resources, the Department of Agriculture, the National Research Council, and the Department of Communications are the ones with whom I am familiar in more detail, but that group of men and women are world class. I am sure the expertise they have can be found in all of the Departments across the Public Service.

I need to acknowledge, in all fairness, that during the 1984 election campaign, the political rights of public servants was widely discussed in my own riding. I was disappointed, to be fair about it, when a lot of my close personal friends, people who were neighbours, people who had worked with me in municipal campaigns earlier, were unable to become involved in my federal nomination or in my federal election campaign. In a way, they became political eunuchs. Much of the threatening aspect to them was derived from a communication issued in February, 1984, over the signature of Edgar Gallant and two other commissioners from the Public Service Commission who gave their interpretation of Section 32 of the Public Service Employment Act. I found that Mr. Gallant and his commissioners' interpretation of that section was an enormously conservative interpretation of the guidelines. I think it forced in the 1984 election a large number of public servants, who might well have qualified under Section 32 to participate in some way in the political process, to withdraw from it. Because of that, the concern over Section 32 and the limitation on political rights of public servants was therefore highlighted.

● (1620)

What did our Party say about political rights? In many respects the Hon. Member for Ottawa Centre correctly quoted the attitude of the Prime Minister (Mr. Mulroney) in his communications about political rights. The Progressive Conservative Party, in responding to the professional institute, as was noted earlier, indicated that it favoured a general removal of the restrictions on political activities, especially for those public servants covered by collective agreements. These restrictions are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms. There are probably some senior public servants whose job responsibilities are very political in nature and whose rights should be somewhat restricted to prevent conflict of interest, but we are confident that these people could be covered separately, without disenfranchising over 200,000 public servants in the process.

You know, Mr. Speaker, where the Prime Minister and my Party stand on this particular issue. I personally favour in style that recommendations which were put forward in the D'Avignon Report. It is a concept which is fairly widely used in the British House of Commons and in the British Parliament, where public servants are in fact tiered. For example, there is a tier of persons who have total political freedoms and an upper tier of those who do not. In between there is a tier of people whose political activities can be structured in the framework to varying degrees. The system seems to work reasonably well. We should look at that model very carefully. There is one aspect about it which I find attractive. It is that the public servant knows, when he accepts a certain class of employment within the Public Service, what political rights he has at the time of engagement. There might be some difficulty in the initial moments, but I am sure that sort of thing can be phased in without a great deal of difficulty.

The issue of the right of public servants to participate in political activities has been with us for a long time. With the Canadian Charter of Rights and Freedoms, we, as defenders of the rights of the individual, will have to make a decision quickly on the political rights of those who provide counsel to the Government. At issue is the fundamental relationship of the Canadian political system, with Parliament at its core, to the federal Public Service.

Canadians have a tradition going back many generations of being able to approach public servants without having to consider their political affiliation, or that of the public servant with whom they deal, and how it might make a difference in their treatment. I am proud of that tradition, as I think are all Canadians. In that regard we have set a world standard. I hold our Public Service in the same high standard as observers from foreign lands who have seen and studied the systems and operations both here and in other countries. For those individuals working in the Public Service, the present situation offers them perhaps the best career opportunities in Canada, where advancement is based firmly on the principle of merit, not on whom one knows, not on one's political connections, not on buying one's way to the top with influence or wealth. Canada has stubbornly rejected the American system of "across the board" high-level purges and firings when a new administration is voted into office. The Canadian Public Service has been impartial and, equally important, has been seen to be impartial since Confederation. A very notable thing happened in 1984 when in this country we had a democratic

revolution. There was no political purge of the Public Service. I hope all Canadians and all Members of the House take note of that.

The very creation of a management category in the federal Public Service is predicated upon the goal of encouraging professionalism, merit and impartiality in the category of senior managers charged with effectively delivering needed Government programs to Canadians in all regions of the country. That falls into two parts—the creation of policy or offering policy alternatives to be decided upon by persons in the House and then, once decided upon, their delivery across the nation.

A great deal of energy and expense has gone into honing the skills of these fine and capable men and women, the majority of whom, from my experience, are genuinely instilled with a desire to be of true public service. Are we to clean shop every time a new Government is elected? What a waste. Nevertheless, a Public Service with certain political rights and freedoms is clearly an idea whose time has come. Which of the many issues in today's complex and whirlwind society that profoundly affect Canadians has not sorely tempted all Canadian citizens, including those who might happen to work in the federal Public Service, to voice their opinions to friends, to co-workers, to editors of newspapers, to their clergy and, perhaps more important, to their Members of Parliament? When is this hypothetical public servant about whom I speak to be considered as criticizing his or her employer on any of these issues? When does freedom of expression become political activity? By responding to a heartfelt emotion and appearing in a peace march? By reacting with honest emotion and concern over the shooting of a police officer and writing to a Member of Parliament about reinstating capital punishment? Which of today's pressing issues does not touch, at least in some way, the mandate of one of the hundreds of federal Government Departments, programs or agencies?

Surely it is obvious that a case can be made that almost any issue one cares to name falls in some way under federal jurisdiction. Common sense tells us that the issue of political rights of public servants is far more encompassing and pervasive than just the freedom to criticize politically the "employer". Have we really sounded out the views of public servants in an adequate fashion? Has the consultative process been complete? Do we fully understand whether public servants want to be involved and want to have total political rights?

In any case, the matter warrants serious examination. It should be studied, ideally it seems to me, in a respected and existing forum in which representatives of both the employer and employees can air their views constructively, suggest and discuss approaches, and arrive at a mutually agreeable course of action for consideration by the House.

Another reason that the time has come for the granting of certain specific political rights and privileges to public servants is that there is a great deal of intellect, expertise and ability to be found in the ranks of public servants. My constituents, many of them people of logic, compassion and talent, of all political stripes, make this Chamber the worthy institution that is it. The federal Public Service, from my experience, has a large share of that kind of person. The Public Service is a great resource to the country, not just as a large employer. In it can be found men and women of great distinction who work in many cases far harder than many people in the private sector. It is a shame not to be making better use of this resource. We have sitting Members in the House who are veterinarians, pharmacists, lawyers, chartered accountants, why not public servants? Certain constituencies, particularly around the National Capital Region, are assured of having residing in their midst future Mike Pearsons or John Diefenbakers with a great contribution to make to their country. Not just individual ridings, but the Parliament of Canada would be better served if these people could be brought into this House by the voters to share their gifts and participate in the free political process as all Canadians can.

• (1630)

The Government has every hope that this will soon be a reality and that the basic provisions contained in the Canadian Charter of Rights and Freedoms can be realized by as many public servants as possible. However, if we work hard enough and are smart enough, with adequate consultation with affected parties, which has been an overriding principle of this Government since it has been elected, the final result should be a Bill of enduring value and a real credit to all Members of this House. Only then should a fully thought-out piece of legislation be presented for debate and consideration, with all clauses having been thoroughly thought through in their scope and in their immediate and long-term implications, and without political impartiality entering into it.

I welcome the opportunity to share with the House some of my thoughts on the issue of political rights for public servants, on the need for this Parliament to provide public servants with much needed access to the political process, so they are not political eunuchs in the future. I very much hope that in the days ahead all of my colleagues will be able, in a unanimous fashion, to endorse legislation that will extend the political rights of public servants over and beyond what they now enjoy. Thank you very much, Mr. Speaker.

[*Translation*]

**Mr. Gaston Isabelle (Hull-Aylmer):** Mr. Speaker, it is a pleasure to take part in this debate and to comment briefly on the motion of my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), concerning the right of public employees to full political participation.

I listened to the Hon. Member for Nepean-Carleton (Mr. Tupper) who started by saying that it was not a matter for political partisanship, and that for a number of members from the National Capital Region, it was quite obvious that there were Liberals and Conservatives and New Democrats among public employees.

During the last twenty-five or thirty years, all Members from the National Capital Region have been trying to find some way for federal public employees, who are in the majori-

ty in the National Capital Region, to be free of any constraint on their political liberties and stop being second-class citizens.

Mr. Speaker, for years we have been hearing speeches and a lot of well-meaning phrases in the House, full of a desire to give public employees the right to take part in certain political activities.

We saw the split that occurred within the Public Service Commission in 1979, during the Quebec referendum, when we were unable to determine whether a referendum did or did not constitute a political activity.

Public employees were sent ambiguous messages, just as they were in February 1984 before the last general election.

Mr. Speaker, we should stop these well-meaning speeches and we say, now that we have the opportunity, that this Bill or rather this motion should be referred to committee. And why not? In committee, studies can be made, witnesses heard and just about anything can be done, to find a solution that will give public employees the same privileges as all other residents of the National Capital Region and across Canada. I refer specifically to the National Capital Region because that is where we probably have the largest number of public employees.

Mr. Speaker, the best thing to do, now that everyone has been praising our hon. friend from Ottawa Centre (Mr. Cassidy), saying what a marvelous motion this is... My hon. friend from Nepean-Carleton (Mr. Tupper), who underscored the words of my colleague from Ottawa Centre on the motion before the House, well, I suggest that if everyone is agreeable—and I think everyone is, because just about everybody said the same thing about this motion—I suggest that we ask for the unanimous consent of the House to refer this motion immediately, without further debate, to the Standing Committee on Miscellaneous Estimates, for consideration.

So, I suggest we stop all this mutual admiration, and if everyone is agreed, I think we should act on my suggestion.

Mr. Speaker, I therefore suggest that you ask the unanimous consent of the House to refer immediately the motion by the Hon. Member for Ottawa Centre to committee, for consideration.

[*English*]

**Mr. McDermid:** Point of order, Mr. Speaker.

**Mr. Deputy Speaker:** On debate?

**Mr. McDermid:** On a point of order. I know that there are a number of people on our side who wish to address this issue and I feel that they must be given the opportunity to speak.

**Mr. Deputy Speaker:** The Chair will recognize Hon. Members for debate if Members rise.

**Ms. Copps:** I rise on a point of order, Mr. Speaker. There was a request for unanimous consent and I did not hear any nays. I heard one Member ask on a point of order and everyone else said yea—

**Mr. Dick:** You're not in Ontario now.

**Mr. Deputy Speaker:** The Chair saw the Hon. Member for Red Deer (Mr. Towers) stand up on debate, so the Chair presumes there is no unanimous consent. On debate, the Hon. Member for Red Deer.

**Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, although much debate has already centred on this important issue of political rights for public servants, once again this question surfaces in the House. The term public servant is self-defining. They are people entrusted with the responsibility of serving Canadians in an impartial and non-partisan manner. Public servants are responsible for advising the Government on matters and issues which affect the lives of every Canadian. This responsibility has, up to this day, taken precedence over the individual rights of public servants in the area of politics. They are also responsible for the application of policies and programs set forth by the Government. This requires the provision of non-partisan and unbiased advice to Ministers on matters which must be dealt with by the Government. In the spirit of the British parliamentary tradition, the Government, and indeed the Public Service, have accepted the fact that certain restrictions be imposed on their rights as public servants to engage in various forms of political activity.

**Mr. Deputy Speaker:** Order, please.

[*Translation*]

Order, please.

The Hon. Member for Hamilton East (Ms. Copps) on a point of order.

**Ms. Copps:** Mr. Speaker, on a point of order. Members are not allowed to read from a prepared text. We are here to express our own views.

[*English*]

**Mr. Deputy Speaker:** The Chair will allow the Hon. Member to proceed.

**Mr. Towers:** Thank you very much, Mr. Speaker.

**Mr. McDermid:** Just ignore Miss Wonderful!

**Mr. Towers:** I have been around this House a lot longer than the Hon. Member for Hamilton East (Ms. Copps). I think she still has a little something to learn.

**Mr. McDermid:** That's right.

**Mr. Towers:** Anyway, Mr. Speaker, the basic premise behind the principle of neutrality is one of trust, a trust that the Public Service has earned from both the Government and the Canadian public. It has earned the trust from the Government because of a reputation for offering advice that is untainted by partisan or political bias. This tradition goes back

to the beginning of this century when laws were enacted to guarantee the neutrality of the Public Service. They were passed to ensure that it would not be used as a political tool by Governments and that Public Service positions would not be filled through patronage to further the cause of one political Party.

● (1640)

I am pleased to have the opportunity to speak on Private Members' Hour on behalf of myself, because that is what Private Members' hour is all about. It allows Members of Parliament to bring forth issues that are of importance to them. While we are extending the rights and privileges to public servants, there is one thing that must not be overlooked, and this has to do with an experience I personally had during the last federal election. A chief executive officer of one of the unions was a candidate for the constituency of Red Deer. He was funded partially by union dues. This was not fair to the members of that union because they had no choice as to whether or not they should pay their dues. They had to pay those dues in order to hold down their jobs. Of course, those dues or a portion of them went to support a candidate that was not of their choice.

When we are talking about political freedoms for the Public Service, I think we are going to have to take a serious look at that aspect of the matter. If the members of the union to which I was referring had paid dues of their own free will, I would not have any problem with this. However, they did not have any choice. They were forced to pay those dues and, as all Hon. Members know, those dues are quite substantial in a great many cases. When they are used for political purposes against the wishes of the union members to support a candidate not of their choice, I consider that to be an injustice and on of the things at which we must look when talking about giving civil servants freedoms.

Canadians expect as a right to be served in an impartial manner without consideration of their political beliefs or opinions. That right is a fact under the present regulations which ensure the political neutrality of the Public Service. The trust Canadians have in the Public Service extends to the Government, and it is conceivable that should citizens lose their confidence in the impartiality and neutrality of the Public Service, they may well lose their confidence in the Government.

The concept of neutrality extends to public servants themselves. Current regulations ensure that their careers and advancement are dictated by the merit principle. They are guaranteed protection from unfair or arbitrary dismissal or capricious career decisions due to political beliefs. This protection permits them to accomplish their responsibilities free from the fear that they may be subject to reprisals from new political leaders.

The last few years have brought a great many changes to the perceptions of individual rights and the balance between the rights and regulations governing the political rights of public servants. The Canadian Charter of Rights and Freedoms guarantees freedom of expression and of association for all Canadians, and that includes public servants. However, reasonable limitations must remain to ensure the impartiality and maintain the integrity of the Public Service. These limitations are required particularly in respect of those who are responsible for advising or counselling the Government on policy matters.

In examining the rights of public servants, we must not lose sight of the basic principle which I stated earlier, it being the trust that exists between the Canadian public and the Public Service. Whatever direction is finally decided upon must ensure that the confidence that has been developed be maintained and whatever trust exists between the Ministers and the Public Service must be protected to guarantee the impartiality of Government actions and programs.

I propose to the House that it would be unwise to proceed with the proposed Bill since it is the Government's firm intention to come to an understanding with the unions that would satisfy all parties and would deal with the aspect of this matter to which I referred a moment ago. I am sure all Hon. Members would agree that a solution should be arrived at that is mutually satisfactory.

In conclusion, let me reiterate that this Party has always believed that the best way to solve important issues facing the Government is to discuss them with the interested parties and to seek a mutually satisfactory agreement that this issue should be resolved in this manner. I know that my colleague, the Hon. Member for Vaudreuil (Mr. Cadieux), has something he wishes to put before you at this time, Mr. Speaker.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, as a private Member and as a representative of my Party, I would like to support the private Member's Bill put forward by the NDP Member on this particular issue. I think the Government has been confronted with a challenge at this point in time. Either it can support the private Member's Bill by agreeing to give it unanimous consent to move to committee or it can stonewall it. We see quite clearly that it is its intention to stonewall it by having Government Members speak until we reach the time at which a vote would be prevented from taking place.

For those Hon. Members who still do not know the rules, if in fact the debate on this issue ceases before five o'clock, there will be a vote on it and we will know where the Government stands on this issue. We do not know where the Government stands on this issue at the moment. Government Members are attempting to obfuscate the issue by talking the Bill out until five o'clock. It being 14 minutes to five, we are prepared to waive any future comment on this particular motion because we would like to seek the unanimous consent of the House to have the Bill moved forward into committee. Again, we seek the unanimous consent of the House to do so.

**Mr. Deputy Speaker:** Does the Hon. Member have such consent?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** There being no unanimous consent, I recognize the Hon. Member for Vaudreuil (Mr. Cadieux).

[*Translation*]

**Mr. Pierre H. Cadieux (Vaudreuil):** As a Member of Parliament, I too have the right to speak on Bills introduced in the House. Whether we are dealing with private Members' Bills or Government Bills, Mr. Speaker, I think I have the right to take the floor, and I would be grateful if my colleague would give me a break, considering that sometimes she seems to take that privilege for granted. Members on the other side often say that we never speak but when we do rise they say we should not speak. They will have to make up their mind one of these days, Mr. Speaker, and let us give our views on any legislative measure, whether private Bills from the NDP Members or from the Official Liberal Opposition. We are entitled to express our views and we intend to take part in the debate. Again I would point out to my colleague, whom we can hear from practically anywhere in the House whether her microphone is on or off, that even though I am a new Member in the House more private Members' Bills have been adopted in the last 15 months than in the 16 years under the previous administration. So, Mr. Speaker, we have made great progress in parliamentary reform, and if indeed Hon. Members want to be logical and if we want to have . . .

**Mr. Deputy Speaker:** Order, please. Could we have order and allow the Hon. Member to make his speech, please.

**Mr. Cadieux:** Thank you, Mr. Speaker. It is not easy to speak out when the Hon. Member is here, but I will try, in spite of her efforts to prevent the House and the Canadian public from hearing, to make my views known so that we may have the opinion of everybody about this important Bill. People, whether or not they belong to the Public Service, have basic rights which should be respected, but I believe we should look into the issue before accepting anything blindly as some would have us. Perhaps I should refer to my notes so that I won't put my foot in it. I shall continue by saying that the issue of political rights for civil servants deserves to be seriously and thoroughly examined. As a matter of fact, it is an issue which is raised each time there is an election, whether on the federal, provincial or municipal level. Thus a good many of us during the last election campaign, had to discuss the matter with our constituents to determine under what circumstances public servants could actively take part in the political process and when they should refrain from doing so.

There is no doubt, Mr. Speaker, that the Public Service should remain neutral as far as politics are concerned. If not, its credibility in the eyes of the Canadian public which it is called upon to serve would be jeopardized. Moreover, the Public Service Employment Act now in effect is there to ensure a certain degree of neutrality during election campaigns by restricting political activities of public servants. Thus the Act provides as follows and I quote:

> No employee shall
>
> (*a*) engage in work for, on behalf of or against a candidate . . . or engage in work for, on behalf of or against a political party;

However, this legislation provides that an employee does not contravene the legislation when he attends a political meeting or contributes to a candidate's fund. Moreover, public servants can stand as candidates to an election provided that they have previously obtained leave without pay for such a purpose.

Clearly, in the discharge of his responsibilities a Deputy Minister has to avoid any political partisanship. This is self-evident, Mr. Speaker, and of course there must be neutrality if operations are not to become very difficult, whatever the Government or the official concerned. To the same extent, various other officials must be absolutely neutral as regards Government policy. Indeed, when the Public Service Commission considers an application for leave submitted by any official wishing to be a candidate in an election, it takes into account the employee's group and level, to preclude any doubt in the public's mind as to the possibility of the official involved being in a conflict of interest situation.

Such a neutrality, which has been a tradition ever since the turn of the century and accepted as a rule, is viewed by some people as contrary to the basic principle of the rights and freedoms of public servants. An increasing number of people seem to share that view, especially since 1982, when the Canadian Charter of Rights and Freedoms was proclaimed. The Charter guarantees freedom of expression and, I believe, even for Members of Parliament, the freedom of thought, belief and opinion for all Canadians, and of course federal civil servants for that matter.

We should therefore look at the nature and scope of the limitations imposed upon civil servants in the area of freedom of expression and association. Perhaps we should even question the concept that they do not enjoy the freedom of speech in matters political and that they must seriously restrain their activities in that area.

Any restriction to the rights as enshrined in the Charter must be justifiable. Any change made to the provisions dealing with federal civil servants must both be in line with the Canadian Charter of Rights and Freedoms and take heed of the concept of political neutrality in the Public Service. Any scrutiny of the matter of the right civil servants have to take part in political life must keep a fair balance between the rights of civil servants in light of the Charter on the one hand, and the neutrality of the Public Service on the other.

To the extent that we can safeguard the impartiality of the Public Service, the Government shares the view that the restrictions now in force concerning political activities of public servants should be mitigated. However, caution should be exercized in that respect, because it would be unacceptable,

Mr. Speaker, to jeopardize the neutrality of the Public Service. This would involve reconsidering the concept of a permanent public service operating on the merit principle, a public service capable of serving the Government of the day with great objectivity and in line with the best interests of the Canadian people. Some questions remain—for instance, would a highly politically involved public servant still be in a position to provide the Government with his best advice? Could he remain objective and impartial? Would that same public servant be protected against arbitrary decisions that might affect his career? Could he be guaranteed that his promotions would be based on the merit principle?

Would he be protected against an unjustified discharge? It seems difficult to believe so, Mr. Speaker.

The Federal public servant knows that his future does not depend on the political party in power. He knows that the merit principle gives him some security. He has some means of redress as concerns decisions which affect his career. Perhaps because of these reasons, he may not wish to question the principle of his exclusion from the political scene, but is this a reason to refuse this right to the entire Public Service?

In any case, any examination of the neutrality of the Public Service and the right of public servants to take part in political activities will have to be made in consultation with the unions and will have to take into account public opinion on the matter.

Mr. Speaker, the Government is convinced that a proper balance can be reached in this area. Moreover, the Government will do everything possible to attain this balance.

• (1650)

[*English*]

Notwithstanding, Mr. Speaker, the numerous interventions of my colleague who had the possibility of speaking a few moments ago when you recognized her and decided to sit down—

**Ms. Copps:** Kill the Bill. You've got four more minutes to kill it.

**Mr. Cadieux:** I intend to use—

[*Translation*]

**Mr. Deputy Speaker:** Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

**Mrs. Mailly:** Keep quiet, cry baby.

Mr. Speaker, I must protest. Will we have to listen to personal references until 5 o'clock and waste our time in this way?

We are discussing a serious subject and the Hon. Member should leave if she is not interested.

**Mr. Cadieux:** Mr. Speaker, I appreciate the intervention of my colleague for Gatineau (Mrs. Mailly) and I hope that she will continue to defend me, but with your permission and notwithstanding the unwarranted interference of the Hon. Member who seems to preach the right to speak in this House, but who is always preventing others from saying what they wish without any partisan interruption, I propose to use the time allotted to me today, Mr. Speaker, and if necessary, I shall continue on Monday, if I have unanimous consent.

As I was trying to say earlier, and I shall try once more, perhaps the population—

**Mr. Deputy Speaker:** Order, please. The Hon. Member for Ottawa Centre (Mr. Cassidy) on a point of order.

[*English*]

**Mr. Cassidy:** I regret the fact that it appears the Bill will be talked out. However, I certainly would appeal to Hon. Members on all sides to work within their caucuses, particularly the government caucus, to ensure that next time we can in fact bring this to a vote.

**Mr. Speaker:** I am sorry, that is not a point of order.

**Ms. Copps:** Mr. Speaker, on a point of order I would like to reiterate that if these Hon. Members are in fact speaking from their heart, and in their opinion—

**An Hon. Member:** That's not a point of order.

**Ms. Copps:** —why is it that they are all reading from prepared texts—

**An Hon. Member:** That's not a point of order.

**Ms. Copps:** Because they intend to kill the Bill.

**An Hon. Member:** That's not a point of order.

**Ms. Copps:** Why don't they just tell the truth?

**Mr. Deputy Speaker:** Order.

**Ms. Copps:** Why don't they just tell the truth Mr. Speaker—

**Mr. Deputy Speaker:** Order, please.

**Ms. Copps:** —that they want to kill the Bill?

[*Translation*]

**Mr. Deputy Speaker:** Order, order! Please stay calm. There are only two minutes left. Let us keep calm. The Hon. Member for Vaudreuil (Mr. Cadieux) has the floor.

[*English*]

**Mr. Cadieux:** Thank you, Mr. Speaker. I hope I will get my last two minutes because I think I am entitled to speak when I want to speak as a private Member in this House. I believe I am a Member of this House still and I intend to be here for a hell of a long time.

**An Hon. Member:** That's right.

**Mr. Cadieux:** And I am going to use every occasion I have to speak on Bills whether or not it pleases my colleagues opposite.

**Ms. Copps:** A Government lackey, killing the Bill.

**Mr. Cadieux:** Seriously, Mr. Speaker, because I do believe we are here—

**Ms. Copps:** A Government lackey.

[*Translation*]

**Mrs. Mailly:** On a point of order, Mr. Speaker—

**Mr. Deputy Speaker:** Order, please! The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

**Mrs. Claudy Mailly (Gatineau):** Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) is abusing my rights as a Member of this House. I wish you would help us. The Hon. Member for Hamilton East is denying us our rights.

**Mr. Deputy Speaker:** I regret to interrupt the Hon. Member for Vaudreuil (Mr. Cadieux) but the hour set aside for Private Members' business has now expired.

It being five o'clock this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.00 p.m.

# HOUSE OF COMMONS

**Monday, February 10, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*Translation*]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

**Hon. Barbara McDougall (Minister of State (Finance))** moved that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the third time and do pass.

She said: Mr. Speaker, this Bill is an important part of the Budget brought down by the Minister of Finance (Mr. Wilson) in May 1985. It contains substantial amendments to the Excise Tax Act aimed at improving tax fairness, and it proposes changes in the application and rate of federal sales tax in order to increase revenue and thus reduce the deficit. The Bill is a clear reflection of the Government's resolve to achieve the Budget's goals of economic renewal while maintaining tax fairness.

During consideration of the Bill by the Legislative Committee, a number of concerns were voiced regarding the fairness of some of the proposals, especially with respect to the new dividing line between taxable and exempt products. This is an important matter and I would like to take this opportunity to elaborate.

The Committee received representations from a number of sectors affected by the proposals contained in this Bill. Manufacturers of candy and confectionery products expressed their doubts about the decision to repeal the sales tax exemption on their products. They argued that candy and confectionery products should continue to be exempt from sales tax on the same basis as other food products. They suggested that a broader range of snacks be made taxable at a reduced rate. Manufacturers of soft bars appeared before the Committee to express their opposition to the proposal by the candy and confectionery products manufacturers, and their support for the line drawn by the Government between taxable and exempt food products.

Committee members expressed concern about the proposals aimed at restricting the exemption on health products to prescription drugs, products for diabetics and drugs required for the treatment of illnesses that pose a health risk, appearing on a list drawn up by the federal Government. Present exemption rules have given rise to numerous disputes between the Government and taxpayers regarding proper application of the tax. An increasing number of tax exemptions have been granted in this sector as well, which means that many products which are only indirectly connected with health protection are eligible for the exemption. The Pharmaceutical Manufacturers Association of Canada appeared before the Committee to propose a number of changes in the budgetary proposals so as to include several major drugs which for purely technical reasons are not eligible for an exemption. The Minister of Finance (Mr. Wilson) has already promised to review the list from time to time and, if necessary, to add new drugs to the list of tax exempt products.

Representatives from the construction industry expressed their opposition to the repeal of the special exemption formerly allowed on prefabricated construction materials. The prefab concrete and structural steel sectors suggested that instead of paying tax on the sale price, they should be allowed to pay tax on only 60 per cent of the price. However, this proposal would perpetuate many of the problems in drawing the line between exempt and non-exempt products in this sector and would substantially reduce Government revenues. For these reasons, the Government did not accede to the industry's requests. The proposals contained in this Bill guarantee fair taxation of construction materials, since all construction materials are now taxable on the sale price just like other manufactured products.

The Canadian Bar Association proposed a number of changes in the Bill to clarify certain technical provisions and improve others which, in the opinion of the Association, do not achieve the degree of fairness intended. Many of these proposals were adopted by the Committee and are included in the Bill before the House today.

The Government is very pleased with the efforts of these and other groups who made representations and appeared before the Legislative Committee to express their views, and it is most grateful.

While all the representations did not lead to amendments to the Bill, the process has been most helpful. The Members and the people who made representations concerning the provisions in the Bill can be assured that their views will be considered extensively and taken into account whenever further changes to those acts are contemplated.

The tax measures included in last May's budget are aimed at controlling the deficit and more efficiently managing our

public affairs so we may reap and maintain the benefits of the economic growth we are now enjoying. Our policies designed to control the deficit and better manage public affairs are part of a comprehensive package for meeting a wide range of economic and financial needs.

The deficit affects and threatens each and every one of us. The burden of deficit control measures must be shared in the broadest possible way, if we are to obtain the desired results. The purpose of the Bill now before us is to help us attain that goal through a broad and fair distribution of tax increases.

The principle of fairness also prevails throughout the extensive system of assessment, opposition and appeal procedures introduced in the legislation. Until now, the Excise Tax Act had no provisions for the assessment of sales and excise taxes, and taxpayers had only limited access to an independent appeal process in cases of litigations. The Bill implements an assessment and appeals system similar to that in the Income Tax system.

Where a taxpayer is not satisfied with his assessment or the handling of an application for refund, he will have access to a well-established process ranging from informal discussions with Revenue Canada officials to court hearings. The new system also protects taxpayers from the collection of disputed amounts until there has been a court decision.

The Bill should also be viewed in the light of other budget proposals announced by the Minister of Finance. Tax increases are combined with reductions in public expenditures that amounted to nearly 75 per cent of the deficit reduction effort in 1985-86, the other 20 per cent provided by tax increases. The impact of tax increases on the economy is mitigated by tax reductions, the freeze on unemployment insurance premiums, the injection into the economy of RHOSP funds, and the important proposals to stimulate private initiative and productive investments in the economy. This Government has openly asked a wide range of taxpayers to shoulder their fair share. Overall, expenditure reductions and tax changes are an important and a fair way to restore this country's financial position.

All Canadians will benefit from the achievement of our goals.

● (1110)

[*English*]

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I had intended to make only brief comments on the Bill before us, but since the Minister has rightly pointed out that the Bill must be viewed in a broader context, and since the Minister made her remarks in a fairly broad context, I trust that I will be allowed to do so for just a few minutes.

The Government claims that it wants to reduce the deficit, but what is happening in the Budget as a whole? The Budget does away with tax on the oil multinationals so that by 1990 the Government will forgo $8.5 billion. The Budget does away with tax on capital gains. As a result of this measure, by 1990 the Government will forgo nearly $5 billion in favour of the 4 per cent of the population which can benefit from this measure. At the same time, low and middle-income families and individuals are told to tighten their belts because they must do their share in bringing down the deficit.

The Government considers that it can afford $875 million to bail out uninsured bank depositors. It considers that it can afford tax rulings which may result in billions in of forgone revenue. However, when it comes to families with incomes of $15,000 or $20,000 the Government cannot afford to keep indexing family allowances. The Government thinks it can activate the economy by taking money away from those who have less, the low and middle-income Canadians, and giving it to the wealthy.

I will now turn directly to the provisions of Bill C-80. The avalanche of taxes in this Bill will have a severe dampening effect on the economy. There is no disputing that the broadening of the sales tax base and the tax increases will extract billions of dollars from the domestic economy putting inflationary pressure on the economy and dampening consumer demand. The Government's line has been that it is fair because it hits everyone. The Minister's speech this morning made much of fairness and equity. However, it is plain to see that tax increases and new taxes on items such as health care products hit first and hardest at those on fixed incomes and those earning low and middle incomes. This is not fair. It has been amply demonstrated that this barrage of tax increases cannot be justified economically or on the basis of fairness. It is impossible to understand how a Government that took an unprecedented nine months to bring in its first Budget could have brought in measures so unsound and unfair.

This is not to say that Canadians are not prepared to help get the deficit under control. Of course, all Canadians are concerned about the deficit and about the amount of money that goes out to service the national debt which rose primarily during the time of recession. Of course, since the economy is becoming healthier, this is the logical time to move on the deficit, but not in this way.

What are Canadians to make of a Government that rushes to bail out a bank and the bank's uninsured depositors, and then tells blind people that they must pay sales tax on the food for their seeing-eye dogs in order to get the deficit under control? What deficit reduction will there be when the Government forgoes billions of dollars through tax rulings, bailouts, and so on? The $2 billion to be taxed out of consumers' hands through this measure this year may just about cover the cost of the bank fiasco. What possible justification does the Government have for unmercifully squeezing low and middle-income Canadians on the pretext that they must share in the task of getting our fiscal house in order?

We have addressed the specific measures in this Bill at report stage and there is no need to repeat the arguments which were made then. However, I should point out that all the amendments put forward were voted down solidly by the Government. This morning the Minister sounded a little sympathetic to the case put forward by the confectionary manu-

facturers, although she did not say that they should necessarily be excused from sales tax.

● (1120)

What they have pointed out is that it was difficult for them to have to absorb the tax on the goods they had prepackaged for their peak sales times, Hallowe'en and Christmas. A delay in the imposition of the sales tax would have been greatly appreciated by that industry, but the Government was intransigent.

The Minister seemed to imply this morning that the proposals which concern the construction industry might be looked at in the future. In the meantime, however, we will find many small construction firms in real difficulty. In the construction sector, fixed price contracts are common and those who found themselves suddenly hit with large additional sales taxes have had to absorb them and the amounts are considerable, perhaps enough to put some people out of business. Those industries have also asked for a grandfather clause which would delay the imposition of these sales taxes for those who have contracts without escalator clauses. The Government refused to give even this small relief. I know that some Hon. Members opposite have written to the Minister asking that this hardship on the construction industry be corrected in the next Budget, so we must hope that perhaps the Government may be listening a little harder in the next few months than it has.

With respect to the whole question of the transportation industry, the additional taxes will certainly make it very hard for it to be competitive with U.S. competitors. The taxes on energy conservation and alternative energy are hitting a very vital and relatively new industry which has come into existence in the last 10 years. It employs about 5,000 people, I believe, and has developed interesting new technologies and opportunities to export, but the Government has removed all incentives from that industry as well as created additional hardships, all in the interest of supporting the oil and gas sector. The Minister did mention this morning that the Government has relented somewhat on the sales tax on health products and we may see some further consideration there. But this is too little, too late. The Bill before us proposes additional sales tax on a wide number of commonly used items. It is a measure which hits particularly at families and those of low and middle incomes. It is harsh, unfair and regressive. It is something of which the Government cannot be proud. This is not the way to fight the deficit. We must only hope that in the upcoming Budget some of the worst excesses of this Bill will be corrected.

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I am also quite honoured to have an opportunity to say a few words on this last day of debate on Bill C-80, An Act to amend the Excise Tax Act and the Excise Act. I would like to preface my remarks by suggesting that the numbers of families which are defined by Statistics Canada as having a family income which places them below the poverty line are actually increasing month by month and have been for some time. The same statistics tell us that those people who, I suppose, we could call the "super rich" or "extremely wealthy" are also expanding while the group of middle income earners is shrinking by the week and by the month. Fundamentally, this particular Bill which flows out of the last Budget introduced by the Minister of Finance (Mr. Wilson) will make the system even more discriminatory against the middle income earner and the poor of Canada.

I think it is instructive to see Bill C-80 in the following light. What we are discussing here today is a Bill which will impose a whole new range of taxes on everyone, rich, middle and low income earners alike. In other words, when we buy a bottle of aspirin or some other similar non-prescription drug, if we purchase some pop for our children or some pet food, if we fill up our gas tank, or buy a new shirt, a refrigerator, or a teapot, we all pay the same level of tax. You and I both know, Mr. Speaker, that some people will not even notice the additional few percentage points added to their bill. Others, of course, will. A difference of $2, $3 or $15 makes a real difference to more and more families, especially those families which find themselves living below the poverty line as defined by our own Statistics Canada.

If we examine the provisions of the Bill before us and the other Bills already dealt with in the last few weeks, we find the average Canadian family will now have to pay about $1,000 more in federal taxes, in charges of one kind or another, as a result of this Bill and the two previous Bills. In 1986, the average Canadian family will have nearly $1,000 plucked from their purses, wallets and pocketbooks for the federal Government to use as it sees fit. Allegedly, this is for assistance in reducing the deficit, and I say "allegedly", and I will come back to that point in a few moments.

Some of my colleagues and I have been touring the country on what we call "Tax Probe '86". It is an effort to probe into the tax system and covers sales tax, excise tax of one kind or another, personal tax and corporate tax. We have talked to specialists, tax advisers, lawyers and accountants and those groups which are involved with taxation, whether it be the forest industry, mining industry, construction industry or the trucking industry.

Some very interesting points have emerged. For example, when we suggest to people that their taxes related to the federal Government's activities will result in about a $1,000 increase in their taxes in 1985 and 1986, most people do not know that. I suspect that very few people actually know what is going to happen to them as a result of the taxes. They tell me they find it hard to believe so I break it down for them.

First, we make the assumption of a family of four, with one wage earner bringing home about $35,000. This is an above average family, the middle income earner, the people who once again are being grabbed for more and more taxes. When we eliminate the federal tax reduction that family loses $100 off the top. That, by the way, will be another $100 next year, but for 1986 the elimination of the federal tax reduction will cost a family $100 in money they do not have. The modification to the cost-of-the-living indexing will cost $115. The cut in family

allowance, which is another Bill, will cost $22.50. The broadening of the sales tax will cost about $150. That deserves some comment. Sales tax is the most regressive kind of tax to impose because it hits everyone equally. Those whose income is $1,000 a month and those whose income is $15,000 a month all pay the same sales tax on goods they purchase. That will cost this family an extra $150. Not only has the tax gone up, but it has been broadened to take in a whole number of commodities which hitherto had not been subject to the sales tax imposition.

• (1130)

You might ask what some of the those items are, Mr. Speaker. They include cough syrup, vitamins, aspirins and cold remedies of one kind or another. It is now the middle of winter. How many people here do not know at least somebody who has a cold? Probably half the Members in this House are hacking and sneezing with colds. It is part of the Canadian life, almost, unfortunately. Everybody has to buy cold remedies of one kind or another, but now for the first time these remedies are to be taxed at 11 per cent. Then we have medicated shampoos, surgical gloves, sutures and certain kinds of surgical equipment. This is a federal tax on sick folks, people with bronchial and other problems who need non-prescription drugs. In a country that prides itself in having one of the finest medicare systems in the world, to be taxing people now at 11 per cent for cold remedies and the like seems to be a very regressive step.

What about the increase in gasoline tax? This will amount to an additional $50 in tax in 1986 for a family. A lot has been said about the increase in gasoline tax, but I noticed with some interest that the Canadian Trucking Association said that it will create inflation increases in certian parts of Canada and that it was really a subtle tax on distance. People who live in the more remote areas of the west, the east and the north will feel the gasoline tax more than others. This tax is very discriminatory. The increase in oil and gas prices will amount to about $200.

An increase in the sales tax generally will result in $150 more per household, an increase in unemployment insurance premiums will amount to $102 per household and an increase in cigarette and alcohol tax, assuming people have a few glasses of wine or perhaps the odd sip of this or that during the year, will amount to about $75, making a total tax increase of $964.50, to say nothing of a whole host of other costs. For example, increased user fees in our federal parks and increased ferry charges. One can go on and on with all kinds of newly imposed costs.

On the one hand the Government says, we have real concerns about the deficit and so we are going to introduce a set of new taxes and increase a set of other taxes that are the most regressive. These taxes will have a significant impact on people who can least afford to pay, namely, the poor, those on fixed incomes like the elderly, people of limited means, all those unemployed and those who have part-time work. The people really struggling to make a go of it today are the ones who will be most adversely affected by these impositions. But not everybody will receive the same imposition, Mr. Speaker. Let us be very clear about that.

At the same time the Minister of Finance was introducing these additional taxes on middle and low-income Canadians, he was also introducing a major income tax break. He is going to remove all the taxes completely for those people able to obtain some or all of their income from capital gains. A person receiving income from capitl gains will be able to receive income of up to half a million dollars and pay no tax whatsoever. Do you not find that to be rather peculiar? On the one hand for deficit reasons—that is the excuse—we have to impose taxes on dog food and on candy bars, taxes that will affect families. Yet on the other hand we are going to give a tax exemption to people who obtain their income from capital gains, up to the accumulated value of income of half a million dollars.

**Mr. King:** With the exception of farmers.

**Mr. Riis:** With the exception of farmers. I am glad my friend, the Hon. Member for Okanagan-Similkameen (Mr. King) reminded me, because there is confusion. We are quite prepared to entertain the notion of a capital gains excemption up to a particular limit, maybe that limit is $300,000, maybe it is $500,000 for farmers, who can use it as a retirement package.

**Mr. Turner (Ottawa-Carleton):** What about the small businessmen?

**Mr. Riis:** And for selected small family businesses as well. But I do not understand why Hon. Members have not stood in their places and condemned this capital gains exemption which can be used for manipulating the stock market in the U.S. For for selling off land and race horses in Arizona. I have not heard anything from these folks, Mr. Speaker. If criticism is thrown my way, I ask Members to permit me to say something in response.

**Mr. Turner (Ottawa-Carleton):** Great article in the *Herald*.

**Mr. Riis:** I am glad my friend reminded me of the retirement option for farmers. The Government feels there is another group that needs some assistance in retirement, people whose incomes are about $90,000 a year. The Government has said these folks need help; if you are making only $90,000 a year, we have to give you some incentive to save for your retirement.

The Government in this instance is lifting the limits on the registered retirement savings plans. I ask you, Mr. Speaker, as a wise man, if a person is making $85,000 or $90,000 a year does that person need a tax incentive to encourage him or her to save for retirement? I suspect with an income of that level you could probably take care of yourself using the normal channels and opportunities available. This measure will cost the Government money, make no mistake about it. When you give tax breaks to people who have incomes up to $90,000 a year to encourage them to save for their retirement, it will cost tens, perhaps hundreds of millions of dollars in lost revenue.

If the Government is concerned about the deficit and wants to impose special new taxes on aspirins and cough medicines and hit certain aspects of the construction industry for the first time in some years, I do not see why we should be making exemptions and special deals for some other people.

Let us look at the construction industry. Good grief, I remember time and time again one of the points made by the Prime Minister (Mr. Mulroney) when he was on the campaign trail. He said that one of the critical industries of any country is its construction industry. It is an industry that builds, creates new structures, homes, apartments, shops and offices. By building and creating that new landscape, the industry hires a lot of people. It is labour intensive and requires all sorts of outlets for manufacturing products for use in those new facilities such as chairs, windows, furnishings and construction material of one kind or another. To encourage the construction industry is a great way not only to create construction jobs, but to create all kinds of other jobs because of the spin-off effect in a variety of other areas.

I remember the Prime Minister saying that one of the ways is to reduce the sales tax on construction material, such a critical area in a country that is trying to expand its economic base. I remember him saying that reducing the sales tax on construction material would be one small thing the federal Government could do. I thought that was a good idea, and I think many people across the country thought that the idea of the Prime Minister to be was a good one. I suspect that most people in the construction industry went out and voted Conservative because they thought it was a good idea to reduce the sales tax on construction material. That industry and those people who listened to those comments were betrayed, because the minute the Minister of Finance had the opportunity to do so, did he reduce the sales tax on construction material? No, he did not. Of all things, he increased it. He said, let us now make it tougher to build in this country; let us impose a new charge on the construction industry so that everyone who builds houses, factories, plants and buildings will be charged more taxes by the federal Government". How on earth will that help anyone? What kind of a signal does that send to the construction industry?

• (1140)

We have committees so that Bills, such as Bill C-80, can be referred to them where we can bring in the advisors and experts to say what will happen as a result of the provisions of the Bill in the construction industry, the soft drink industry, and the dog food and cat food industry. We did that. We said we would co-operate as opposition Members and get the Bill into the committee system as quickly as possible, to hear from those folk who are most knowledgeable about the effects of those provisions. We heard some very interesting things.

We heard from the construction industry that it would cause irreparable damage and set the industry back. As a matter of fact, the Canadian Institute of Steel Construction claimed that it would lose 300 jobs right off the top. The Canadian Prestressed Concrete Institute estimated that 160 jobs would be lost right off the top because there would be much less activity in building projects. The pet manufacturers indicated that there would be a loss of some 400 jobs, and confectionary manufacturers indicated that up to 1,000 jobs would be lost immediately. Group after group appeared before the committee and said, let us understand one thing; we will lose jobs.

Let me refer to the pet food industry in particular. Thousands of blind Canadians require seeing eye dogs. If the Government is to be totally heartless and impose a new tax on Spot's or Rover's dog food, it should at least exempt seeing eye dogs so that disabled people who require them will not be penalized for having to use and to feed such dogs. Did the people hear that? No, Sir. The Government is to impose a tax on seeing eye dogs. I hear Hon. Members chuckling. I do not believe—

**Mr. Turner (Ottawa-Carleton):** The tax is on the food, not on the dog.

**Mr. Riis:** The tax is on the food, but if one does not feed the dog, one is in trouble. Essentially the Government is saying to those people who rely upon seeing eye dogs that that dog food will be taxed and their lives will be made even tougher. What kind of a Government would say that? Perhaps we will hear some explanations later. The Minister forgot to give them in her speech, so perhaps others will make some comments later.

I should like to refer to the alternate energy industry which involves a number of things from windmills to encouraging people to use solar energy and so on. I do not want to put words into the Government's mouth, but I guess it realized the progressive nature of the alternative energy industry. It indicated that there was a need to develop wind, solar, tidal and other alternative forms of energy, but that it would not happen now, and it imposed a new tax on those folk which made it even less competitive and tougher to develop an alternate energy industry. Essentially that is what the Government has done. It imposed an 11 per cent tax in May and an additional 1 per cent in January on the alternate energy business.

I should like to refer to the comments of one person who appeared before the committee. He had the following to say about the decision of the Department of Finance to tax the energy conservation industry:

> I do not think they really knew what this industry was all about. When we queried them they were unfamiliar with what photovoltaics was and asked us if we could please describe what microhydro was.

In other words, the Department of Finance was levying taxes without even knowing what it was levying taxes on. That is not the kind of sophistication we would expect from a Government in 1986. That is why we sent it to committee for fine tuning. Did any government Members pay one iota of attention to these points when they were made? Apparently not.

Perhaps this becomes a little repetitive after a while. We point out time and time again how every group which appeared before the special committee looking into this matter

said: "No, no, no; it is inappropriate, improper, and you promised you would not do it".

In closing let me simply say that it seems very hypocritical to be passing Bill C-80 which imposes a set of very regressive taxes that will have a major impact on low and middle-income earners, when at the same time the Government is giving tax breaks to those whose incomes are derived from capital gains—and they are a very small percentage of the taxpayers of the country—and other breaks to large corporations and some very wealthy individuals. Therein lies the agenda of the present Government.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** If I may, Mr. Speaker, I should like to mention first that the lapel button I am wearing is a reminder that all Canadians are invited to participate in Winterlude activities now taking place in the national capital. In addition, before commenting briefly on Bill C-80, I urge all my House colleagues to go skating on the canal, admire the outstanding work done by 400 volunteers, and enjoy the entertainment offered in the capital where they should feel right at home.

Mr. Speaker, the House is now on third reading of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof.

Mr. Speaker, this Bill is yet another indication to Canadians that there is no co-operation between the private sector and the Government, and that the necessary information is lacking. As well it demonstrates quite clearly that recommendations from the industry and Members of the Opposition cut no ice with this Government: the Bill has been before the House for some time now, yet it was reported practically unchanged since it was first introduced on October 18, 1985.

Mr. Speaker, the Government spent the last election campaign wooing Canadian electors and promising them everything under the sun. It kept repeating that the Government would listen to them and promised an open and responsible administration. Promises galore, Mr. Speaker.

Bill C-80 is a rather timely reminder that those promises have not been honoured. The Government did not listen to what the industry had to say. It did not listen to what Hon. Members have been repeating on second reading, in committee, and even today on third reading. No, the Government did not listen, and as a result we have an altogether regressive measure which will put an additional tax burden on the backs of certain Canadians.

It has been said before, Mr. Speaker, and the Hon. Member for Trinity (Miss Nicholson) just raised the point that the Government has been anxious to look after the oil multinationals, for example, by lowering taxes to the tune of $8.5 billion.

[*English*]

It is interesting to note that the Budget does away with capital gains of up to $500,000 per Canadian. At the same time, lower-income families and individuals are told to tighten their belts because they must do their share to bring down the deficit. On top of that, we had the Olympia and York advance ruling which gave it substantial sums of money. Let us total all these give-aways to bank depositors who were uninsured, to multinationals, to Olympia and York and to many others. I think I said at second reading that there is a list that goes on and on and on. That sum of money—$16 billion was given away by this Government to these banks, the oil companies, Olympia and York—adds up to exactly what they are taxing Canadians with in Bill C-80 until 1990.

• (1150)

In other words, if you took the paper that was made public after the last Budget, and you totalled the amount of money given to the oil companies, to the multinationals, given to the banks' depositors, which were uninsured, plus several others I have named, you would come up with about the same amount of money.

That is very strange action from a Government which said it would listen, be responsive, and act to protect the interests of all Canadians.

[*Translation*]

Apparently, Mr. Speaker, we have not yet seen the last of the Conservative Government's regressive measures. There will be higher excise taxes on gas, more taxes on alcoholic beverages, tobacco products, wines, telecommunication programming services, an additional sales tax on a number of building and prefabricated materials, taxes on equipment and building materials used for energy conservation, taxes on candies and soft drinks. Yet such taxes will not apply to certain products widely described as snack foods, so I would predict that when the Minister of Finance (Mr. Wilson) introduces his Budget in a few days he will be telling us he has found a new formula, a new solution and that, as Ontario has done, he will slap a tax on everything called fast food. There might even be a rationale for that, but he will tax some but no others such as chips and pretzels. I have the complete list here pretzels, potato chips—

[*English*]

What about pretzels, granola bars, nuts and many other things? It is felt not by me, Mr. Speaker, but by the industry itself that they are being discriminated against. Now the Government, and we hear from its branches—I guess they have leaked it—is going to think about putting an over-all tax on all snack food. We will wait and see. I have the Member for Ottawa-Carleton (Mr. Turner) say, "No way, no way". We will see. You will have your chance to get up after my speech and ask me a question. I am telling you now that I am predicting that this Government will tax pretzels, granola bars and nuts, and will tax all these other things because it creates an enlarged source of income and an enlarged source of taxes.

[*Translation*]

Whe we go through the list of all the costs resulting from policies put forward by this Conservative Government, Mr.

Speaker, we realize that the tax break granted multinationals will cost $8.5 billion by 1990. That is 8.5 thousand million dollars, which is a lot of money. Where will all this money go? It will go back into the pockets of multinationals.

Someone referred earlier to the capital grains tax exemption. I will refer to it myself because I feel that it should at the very least be applied only to Canadians who invest in Canada or make gains in Canada, but not elsewhere. I feel it is quite reasonable to tell the Minister: You should seriously consider this request whereby if you make in Canada a profit of some $500,000, there will be no capital gains tax. However, make sure that this profit is made in Canada, not in Florida, Mexico or in other countries where there might be sound reasons to invest. If people invest in those countries, however, they are taking a risk and are paying these countries taxes. In my opinion, they should not benefit from a tax break in Canada to invest in other countries. The money should be invested here.

There are still 1,300,000 unemployed in Canada, Mr. Speaker. Our first concern and duty is to these 1,300,000 Canadians who should, could and want absolutely to work.

It is a financial disaster, Mr. Speaker, and it will cost at least $1 billion, and I have even been told that it could even cost $2 billion. The Algoma deal will cost $200 million. The advance ruling for the Gulf-O&Y purchase, $16 billion. This adds up to $16 billion, Mr. Speaker. I say it again because this is exactly how much the Government will collect with Bill C-80 in four years. I find this a strange coincidence.

Not only are the figures similar, but it seems to me completely unfair that taxes be collected from Canadians to fill the pockets of our wealthy friends and those who need it the least.

Mr. Speaker, the Conservative Government misled the Canadian public during the electoral campaign. The Government had promised to listen and to be sensitive to the needs of Canadians. This promise has not been kept.

Mr. Speaker, we shall not vote for a Bill which will increase the burden on Canadians. We shall not support a Bill which restricts purchasing power. We shall not vote for a Bill which, once more, taxes those who are not as well-off, these who are disadvantaged. We shall not vote for a Bill which overtaxes Canadians to pay for the mistakes of this Government, which is acting completely irresponsibly in its dealings with the multinationals and the large banks.

Mr. Speaker, in conclusion, I believe that the House would benefit from listening to what the Canadian public is saying. I think that I am reflecting the views of the public, at least in my constituency, when I say that Canadians have had enough of regressive taxes such as these. That is why I rise today, because it is time to think about the disadvantaged, about those who cannot defend themselves, and it is time for us to be sensitive to their needs and to give them the opportunities they deserve.



[*English*]

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, what I find offensive about this Bill—as we know from second reading and also from the report stage—is that, in addition to those things that have been raised by colleagues on this side of the House, it does do two things to the environment that are profoundly disappointing and objectionable. The first one is that the taxes recommended in this Bill will discourage energy conservation, a new and important economic component, and particularly as that affects renewable resources.

You will recall, Mr. Speaker, that in the seventies, as a result of the oil prices rising in a very short period of time, as a nation we decided to turn to renewable sources of energy and to energy conservation as an important way of reducing our dependence on imported oil, as well as reducing our dependence on non-renewable resources, such as oil and gas. You will recall that in that decade the then Government of Canada launched a variety of initiatives to encourage the formation and the expansion of solar, wind and biomass oriented industries with substantial investments by way of programs aimed at the entrepreneurs who would want to take advantage of it, I believe between 1977 and onward. As a result, thre are now in Canada some 450 companies that did not exist 10 years ago actively engaged in the manufacturing, sale and export of equipment related to the use of solar and wind energy and related to the use of solar and wind energy and related renewable sources of energy. That activity, which was made possible because of the creative spirit of many Canadians, has also created some 5,000 jobs.

• (1200)

As if this had not happened, Bill C-80 contains a measure which imposes a new tax on parts and components of the renewable energy industry. It is an imposition that will slow down the expansion of that sector and will affect therefore the creation of jobs. It sends out the wrong signals, because the measure has been interpreted by the members of the association of the solar energy society as being a lack of interest on the part of the Government in renewable sources of energy.

I find it hard to believe that a Government would want to shift to non-renewable resources, as Bill C-80 is implying this Government wants to do. After what was done in the 1970s regarding conservation and renewable energy, it is wrong to give out this message in the mid-1980s when everyone who is engaged in the oil industry is telling us that perhaps four or five years from now prices will rise again. This measure is not only offensive, it does not make sense in terms of the long-term energy interests of our nation.

That is one of my reasons for rising to express my views on Bill C-80. Contained in this Bill is a tax measure that will discourage energy conservation. However, that is only one of the environmental implications of this Bill that must be put on the table for discussion today. The other one is one about which I spoke at the time of second reading of this Bill.

It became evident to me at second reading that we were being asked to endorse and support a tax measure that would

impose lower taxes on leaded gasoline and higher taxes on unleaded gasoline. When one purchases unleaded gasoline, one is purchasing a gasoline that is cleaner and more desirable in an environmental sense, because it does not contain a high content of lead and it does not emit substances that find their way into the atmosphere and return to the surface in the form of acid rain. However, when purchasing gasoline we see that there is a difference in price between leaded and unleaded gasoline of some three cents. The unleaded is more expensive. The tax measure introduced by Bill C-80 will make this price gap between the two gasolines even larger.

This increased difference in price will encourage consumers to do two things. First, consumers will be encouraged to engage more frequently in misfuelling, something which the Minister of the Environment (Mr. McMillan) quite rightly has criticized, and about which he has expressed himself on more than one occasion by encouraging provinces to introduce legislation that would make it more difficult to misfuel. However, there has been a lack of communication in the Government. The Minister of Finance (Mr. Wilson) is disregarding the publicly stated objective of the Minister of the Environment by introducing a tax that disregards entirely what the Minister of the Environment has said. The Minister of the Environment has said that we should have gasoline prices at the pump that will not encourage misfuelling and the Minister of Finance has come forward with a proposal that will have the opposite effect.

The second consequence of the gasoline tax measure introduced by Bill C-80 is that people who purchase cars will be looking for cars that consume leaded gasoline rather than unleaded gasoline. Therefore, the sale of leaded gasoline consuming cars will increase and that will result in increased emissions into the environment of lead, something which we all know is a substance that damages the health of humans, and particularly of children. It has been found by a number of scientific studies that lead has a negative and long-term effect on the learning and thinking capabilities of children. As a result of that aspect of it, this measure will also have health implications in the long term, and the Government does not seem to be concerned about that at all.

There are two voices emerging from this so-called Progressive Conservative Government which, regarding environmental matters, is neither progressive nor conservative. The voice of the Minister of the Environment indicates that there should not be any misfuelling and that we should shift our consumption to gasoline that does not contain lead. The other voice which is evidenced by Bill C-80 is proposing the opposite of what any environmentalist or person concerned with health would propose in this day and age.

You may ask, Mr. Speaker, how we may change this and whether or not it has been changed elsewhere. Yes, it can be done and there are nations that have already introduced, by way of changes in their gasoline taxation systems, unleaded gasoline prices which are the same as leaded gasoline prices, and there are nations that are in the process of devising this new system. Once again and for the third time, I must bring this fact to the attention of the Government and call on the Government to get going in this respect by readjusting the tax structure so as to enable Canadians to find leaded and unleaded gasoline at the same price. The revenue of the state will not be affected or reduced in this way. What will happen is that there will be a shift in the weight of existing taxes, a relief in the taxes imposed on unleaded gasoline and an increase in the taxes imposed on leaded gasoline. Of course, it is possible for someone to detect a flaw and say you can't do that because evidently and inevitably the farmers and the fishermen will be affected. This is a case which we have to recognize in practical terms. In that case we will have to devise a program whereby farmers and fishermen will be refunded the amount they pay additionally on leaded gasoline as a result of these changes in the tax structure presently being imposed on the two types of gasoline. This is the way in which a modern nation has to work.

• (1210)

We have all made speeches on the subject of health and the environment. We have all acknowledged and accepted the reality that lead in gasoline is an element which has long-term negative effects on the health of human beings. We have made commitments to the environment in 1,000 different ways; but when the opportunity arises the political will is missing. Bill C-80 is an example of this. When will the Government show the political will which is needed to practice what it preaches?

We all know that Bill C-80 will move to the Senate after we have dealt with it here. If the Government really wishes to practice what it preaches, then it can make the necessary changes as the Bill progresses through the Senate. We raised the matter in the House in November at second reading stage. As you will recall, Mr. Speaker, because you patiently listened to me on the subject, we also raised the issue last week. Your Honour now has to undergo that torture once again. I apologize to you for the frequency and the repetition of the same theme, but I cannot help it. That is the nature of the Bill before us.

If Hon. Members sense me getting a bit hot under the collar and a bit impatient, then they are right. I cannot understand why this point is not taken into account by the Government when it comes to the taxation system. It could correct a situation which is undesirable, namely, the fact that the spread between the price of leaded and unleaded gasoline at the pump is increasing. The spread was 2.5 cents some seven or eight months ago; it is now three cents. Once Bill C-80 is enacted the spread will increase. Therefore, consumers will be given an additional incentive to either misfuel their cars or purchase cars which use leaded gasoline. If this should happen then we will lose the ground which we gained so gradually during the 1970s and the early 1980s. Thus, Hon. Members will not be surprised if one gets up to express these concerns with respect to Bill C-80 from an environmental point of view. I think I have done it succinctly enough, both with respect to the tax which is being proposed on renewable energy equipment and with respect to the proposed tax on gasoline. I hope that someone is listening and that remedial action will be taken.

**The Acting Speaker (Mr. Paproski):** Are there questions or comments? The Hon. Member for Windsor West (Mr. Gray).

**Mr. Gray (Windsor West):** Mr. Speaker, I would like to ask a question of my colleague, the Hon. Member for Davenport (Mr. Caccia). He may have dealt with this point in his speech already. However, he has made an eloquent plea for continuing the present exemptions for solar energy equipment. I would now like him to answer a question which some people may wish to ask. If the Government is right and after a few months the lower international price of oil will be reflected in lower domestic prices for gasoline, and presumably fuel oil for home heating, then why is solar energy and renewable energy as important in that scenario as it was a few years ago? As the Hon. Member will recall because of the Iranian oil crisis and so on, world oil prices were sky-rocketing a few years ago. Perhaps the Hon. Member can clarify that point, one which may be raised by some members of the public.

**Mr. Caccia:** Mr. Speaker, I thank the Hon. Member for Windsor West (Mr. Gray) for his question which is relevant and topical. He asks why solar energy is so important in light of declining world oil prices. This is a question which could be asked on the doorsteps or in the kitchens of any home in the nation at this point in time. The conclusion in the view of most economists and oil analysts in the world today is that oil prices, while declining at the present time, will rise again at the end of the decade. The turning point being suggested by analysts is around 1989-1990. As prices rise we will benefit in the meantime if we have strengthened and expanded our capacity to draw from renewable sources of energy, in particular the sun. The radiation levels in the prairie region are phenomenal and among the highest in the world. We have a great potential to develop hot water solar heating systems, for instance. However, this potential will be slowed down and handicapped by the introduction of the taxes contained in Bill C-80. This is what we do not want to see. We want to think in the long term, just as the Government should think in the long term. We want to think of the energy requirements of the next generation. We do not live from day to day. Governments have to undertake long-term planning. The measures in Bill C-80 do not take into account any long-term planning. They just look at the present. They impose a tax which says that what has been done has been done, but we are not interested in ways of stimulating and strengthening the industries in Canada which have emerged in the last few years which have given our energy requirements a boost because we are beginning to utilize and tap renewable sources of energy.

**Mr. Gray (Windsor West):** Mr. Speaker, I would like to ask the Hon. Member another brief question. Does the Hon. Member really believe that the Conservative Government will allow the Canadian consumer to obtain the full benefit of lower world oil prices? It is not implicit in some of his comments that, quite apart from the likelihood that a decade hence or in a lesser period of time, world oil prices will rise again, and even in the intervening period Canadians will not be allowed by the Government to obtain the full benefit of declining world oil prices?

**Mr. Caccia:** Mr. Speaker, it is my hope that the so-called Progressive Conservative Government will do that; but thus far we have not seen any evidence of it. We have urged the Government in questions asked during Question Period to ensure that domestic prices move downward as international prices move downward. So far we have not seen any evidence of the Government doing that. However, we have kept the pressure on. We even raised the question of the role of Petro-Canada in this whole matter. We feel it has a role and a responsibility to the public to ensure that prices go down at the pump as new oil comes into the system at lower prices, that this advantage is passed on to the consumer. Unfortunately this has not happened yet.

• (1220)

**Mr. Turner (Ottawa-Carleton):** It takes time, Charles. It takes 60 days.

**Mr. Mantha:** Mr. Speaker, can the Hon. Member comment on how, when his Government was in power, the price of gasoline jumped 80 per cent between 1980 and 1984?

**Mr. Caccia:** Mr. Speaker, the Hon. Member is quoting a percentage which applies to a time when the world price was going up. We are now talking about world prices going down. I hope he understands the difference between up and down. If he does not, then we are really in trouble.

**Mr. Hawkes:** Mr. Speaker, could the former Minister explain what there was in the NEP which guaranteed prices going down? I thought the prices were locked in and they would stay high.

**Mr. Caccia:** Mr. Speaker, I recall the NEP as one of the finest programs—

**Some Hon. Members:** Oh, oh!

**Mr. Caccia:** —that we ever had in this country.

**Mr. Turner (Ottawa-Carleton):** Order. You are smiling.

**Mr. Caccia:** I fully supported the NEP and I still regret the fact that this so-called Progressive Conservative Government has cancelled it. I think historians, when they write about the NEP—

**Mr. Fennell:** The biggest disaster to hit Canada.

**Mr. Caccia:** —in a non-partisan manner will describe it as one of the finest pages in Canada's history.

**Mr. Hawkes:** The biggest catastrophe.

**Mr. Caccia:** It permitted the regions in eastern Canada to use Canadian natural gas. Many, many Canadians benefited from the NEP in a variety of ways. It also told foreign investors that

we as Canadians want to be the co-owners of our natural resources. I do not think that is a bad thing at all.

**Mr. Mantha:** Mr. Speaker, would the Hon. Member say that the energy policy of the former Government caused the failure of those two banks in western Canada?

**Mr. Caccia:** Mr. Speaker, I heard that fanciful notion being raised by Ministers of this present Government. If the Hon. Member really wants to deal with the facts, he will know that the bank crisis was mainly caused by their investments in the most fanciful outlandish and exotic projects, particularly outside Canada. This generated the crisis in the banks. I do not think the Hon. Member is adding to the quality of this debate by attributing the failure of those banks to energy policy. I think he is out to lunch.

**Mr. Deputy Speaker:** Resuming debate.

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, Bill C-80 is premised on the belief by this Government that the deficit is the biggest evil. That reminds me of an American comedian who, as part of his act, dresses up as a woman and calls himself Geraldine. Although she is a believer, she always blames the devil: "The devil made me do it". This Government has coined a new phrase: The deficit made me do it. The deficit made me increase taxes. The deficit made me attack senior citizens and families. However, that does not wash. Clearly the Canadian public knows it does not wash. Two separate polls, one done in the fall of 1984 and another one published this January, show that around 22 per cent of the Canadian public feel that the deficit is the most important economic problem facing the country. Yet 54 per cent said unemployment was the major problem. Canadians felt that the deficit was a problem, but the majority did not consider increasing taxes or cutting back on social services was a viable means of reducing the deficit. However, those are the two steps which this Government has taken based on the philosophy of: The deficit made me do it.

The impact this Bill has is very broad. In one way or another it hits out at almost every sector of our economy. In committee we heard that this Bill would create more unemployment. Jobs in the steel and construction industries, the prestressed concrete industry, pet food and confectionery manufacturers would be lost right across the country. As well, it is unfair because a sales tax is regressive. It does not discriminate between those who can afford and those who cannot. Because of that, and because of the dollar value of the measures proposed through this Bill, it will hit lower income people to a much greater extent than those of us who have money left over.

Let me give you some examples. In 1986 a family with an average income of less than $10,000 will pay about $128 more in taxes. For a family with an income between $30,000 and $35,000 the increase will be $352. For those making $50,000 or more the increase will be $547. However, when you look at the increase as a percentage of income, you find the numbers change and there is a greater impact on those with lesser incomes. This Bill will take 1.39 per cent of the income of the family making less than $10,000; .92 per cent of those earning between $30,000 and $35,000; and only .69 per cent for those making over $50,000. Clearly this Bill takes money from people who can least afford it.

The National Council on Welfare, in its analysis of the Budget, found that poverty has been increasing dramatically. In 1981 there were approximately 3.5 million Canadians living in poverty. However, by 1984 that number had increased to 4.4 million, or 25 per cent. If we look at the average family income of the poorest fifth of Canadian families we see there has been a reduction of approximately 11 per cent. By comparison, the richest fifth of Canadian families realized a marginal increase of .6 per cent.

As I said at the beginning, this Bill is fairly wide reaching. It is part of the over-all package which the Minister of Finance (Mr. Wilson) introduced and it will take as much as $1,000 out of the pockets of a family of four earning $35,000 a year. Let me give you these figures because they show how this Government is approaching people in this country. The list includes the elimination of federal tax reduction, $100; modification to cost of living indexing, $115; cut in the family allowance, $22.50; broadening of the sales tax, $150; gas tax increase, $50; increase in oil and gas prices, $200; increase in sales tax, $150; increase in unemployment insurance premiums, $102; and cigarette and alcohol tax increase, $75; for a total family tax increase of $964.50. I have not included the cost of having to pay for a new social insurance card if you lose yours, airport parking, rail fares, or ferry service. The list goes on and on, Mr. Speaker.

● (1230)

Let us look at how Bill C-80 will impact on some of the sectors. Our municipalities are, by and large, supported by the property tax payers. This is another regressive tax because it does not take into consideration the ability of people to pay, nor does it take into consideration someone who has owned their own home for 40 or 50 years and has paid for it. It is not due to anything they did that the price went up and, therefore, the market value assessment went up. They do not see why their property taxes are at a certain level. They will be given an extra burden.

The Federation of Municipalities in Canada feels that this Bill will cost municipalities collectively $200 million every year. This comes at a time when the municipalities have done some very exhaustive research into their situation and find that we need a national program worth $12 billion just to protect the existing infrastructure of roads, bridges and sewers. Instead of working to help out the municipalities, the Government is giving them an extra $200 million bill each year. That bill will trickle down to the property tax payer. When Budgets are struck this spring in municipalities across the country, that will have to be considered. It may not show up as a line item or in zero-based budgeting, but it will certainly show up in the tax bill.

Farmers in Canada who are in a position to begin to expand their operations, perhaps by building a new silo, are going to find that the cost of a silo will be up by about $4,000. Our national trucking fleets move most of our food products in the country. As a result of the change in the gas tax, which is really a distance-related tax, truckers will have to pass more and more costs through to the consumer.

Let us take a look at the 1 cent per litre tax on gasoline which will come into effect on January 1, 1987, plus the 2 cent tax per litre which came into effect September 3, 1985. What will that do? We have heard in the House over the last two weeks that world oil prices are falling extremely fast. Are Canadian gas prices falling as fast? Of course not. An industry that can respond immediately when world oil prices go up seems extremely sluggish when they go down.

My colleagues, the Member for Thunder Bay-Nipigon (Mr. Epp) and the Member for Kenora-Rainy River (Mr. Parry) and I did a study in northwestern Ontario. We compared gasoline prices in northwestern Ontario with those of our neighbours to the south in Minnesota. On our side of the border a litre of gas costs anywhere from 53 cents in one of our more urban communities, to $1.80 per litre in some of the remote northern reserves. I remember the days when a gallon of gas cost much less than $1.80 in Thunder Bay. Now a litre costs $1.80 in some of those communities. A litre of gas in Minnesota, converted to Canadian funds, costs 38.4 cents to 44 cents. Clearly, Mr. Speaker, the American Government is more responsive to the change in world oil prices to ensure that its consumers get a break. In comparison, our Government is putting more taxes on.

It could be said that in some of our metropolitan communities, such as Toronto and Montreal, where there is an appropriate mix of urban transit, it perhaps makes sense to financially convince people to avail themselves of public transit. However, we do not have those options in northwestern Ontario. People who live in Atikokan do not have the option of using public transit. They no longer have rail service. If they need to get to Thunder Bay for medical assistance, for shopping, or for business, they have no choice but to drive the 120 miles each way. Northern residents all across the country are being penalized by this taxation.

I want to discuss for a moment the impact on the construction industry of the Budget and this particular Bill. The first issue I would like to discuss is the imposition of a new tax on the asphalt industry. While I disagree with the implementation of the tax *per se*, there is a more far-reaching concern which is an indication that the Government really did not think this through. It clearly did not know anything about the construction industry, particularly road construction.

Most of the projects which relate to asphalt are Government-induced. Whether through the federal Government in terms of airport construction, through the provincial Governments in terms of highways, or through municipal Governments in terms of roads, governments are the main purchasers of those services. Bids are not put in one month with construction starting the next. In some cases it takes as long as three years from the time a provincial government calls a tender until the asphalt is actually laid. Due to the provision of only a few months notice of the imposition of this tax, road construction firms across the country were forced to reduce, by the amount of the tax, the small profits they were making. Escalator clauses are not built into contracts for road construction projects done by provincial Governments. We have heard time and again in this House and in other houses in the country that we must have a fixed price in order to protect the taxpayers. Taxpayers will not be very well protected if a lot of these firms go out of business because their margins are very, very slim. When the decision was made to impose the tax a company which has a *bona fide* contract, with the time of payment for the laying of the asphalt being some time after the date of imposition, should have been allowed an exemption. It would have been only fair to take that approach rather than the heavy-handed method which the Government has applied.

The other impact on the construction industry which I would like to discuss is the changes which affect the cast-in-place versus the precast industry. There is now a different situation in existence which will bring about some real problems in that industry.

• (1240)

I would like to turn now to the very clear shift in policy by the Government of Canada away from one which, in a minor way, was beginning to promote the use of alternate forms of energy, to conserve oil and gas—

**Mr. Holtmann:** We started promoting jobs.

**Mr. Angus:** The Hon. Member says they started promoting jobs. Let me give you an example, Mr. Speaker. My riding is involved in the marketing of solar panels to provide energy for remote areas.

**Mr. Holtmann:** It's commercial.

**Mr. Angus:** It is commercial, yes, but in northwestern Ontario we have great difficulty getting hydro into a lot of our communities because the cost is very horrendous. One resort is 10 miles away from a brand new hydro-electric generating facility and it would cost in excess of $100,000 to get that hydro.

**Mr. Turner (Ottawa-Carleton):** Talk to Queen's Park, your buddies at Queen's Park.

**Mr. Angus:** Actually, I have, but that is part of the realities. Obviously I woke up those Hon. Members, Mr. Speaker.

**Mr. Turner (Ottawa-Carleton):** We are getting hungry over here.

**Mr. Angus:** Well, they have to stay until one o'clock whether they like it or not.

To get back to my point, Mr. Speaker, an individual in my riding wants to promote Canadian manufactured solar panels. It would be Canadian workers who would build them and

install and maintain them. But without the incentive of a break in the sales tax, the individual is unable to convince potential customers of the value of solar. We all know there has to be those kinds of incentives.

**Mr. Turner (Ottawa-Carleton):** Poor marketing.

**Mr. Angus:** The Hon. Member says it is poor marketing—

**Mr. Althouse:** It's straight economics.

**Mr. Angus:** Yes, it is straight economics if we compare a diesel generating system with a solar system, with the batteries. There has to be some kind of incentive to induce people to take something which is new and innovative when all of their friends have diesels and they know how diesels work. But solar energy needs some incentive and the Government is backtracking on that. It is adding costs to insulation which conserves energy. I do not understand why the Government is taking this kind of approach when what we should be doing is opening things up in a greater way, giving greater incentives to conserve and to develop new technologies.

**Mr. Holtmann:** Did he get a grant to start his project?

**Mr. Angus:** No, he did not get a grant to start his project, Mr. Speaker, he is an entrepreneur. He is not even a school teacher. He is a forester.

**Mr. Turner (Ottawa-Carleton):** Change the packaging.

**Mr. Angus:** The other aspect of the Bill is the increase in taxation for alcohol. That will have a very profound effect on our tourist industry. I was at a conference a week or so ago in my riding of Atikokan. A group of us from the community got together to try to develop some strategies to encourage greater use of the Quetico Park, the Atikokan wilderness area, for tourist ventures and determine how we could better accommodate visitors from other parts of Canada and our neighbours to the south. One of the impediments is that once the tourist, particularly the American tourist, comes to the sunset country travel area, stays at one of our local hotels or motels and orders a drink, they are told that a beer will cost $3. Why is the price so high?

**Mr. Holtmann:** Do we want to entice them over here with alcohol?

**Mr. Angus:** The Hon. Member asks whether I would want to entice Americans with alcohol to come here. Of course, not. But it is part of our image. If people come to Canada and perceive themselves as being gouged, whether by the Government or by the establishment, they will not come back.

**Mr. Turner (Ottawa-Carleton):** They love our beer.

**Mr. Angus:** Even if they might only have had one beer or one drink, quite frankly, it will leave a bad taste in their mouth.

**Mr. Turner (Ottawa-Carleton):** They want good service.

**Mr. Angus:** I want to thank you for listening, Mr. Speaker, and I might suggest that you might want to do something about the rabble across the way who kept interrupting me.

**Mr. Gray (Windsor West):** Mr. Speaker, the Hon. Member who has just spoken comes from an area where tourism is important. Would he not agree that the higher prices charged for so many things involved with tourism in Canada is one of the factors which discourages tourism? Would he not also agree that the sales taxes which will be imposed by Bill C-80 are going to add to this problem? I am sure he would have some insight into this because of the area he represents.

**Mr. Angus:** Yes, Mr. Speaker, I would like to make some comments. In fact, what I would like to do is compliment the previous Conservative Government of Ontario for making the decision to exempt hotels, motels and camp grounds from the sales tax in order to encourage Canadians from other provinces and Americans to use our facilities. Very clearly, prices do have an impact, but regardless of where our dollar is in relation to the American dollar we do have some constant travellers. There are some people who will come back every five or ten years.

**Mr. Turner (Ottawa-Carleton):** Expo 86 is sold out.

**Mr. Angus:** I grew up in the tourist industry. I know of it first hand. The gentleman opposite talks about Expo 86. If we do not change the price of gas those people will not come because they will not want to have that transportation experience.

**Mr. Ravis:** Mr. Speaker, I would like to make a few comments with regard to the remarks of the Hon. Member with respect to the deficit. He mentioned that a recent poll indicated that only 22 per cent of Canadians see the deficit as one of the severe problems facing the country, and that approximately 50 per cent of the people see unemployment as a more serious issue. I certainly agree that unemployment is the serious issue and I think that we have been addressing that issue very well.

However, perhaps he and some of the people who answered that poll do not realize that one cannot understand the deficit when no one in this country lives that way. Whether it is with respect to a small business or a household budget, no one spends way beyond what they bring home. When something in the neighbourhood of 80 cents on every tax dollar goes to pay just the interest on the deficit, surely to goodness the Hon. Member and the New Deomcratic Party must understand that we have to begin looking at something which is a little more durable and long term. I would suggest that we do have a choice. We can print more money, as the Liberal Party did over the last dozen years, or we can take the course of trying to turn it around, bringing about some economic recovery and getting more people back to work.

**Mr. Holtmann:** And that's what we are doing.

**Mr. Ravis:** What I would like to ask the Hon. Member is why is he and his Party fighting these initiatives which, just last month, brought about 129,000 jobs? That is a record in Canadian history in a month which is probably the toughest of all months in any given year to produce jobs. Why does the New Democratic Party continue to fight these positive initiatives when, really, the Canadian public is looking to all parliamentarians to work together to bring about economic recovery?

**Mr. Angus:** Mr. Speaker, let me try to respond to the questions put by the Hon. Member in the order he raised them. I have a mortgage on my house.

**Mr. Ravis:** So do I.

**Mr. Angus:** That mortgage means that I have contracted for a certain amount of dollars for my dwelling which I am paying off over time.

**Mr. Turner (Ottawa-Carleton):** The Grits mortgaged this country.

**Mr. Ravis:** So I am in debt. We jokingly refer to the fact that we do not own a house, the bank does, and in my case it is the credit union. So I think the suggestion of the Hon. Member that this is unique is not quite accurate.

In speaking about job creation, the Hon. Member used a figure of $129,000. I read the article that showed almost as many jobs had been lost in that same period of time—

• (1250)

**Mr. Holtmann:** That is ridiculous.

**Mr. Angus:** While there was a net growth, it was in the range of 5,000 or 6,000 as opposed to 129,000. The Member should be careful how he uses those figures.

During hearings on Bill C-75 last week the President of the Dominion Marine Association appeared before us. We were talking about a cost recovery measure on the Seaway. He said that he would rather see the Government of Canada letting people continue to work on the lakes instead of raising fees, because when more people are working more people will be paying taxes, and that is when the deficit will come down, not before.

**Mr. MacDougall:** Mr. Speaker, it is marvellous to listen to Members of the New Democratic Party with their pie in the sky type of attitude. They would take the printing press and let it continue for years if they could. In their antics they try to give an impression that they have all the answers for all the people but they forget that young people will have to carry the debts for years to come.

Would the Hon. Member tell us how he plans to address the debt for his children, his grandchildren and his great grandchildren with all his pie in the sky attitude, for which the NDP is so famous?



**Mr. Angus:** Mr. Speaker, obviously the Member was not listening to my last few comments. We believe that it is important for as many Canadians who want to have a job to have the opportunity of a job that pays a decent wage. To achieve that you do not cut programs and throw people out of work. You do not bail out banks at a billion dollars a crack. You use that money wisely as an investment. In the short term, yes, you have to have some kind of bridging with the make work programs, but at the same time you have to put in place long-term strategies that will not only train people, as the Government is trying to do, but will make sure there are jobs for them. The more people we get working, the more people will be contributing and this will create other jobs. More and more people will be paying taxes, and less people will be collecting unemployment insurance, welfare and what have you. That is our goal. That is the direction we would take as the Government of this country. We would ensure that as many people who wanted to would have an opportunity for full employment.

**Mr. Ravis:** Mr. Speaker, let me follow up on the comment made by the Member about job creation. It is no wonder there is a lot of cynicism across the country. At a time when 129,000 permanent jobs were created in January we had the leader of the Liberal Party last week, and now a Member of the New Democratic Party saying to Canadians that these are not real jobs, that a lot of other jobs are being lost and there is a lot of part-time work. There is no feeling of support, of getting your shoulder behind the wheel. I do not understand why the Opposition cannot get behind some of our initiatives. There is no question that Canadians are crying for these jobs. The opposition Parties should be hailing the great job-creation initiatives and saying let us get on and see if we can create more.

**Mr. Angus:** Mr. Speaker, we would like to be behind it. We have yet to see the numbers, which the Prime Minister (Mr. Mulroney), Cabinet Members and others are presenting to us, in any documented form. We have not seen what the relationship is between full and part-time work is—

**Mr. Holtmann:** Open your eyes.

**Mr. Angus:** —and between wage levels. Nor have we seen anything in terms of a breakdown between male and female jobs. What kind of jobs are being created? The impression that we have is that they are part-time, short-term and poor paying.

**Mr. Holtmann:** I beg your pardon.

**Mr. Angus:** All the Government is doing is trying to hype up Canadians to make them believe the Government is doing something when it damn well isn't.

**Some Hon. Members:** Oh, oh!

**Hon. Herb Gray (Windsor West):** Mr. Speaker, we are now dealing with third reading of Bill C-80, A Bill to increase the federal sales tax in a number of different but unfair ways. This debate on third reading gives us a last chance to appeal to the

Government to reconsider what it will do to the economy and to millions of individual Canadians through this measure. Through our appeal to the Government, we hope it will take another look, recognize the error of its ways and not proceed with third reading of Bill C-80.

After this Bill was presented to the House, a number of submissions were made by many groups and associations that outlined how the sales tax increases in the Bill would reduce the purchasing power of Canadians, increase costs and generally impact adversely on the competitive ability of Canadian industries as well as dampen the economy.

The Conservative Government is boasting about what has been happening in the economy over the past several months. What has been happening is simply the cumulative effect of efforts of recovery that began several years ago under the previous Liberal Government.

**Mr. Kilgour:** Horse feathers!

**Mr. Gray (Windsor West):** The Conservatives are simply coasting on the beneficial effects and thrust of Liberal policies.

**Some Hon. Members:** Rubbish.

**Mr. Gray (Windsor West):** People may challenge this view on my part, but I do not see how the Conservatives can logically challenge the point that there will be an adverse impact on the economy with the increases in sales tax in Bill C-80. These increases will slow down or blunt the forward movement, to the extent that there is any recovery of the economy.

Let us take a look at the increase in taxes which the Government is trying to impose on Canadians. There are tax increases on gasoline. There is the imposition of 2 cents a litre last September and 1 cent per litre in January 1987. Tax increases are imposed on many categories of construction materials, including modular homes, concrete and asphalt. We have also been discussing the tax increases imposed on equipment and construction materials used in energy conservation. This Conservative Government is even imposing sales taxes for the first time on candy, soft drinks and pet food. In spite of some partial and very limited backtracking by the Conservative Government, it is imposing in this Bill a new sales tax on a wide range of health care products.

**Mr. Turner (Ottawa-Carleton):** To pay for your bills.

**Mr. Gray (Windsor West):** What is the effect of all of this, Mr. Speaker? Consumers will be paying $2.6 billion more in sales taxes by 1990-1991. At the same time, corporations will enjoy a $2.2 billion decrease in taxes. The capital gains tax break alone will reduce the taxes of wealthy Canadians by $1.25 million. Where is the equity?

**Mr. Turner (Ottawa-Carleton):** Where is the deficit going to be?

**Mr. Gray (Windsor West):** Where is the fairness in all of this? If the Conservatives are serious about wanting to reduce the deficit, they have yet to explain why they are putting an unfair share of the burden of doing this on the backs of lower and middle-income Canadians.

**Mr. Holtmann:** You built the deficit on the backs of young people.

**Mr. Gray (Windsor West):** To what the Conservatives have already been doing to increase the very deficit they say they want to decrease, there is the cost of their efforts to sustain the value of the Canadian dollar.

We in the Official Opposition have demonstrated that the measures they took last week will cost Canadian taxpayers in present value dollars close to $1 billion in interest payments, $200 million this year alone.

The Conservatives are crying crocodile tears about the deficit. On the one hand they say they have to reduce the deficit but they do not explain why they are taking all sorts of misguided measures and steps to increase that deficit. What about the $1 billion cost to the taxpayers of their botched and bungled bail-out of the two banks, the Canadian Commercial Bank and the Northland Bank? What about the way they tried to rescue the dollar that went down in value because of the lack of confidence of the world economic community in the way they are managing the economy?

Last week in the House the Minister of Finance (Mr. Wilson) said that Canadians were telling him, "Thank you, Mr. Wilson, for what you have been doing to help the Canadian economy".

**Some Hon. Members:** Hear, hear!

**Mr. Gray (Windsor West):** I challenge this Conservative Government to find one middle or lower-income Canadian who will say "Thank you, Mr. Wilson, for the burden being put on lower and middle-income Canadians by this misguided Bill C-80."

**Some Hon. Members:** Oh, oh!

**Mr. Gray (Windsor West):** The Conservatives should have the courage to withdraw this Bill if they are seriously interested in helping lower and middle-income Canadians. By continuing with this Bill, the Conservatives are showing they are not interested and stand condemned in the eyes of millions of middle and lower-income Canadians.

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

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

## BUSINESS OF THE HOUSE

**Mr. Speaker:** Order, please. I understand that there is an agreement on procedure. The Hon. President of the Privy Council (Mr. Hnatyshyn).

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, there have been consultations among the Parties, and I think there is an agreement to have the Minister of Transport (Mr. Mazankowski) make a statement at this time and to have a response from each of the Parties represented in the House. The time used for this process will be Government time. We will move back Statements and Question Period to a point after these statements have been made, and they will just be extended accordingly.

**Mr. Speaker:** I take it there is agreement for this particular procedure.

**Some Hon. Members:** Agreed.

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## DISASTERS

### TRAGIC RAILWAY ACCIDENT NEAR HINTON, ALTA.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, it is with great sadness and sympathy that I rise today to report to the House on the collision between a freight train and a passenger railway train last Saturday, which tragically resulted in the loss of many lives. On behalf of the Government, and I am sure on behalf of all Members of the House and the people of Canada, I wish to extend my deepest sympathies and sincere condolences to the families of the victims of the collision. We share with them a tremendous sense of shock and grief at their loss. To those who suffered injuries, we extend our hopes and wishes for their early and complete recovery.

Over the weekend I spoke with the Prime Minister (Mr. Mulroney) who has expressed his deepest personal sympathies and sorrow at this tragic event. Like all Canadians, he was horrified at learning of this tragedy. I have also been in contact with the Secretary of State for External Affairs, the Right Hon. Member for Yellowhead (Mr. Clark), the Deputy Premier of Alberta, Mr. David Russell, and the Alberta Solicitor General, Ian Reid, who also extend their condolences and heartfelt thoughts to those involved.

At 8.45 a.m. on Saturday, February 8, VIA Rail train No. 4 travelling eastbound from Jasper and CNR freight train No. 413 travelling west from Edmonton collided at mile 173 of CN's Edson subdivision near Hinton, Alberta.

There were three crew members on the freight train, two at the front end and a conductor at the rear. On the basis of information currently available, the VIA passenger train carried a crew of 15, and 104 passengers had booked seats on the train. While search of the crash site and identification of bodies are still ongoing, it would appear that at least 29 people died as a result of the crash. The bodies have been taken to



Hinton where a temporary morgue has been established. The injured were rushed to hospitals in Hinton and Edmonton. Uninjured survivors were also taken to Edmonton and were assisted to complete their journey.

The track in the vicinity of the crash site is among the finest in North America. At this point it does not appear to have been a contributing factor. Likewise, the weather on Saturday morning was clear and cold and does not appear to be a likely contributing factor. While the CN train was carrying a limited amount of dangerous commodities, these were not involved in the collision or the resulting fire.

The first notification of the crash was received by CN within minutes. This information was immediately relayed to Hinton emergency services and the CTC, and the emergency response begun. Fire, police and paramedical units from Hinton arrived at the crash site and began the immediate task of rescuing survivors. Their efforts were hampered by fire at the site caused by the locomotive diesel fuel, and lack of ground access. Emergency response units from Hinton and CN assisted with the removal of the injured to surrounding hospitals.

● (1405)

On Sunday afternoon I visited the collision site and was horrified by the destruction that had occurred. I was moved and impressed by the dedication and the expertise with which rescue operations were conducted. I wish to commend the emergency response forces, and particularly those volunteers for their tireless efforts to rescue and comfort those involved in the collision. In particular I extend my appreciation to the residents of Hinton and the people of Alberta for the humanity and generosity that they have shared with the victims and their families.

I would also like to extend our appreciation to the office of the Hon. Member for Yellowhead, in particular Mr. David Jones at Edson whose efforts were invaluable in assisting the families and friends of the victims and those injured or surviving. As well, the co-operation and assistance of the Government of Alberta and provincial officials was greatly appreciated.

The safety of our transportation system is of paramount importance to this Government. We are deeply concerned by this tragedy, and believe that every effort must be made to determine the cause at the earliest possible date. Therefore, given the tragic and extraordinary circumstances surrounding this collision, the Government has ordered a judicial inquiry to ensure that a complete and independent examination takes place. I can inform the House that Justice Rene Paul Foisy of the Court of the Queen's Bench in Alberta has been appointed under Part I of the Inquiries Act to conduct the investigation. Mr. Justice Foisy has been given broad terms of reference to enable a comprehensive examination of the causes of this collision. We have also requested that the inquiry provide specific recommendations to reduce the risk of a reoccurrence of this tragic event. Mr. Justice Foisy has been asked to report

before May 30 so that the Government can have the benefit of his findings at the earliest possible opportunity.

In conducting the inquiry Mr. Justice Foisy will be able to draw on the work of the CTC accident investigators and staff who are presently conducting an extensive examination at the collision site. The CTC have five staff on site at present and another one is enroute. I have spoken to the CTC and they have assured me of their full co-operation with the inquiry. The latest information provided to me by the CTC suggests that there is evidence that the CN freight train ran through the switch joining the double-track to the single-track where the collision occurred. The switch was set for the passenger train, and the freight should have stopped on the double-track.

In conclusion, I wish to repeat again on behalf of the Prime Minister, our Government, and I trust all Members of the House, our heartfelt expressions of sympathy and compassion to the victims and families of those involved in this terrible railroad tragedy. We offer them our condolences, our sympathy and our prayers. Our Government is committed to an urgent and comprehensive inquiry into the causes and contributing factors relating to this collision. We have asked that interim measures be examined by the CTC to provide the necessary safeguards while the investigation is underway. The safety of the transportation system is a top priority and we are prepared to act on an urgent basis to respond to any safety deficiencies that can be identified.

The Canadian transportation system has a safety record amongst the best in the world. We must do all that we can to maintain and improve that record. As the Minister of Transport I commend to this House the Government's commitment to ensure that the safety of our transportation system is never diminished. We will use the full extent of our abilities and powers to safeguard the lives of Canadians.

• (1410)

**Hon. André Ouellet (Papineau):** Mr. Speaker, on behalf of the Liberal Party and my colleagues, I would like to add to the comments made by the Minister of Transport (Mr. Mazankowski) by expressing our regret and sorrow to the families and relatives of the victims of the tragic train crash which occurred near Hinton, Alberta. I would like also to commend the emergency response forces which are on the site for, as the Minister has said, their tireless efforts to rescue and comfort those who were involved in this collision and, indeed, the residents of Hinton must be thanked for their efforts on behalf of the victims at the moment of the accident.

I think we should recall at this time the words of Mr. Justice Samuel Grange in his report on the Mississauga train derailment. He said the following:

> A long, fast train is a profitable one; it is not necessarily a safe one. I accept, of course, that in the course of natural justice one does not normally make an order affecting another's rights or pocket book without giving that other a chance to be heard. But there may come a time, where the safety of the citizen is concerned, when the onus shifts. In such case the burden of proof may (perhaps should) fall upon him who creates the risk.

I am sure all Members of the House would support the Minister of Transport if he were to put before us an immediate program of measures designed to ensure that this type of accident is not repeated. Indeed, we have been very fortunate that in the past there have been very few fatalities, collisions and derailments. All rail companies have had, up to now, a solid safety record. However, this incident does raise a number of questions regarding the Government's record in and commitment to safety.

In transportation policy, the Government's sole crusade has been in the fields of deregulation and cost recovery. We have as yet seen no positive commitment to safety. While we on this side of the House accept this new commission of inquiry and we will indeed assure the Government that we will co-operate with it on any measures that will enhance security for passengers using all modes of transportation, we must remind the Minister that this House has yet to see the implementation of the key safety recommendations contained in Judge Lockwood's Gimli inquiry, and in particular those contained in Barnard Deschenes' marine casualty investigation in which Recommendation No. 86 deals specifically with a multimodal safety board which would have powers similar to those of the Canadian Aviation Safety Board.

The Minister of Transport spent almost half a million dollars of taxpayers' money on Mr. Hugh Horner's Rail Passenger Action Force which did not even publish a final report. The result of that task force was the reintroduction of the Superliner in June 1986 on a very heavily travelled line. Since the public has yet to see this report, the Minister must now tell us what recommendations concerning safety were raised in this report that can no longer remain secret.

Finally, we know that the Treasury Board has instructed the Minister of Transport, under Structure 90, to cut back 600 person-years this fiscal year and 1,000 person-years next year. The Minister has failed to reassure us that this will in no way jeopardize his Department's responsibility in the field of safety. Indeed, we are waiting for more concrete, positive action on the part of the Government than merely another investigation.

• (1415)

**Mr. Les Benjamin (Regina West):** Mr. Speaker, on behalf of my colleagues, I wish to join with the Hon. Minister of Transport (Mr. Mazankowski) and the Hon. Member for Papineau (Mr. Ouellet) in expressing our sadness and sympathy to the families, relatives and friends of those who perished in the accident on Saturday. We also wish to express our thanks through you, Sir, to many people who are the unnamed and unknown heroes as a result of this tragedy. I speak of the volunteers in and around Hinton, the surviving members of the crew of the VIA Rail train, all of whom performed heroic duties, and fellow passengers who did the same. This tells us something about human beings rising to the occasion in order to assist one another in times of severe trial.

While there is much speculation about the cause of the accident, we welcome the announcement of the Minister of Transport with respect to establishing a judicial inquiry which will have at its disposal the expertise of CTC officials who are

now carrying on an investigation. That is fine, insofar as what is shown, thought or known to be the cause of the tragedy. It is fine in this instance and we welcome such an inquiry. We also welcome the Minister's statement that he is asking the judge to make specific recommendations so that this type of occurrence will not take place again.

However, while I know that the Minister is sincere when he says that safety is paramount and of top priority, I wish to suggest that more than words are required. I know that when the Minister says it he is sincere. Becauseof this incident, but because there are incidents of one type or another every day in one or other modes of transportation—and we all know it—I would like to suggest that there have been requests for many years from many organizations and experts calling for a full, broad, independent and comprehensive inquiry, not just into the issue of safety and all that pertains to it, but with respect to the issues of security, maintenance practices, inspection, enforcement, operational procedures and the capacity to inspect. Surely, such an inquiry is long overdue. An inquiry into all aspects of the operation of an essential public utility, which also concerns all modes of transportation in our country in all the broadest areas of what is called safety, is required. I appreciate that such an inquiry will take some time.

I know that the Minister will endeavour to institute interim safeguards so that this or similar types of occurrences are much less likely to happen again. However, much more has to be done, and on a much broader scale. It will require the support of Parliament, the Minister's cabinet colleagues, and the public to carry this out in the most systematic, proper and public manner possible.

I wish to close by repeating our regrets at this terrible accident. We appreciate the efforts which have been made and the fact that the Minister himself went to the site. We know of and appreciate his concern. We know he will make every effort he can. However, and I repeat, he will require the support of every Member in this place to carry that out.

● (1420)

**Mr. Speaker:** I am sure the House will want to express its respect and sympathy in memory of what has happened.

[*Editor's Note: Whereupon the House stood in silence.*]

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF PERU

**Mr. Speaker:** Before proceeding to the period for Statements, may I indicate the presence in our gallery today of His Excellency Luis Alva Castro, Prime Minister and Minister of Finance of Peru.

**Some Hon. Members:** Hear, hear!

*S.O. 22*

# STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

## IMMIGRATION

ALLEGED TREATMENT OF PRESSURE GROUPS

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I would like to let this House know about the cavalier attitude, and that is putting it mildly, of some members of the Conservative Government towards immigration pressure groups.

In a document that was circulated in Cabinet, pressure groups in Montreal were referred to as a bunch of crazies. Mr. Speaker, this says a lot about the Conservative Government's claim that it is governing by consensus.

The groups were invited to express their views on reform of the refugee status recognition process. The Minister of Employment and Immigration (Ms. MacDonald) went to Montreal last September to show her good faith. But, instead of examining and taking into consideration what these groups have to say, the Government seems to show nothing but scorn. I their it is pretty obvious their opinion does not seem to count for much.

And now it seems that access to the new refugee status recognition process will be very limited. Refugees who stop over in a country where they could ask for refugee status will not be able to request such status in Canada. This considerably limits the number of people who can claim refugee status, and it is certainly not in accordance with Canada's international obligations regarding the protection of refugees.

Mr. Speaker, if the Conservative Government is going to set up a refugee status recognition system that ignores the recommendations of pressure groups and the Committee that examined the question, I wonder—

**Mr. Speaker:** I regret to inform the Hon. Member that her time has expired.

* * *

[*English*]

## FOOD AND DRUGS

PRESCRIPTION DRUG PRICES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, today in our visitors' gallery there is a delegation from the National Council of Women, a federation of 1,500 locally federated organizations with a national membership of 750,000. Among the special concerns of this group is the Government's policy on generic drugs. They will be interested in the fact that the Government is planning to increase prescription drug prices by extending protection for a reported eight years to the multinational drug companies. This is being advocated by the Minister of Consumer and Corporate Affairs (Mr. Côté), who is supposed to advocate competition.

The Minister does not want competition despite the present generic drug law having saved Canadian consumers $211 million in 1983, as documented by the Eastman Commission in Pharmaceuticals. This Minister does not want competition despite the fact that these savings have created 3,500 jobs directly and 2,000 jobs indirectly, according to the Canadian Drug Manufacturers Association. The Minister does not want competition despite the fact that the Budget of the Minister of Finance (Mr. Wilson) moved to increase drug prices through wider imposition of the federal sales tax.

The Ontario Council of Women and other Canadians will want to know why the Minister opposes competition when it means lower drug prices and jobs. The answer is, of course, apparent. The multinational drug companies and their many lobby groups, and the U.S. Government, do not like our generic drug laws. The NDP says it is a perfectly good law which has worked well and should not be sacrificed to appease the privileged few at the expense of the vast majority of Canadians.

* * *

● (1425)

## HAZARDOUS SUBSTANCES

DECISION NOT TO STORE PCBs AT RENOUS, N.B.

**Mr. W. R. Bud Jardine (Northumberland-Miramichi):** Mr. Speaker, late last week the Minister of Public Works (Mr. LaSalle) confirmed to me that PCBs and asbestos would not be stored in bunkers at the Atlantic Institute at Renous, N.B., as had previously been announced. That may seem insignificant when compared to other events and announcements made in the House, Mr. Speaker, but in that small community hundreds of people heaved a sigh of relief.

It is not that the storage of that material would have presented a danger to their health or to the environment, because every possible precaution had been taken to ensure it would not have done so, but undue fear had been raised in the hearts and minds of these good people. The Minister, appreciating what had happened, and demonstrating the great sensitivity and concern for people which have been the hallmark of the Government, cancelled that earlier decision. Mr. Speaker, this is a Government which cares.

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## PUBLIC SERVICE

EMPLOYEES' WAGES—DEMAND FOR DISCLOSURE

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, supposing, in my opinion correctly, that Canadians had the right to know how much they were paying their public employees, prior to 1919 the Government of Canada published the Civil Service List annually. For example, the 1916 Civil Service List reveals that Mr. Edmund Newcombe, Deputy Minister of Justice, was paid an annual salary of $10,000, and that Mr. David Gillespie, bridgekeeper on the Cornwall Canal, was paid a wage of $2 a day. It is not to be supposed, Sir, that either Mr. Newcombe or Mr. Gillespie suffered from having their emoluments made public, any more than MPs and Senators do today.

For some unknown reason the Government of the present time refuses to make known specific salaries and benefits paid to its employees. This has especially been the case with senior employees of Crown corporations. At best, a rather meaningless salary range will be given.

Taxpayers are naturally suspicious of the motives of a Government which hides, for no apparent good reason, the use of their money behind a screen of secrecy. Therefore, let us follow the eminent good sense of our forebears and let this information be known.

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## FISHERIES

GRANT OF COD QUOTA TO FISH PLANT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, once again we see the spectre of Frank Moores in the recent deal by the Minister of Fisheries and Oceans (Mr. Siddon) to give $1 million in cod quotas to a company owned by Frank Moores' son-in-law, Frank Moores' former special assistant, and Ulff Snarby, of the Nordic Fishing Company, a company which last year bought access to the Government by hiring Government Consultants International, a Frank Moores company.

The Minister claims that this is all pure coincidence, but we must examine the facts. The company placed into receivership was owned by Frank Moores' cousin, another relative, and his son-in-law's father. The new company is now owned by his son-in-law, his former aide, and a company for which he is a consultant.

Does the Minister really expect us to believe there was absolutely no connection between his $1 million cod giveaway and Frank Moores, a close personal friend of the Prime Minister (Mr. Mulroney)? This fishy deal should be subjected to a parliamentary review. But then again, maybe it is just all in the Tory family.

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## CROWN CORPORATIONS

SALE OF DE HAVILLAND—GALLUP POLL FINDINGS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I want to bring to the attention of the House the recent Gallup poll which shows what Canadians really think about the Conservative Government's sale of de Havilland Aircraft to the Boeing company of Seattle. Only 16 per cent of the people polled support the Government's decision to sell de Havilland. Twice that number opposed the deal, and in Ontario, where the awareness of the sale is strongest, almost half of the population opposed the deal and only 17 per cent backed it.

I cite these figures, Mr. Speaker, because they support what New Democrats have been saying about the sale of de Havilland since it was announced in December. It makes no sense to dispose of de Havilland to a foreign buyer without guaranteeing the research, the jobs, or the Canadian content, and without the Government having seriously considered alternatives to a bargain basement deal.

Most of all, this poll stands as a strong condemnation of the way in which de Havilland was sold without consultation and without Parliament being able to say "no" to a bad deal. Had the Conservatives bothered to seek parliamentary approval on de Havilland, they might have found out what the New Democratic Party said all along, and what the Gallup poll now shows, that Canadians do not like this deal.

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[*Translation*]

## EMPLOYMENT

GOVERNMENT'S PERFORMANCE

**Mr. Guy Ricard (Laval):** Mr. Speaker, I would like to set the record straight in connection with a statement made by the Leader of the Opposition (Mr. Turner) last month at his conference, when he wanted to challenge the percentage of full-time and part-time jobs created.

Mr. Speaker, 81 per cent of the jobs created since September 1984 have been full-time jobs, while 82 per cent of the jobs under the Liberal Government, between February 1980 and September 1984 were part-time jobs.

Under the conservatives, more than 58,000 full-time jobs were created in sixteen months, compared with 75,000 in fifty-five months by the Liberals.

In January alone, 129,000 new jobs were created, the highest monthly increase on record. And the Conference Board is predicting 395,000 new jobs will be created in 1986.

Mr. Speaker, youth employment has increased by 73,000 since the election, compared to a net loss of 285,000 jobs under the Liberals.

Now the unemployment figures. The unemployment rate is 9.8 per cent, compared to 11.7 per cent on election day. Youth unemployment has gone down 2.5 per cent.

Mr. Speaker, the House will recall that when the Leader of the Opposition was Minister of Finance, total unemployment figures increased by 164,000, and during the last four and one-half years the Liberals were in power, total unemployment rose by 591,000.

Mr. Speaker, let us not forget that in the last sixteen months under the Conservative Government, unemployment has gone down by 203,000.

That, Mr. Speaker, is the PC's record on employment in Canada and it is—

*S.O. 22*

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

* * *

• (1430)

[*English*]

## THE ECONOMY

SIZE OF DEFICIT—CALL FOR THREE-PRONGED ATTACK BY GOVERNMENT

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, the accumulated past debt symbolizes a kind of mismanagement which still shakes confidence in Canada. The debt is growing faster than our economy. Our debt, as a percentage of GNP, is one of the highest in the industrialized world. Recent downward pressure on the dollar and rising interest rates, while due in part to speculation, also reflect concern about the deficit and our resolve to do something about it.

Clearly, we must renew and strengthen our determination to deal with the deficit. The course charted in the November, 1984, economic statement and the May, 1985, Budget is correct. Most individual Canadians feel that they are now taxed to the limit. I think they are right.

I, therefore, suggest that the attack on the deficit should concentrate on three broad fronts; first, by reducing Government involvement and expenditure through the elimination of waste and the discarding of programs which are non-essential; second, by re-examining some social programs to direct payments only to those who are genuinely in need; and, third, by eliminating a number of corporate and individual preferences such as grants, exemptions, subsidies, investment tax credits, excessive capital cost allowances and tax deferrals. Deficit reduction will lead to renewed confidence, more growth, even more jobs, and greater prosperity for all Canadians.

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## THE PRIME MINISTER

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, according to reports, the Prime Minister (Mr. Mulroney), having received his advance copy of the latest report on labour information, chose subsequently to leak it to certain people in the media prior to the official release time, an action which has been qualified by the Chief Statistician of Canada as a very serious breach of protocol.

Notwithstanding the fact that the Prime Minister in quoting from the figures omitted to mention that over 1.2 million Canadians are still out of work, that some areas of our country have had an alarming increase in unemployment, and that most of his job-creation programs are based on temporary employment only, there is a more fundamental issue at stake here. It is the potential breach of trust by the Prime Minister of Canada when he releases information which is given to him

in confidence prior to the official time, and does so for his own political gain.

[*Translation*]

The Minister responsible for Statistics Canada should take a firm stand and ensure that his department does not disclose information to the Prime Minister if he is not capable of keeping it to himself, as he should have done. The Prime Minister ought to make a public apology for his partisan and irresponsible actions that have tarnished the reputation of Statistics Canada.

* * *

[*English*]

## YOUTH

### CALL FOR RESTORATION OF KATIMAVIK PROGRAM

**Hon. Chas. L. Caccia (Davenport):** Today and every day an ever-increasing number of Canadians ask the Prime Minister to restore Katimavik. Young and old, rural and urban, north and south, east and west, from every age and walk of life, from every part of Canada, a message is converging on Ottawa. It is directed at the Prime Minister (Mr. Mulroney). It is: "Please restore Katimavik". The message is growing stronger. It is in English or in French and it is short and simple: "Please, Prime Minister, restore Katimavik".

Katimavik has been copied internationally and has received an award of excellence from the United Nations. The country and the people are rallying in defence of Katimavik. They say Katimavik is like a school, a school of life. We do not close a school, we do not close a university and we do not close a community college or a CEGEP, so please do not close Katimavik.

The rallying call is criss-crossing the country. Today, for example, at Toronto City Council, a motion will be put forward urging the Prime Minister to reinstate Katimavik. From other regions the same message will be making its way to Ottawa, reaching the corridors of the Prime Minister's office by way of letters, resolutions, petitions, cables, telexes and phone calls. The message is: "Please, Prime Minister, reinstate Katimavik".

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# ORAL QUESTION PERIOD

[*English*]

## RAILWAYS

### TRAGIC ACCIDENT NEAR HINTON, ALTA.

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is directed to the Minister of Transport. Is the Minister aware that an official of his Department has indicated that the accident at Hinton, Alberta, could have been avoided? An automatic cut-out feature which brakes a train if a signal is missed would have stopped the freight train before it reached the single track. Could the Minister indicate to the House why no such feature was part of this train?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, first, I am not aware of the comment to which the Hon. Member referred and, second, my understanding is that such automatic features are virtually non-existent in North American type railway systems. I repeat that this particular section of track is one of the most modern and up-to-date on the North American continent. I think I would be appropriate for me at this time to point out that the safety record of Canada's railways is among the highest in North America. CP was rated number one in 1984 and CN was rated number four.

### TRACK PRIORITY FOR PASSENGER TRAINS

**Hon. André Ouellet (Papineau):** Mr. Speaker, the Minister was very pleased some months ago to announce the resumption of the passenger service between Jasper and Vancouver. Can the Minister tell us now what specific steps he took at the time to ensure the priority of passenger trains over freight trains, particularly on that very heavy traffic line?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, that has always been the understanding and it will be enshrined, hopefully, in legislation when the new Via Rail Bill will be brought before the House, which should be within the next day or so.

### JUDICIAL INQUIRY—REQUEST FOR EXPANSION

**Hon. André Ouellet (Papineau):** Mr. Speaker, is the Minister prepared not only to launch a major inquiry into this latest tragedy but also a meaningful inquiry into safety and security standards of all transport-related activities? Can the Minister assure us that he is ready to expand this inquiry into a general inquiry into all transport activities, instead of merely having the one inquiry with respect to this incident?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I appreciate the question put by the Hon. Member. I think what is most important at this particular time, and I hope the Hon. Member will agree, is to try to ascertain the reasons and all of the incidents surrounding this particular disaster. I think it would be important to find out the causes of this accident at the earliest possible date. That is why we have put a fairly strict time frame on the investigation.

I think it would be most appropriate for us to carry on in that manner. In addition, the CTC and the CN are investigating, and there will be other investigations which will be taking place. On the broader question, I think it should be noted that back in 1979 there was a comprehensive inquiry into railway safety under the auspices of Justice Grange. There was also a comprehensive investigation into aviation safety, and a lot of those recommendations have, in fact, been acted upon.

Legislation is currently before the House with respect to the Canada Shipping Act which will enhance safety at sea. We are

working on a national trucking safety code. We are investigating the Railway Safety Act to make changes, to update it to today's realities. So there are a lot of things which are taking place.

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## FISHERIES

### CANCELLATION OF FISHING VESSEL ASSISTANCE PROGRAM

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans who, by the way, has quickly acquired a reputation for doing things in a sneaky and cagey fashion. On Friday afternoon the Minister announced the end of the Fishing Vessel Assistance Program for fishermen, and he was proud to note that the termination of the program eliminated a program identified by the United States Government as a countervailable subsidy. The Fishing Vessel Insurance Plan, ice-making assistance programs, the fisheries Improvement Loan Program and a host of other programs have also been identified on the U.S. free trade hit list. Will the Minister, in his misguided loyalty, be making more bad news late Friday afternoon announcements for fishermen?

● (1440)

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, as we review the various programs and initiatives within the Department of Fisheries and Oceans, and in accordance with advice we receive from many sources, including the various advisory groups from whom I hear, as well as the work of the Deputy Prime Minister in his review of the programs, we will be making changes designed to benefit the fishermen. This will enable us to continue contributing to growth in economic opportunity and employment, so aptly demonstrated by the release of employment figures last Friday afternoon which showed that the Government is doing an outstanding job.

**Some Hon. Members:** Hear, hear!

**Mr. Tobin:** Mr. Speaker, if the Minister is auditioning for the role of Yankee Doodle Dandy, he has won it hands down.

**Some Hon. Members:** Oh, oh!

### EFFECT ON INSHORE FISHERY IN ATLANTIC CANADA

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, does the Minister realize that this decision, coupled with the bank's dismal record of dealing with fishermen, will destroy the inshore fishery in Atlantic Canada and that by accident, or even worse, by design, processors will be clamouring for more factory freezer-trawler licences in order to secure raw product?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I am pleased that the Hon. Member can tell winners from losers.

**Some Hon. Members:** Oh, oh!

**Mr. Siddon:** In connection with this program, the Member well knows that we have at present a difficulty with some degree of over capacity in the Atlantic fishery. As well, as the announcement indicated, we have a problem with the countervail duty, which is bad news for the industry and for the constituents who send him here.

More jobs have been created in Atlantic Canada in the 16 months since this Government came into office than in the four years from 1980 to 1984. Six thousand new jobs have been created in the Member's own province in those 16 months, compared with only 2,000 jobs in the preceding four years.

**Some Hon. Members:** Hear, hear!

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## RAILWAYS

### SAFETY AND OPERATIONAL PROCEDURES—UNIONS' REPRESENTATIONS

**Mr. Les Benjamin (Regina West):** Mr. Speaker, earlier today I called for a full general inquiry into matters having to do with safety, security, maintenance practices, inspection enforcement, and operational procedures, in all modes of transportation.

Just recently the Brotherhood of Railway Carmen, the Brotherhood of Maintenance of Way Employees, the Metropolitan Toronto Residents Action Committee and many others have been calling for inquiries into operational procedures, safety, and inspection practices of the various modes of transportation.

In light of the bottom-line syndrome, the loosening of the regulatory regime, can the Minister assure this House that he will examine and require the railroads and other modes of transportation, airlines or whatever, to cease their cut-backs in employees in the shops, in maintenance and in inspection, as they have been doing over the past several years and are continuing to do today?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I appreciate the Hon. Member's concern. I think he should be reminded that there were two very comprehensive inquiries into transportation in Canada, namely, the Dubin Commission into aviation safety and the Grange Commission into railway safety. Many of the recommendations from those inquiries have, indeed, been acted upon.

I have today announced a judicial inquiry under the Inquiries Act to look into the specific causes of the accident that occurred last Saturday. Within the terms of reference it is clearly outlined that all persons and mechanical components

involved in the operation of the two trains and the traffic control systems governing their movements will be examined.

I would suspect in a general way that that would involve the total systems to a large extent. I would think, Mr. Speaker, that our most important concern at this time is to try to ascertain the cause of the tragic accident that occurred last weekend.

SAFETY AND INSPECTION SERVICES

**Mr. Les Benjamin (Regina West):** Mr. Speaker, can the Minister assure the House, in spite of the hysteria over deficits, that there will be no cut-backs, but increases, in funding and personnel to carry out an increased capacity in his Department and in the CTC regarding safety, security, inspection and enforcement?

**Hon. Don Mazankowski (Minister of Transport):** The Hon. Member should know that since 1980 there has been an increase in CTC inspectors by over 30 per cent from 79 to, I believe, 109. The same thing has applied with regard to aviation inspectors. Over 600 aviation inspectors are now carrying out that work.

I should also remind the Hon. Member that just recently we approved additional air traffic controllers, which modified the A-base requirement, which was the product of the former administration. We are taking steps to correct the deficiencies that occurred under the former administration, and in that regard I hope I will have the Hon. Member's support.

**Some Hon. Members:** Hear, hear!

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## FISHERIES

UNITED STATES DEFINITION OF ASSISTANCE PROGRAMS

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Minister of Fisheries and Oceans. Last September 12 I raised a question with the Minister for International Trade concerning the U.S. definition of 58 fishing programs in our domestic jurisdiction as being programs carrying unfair trade subsidies. The Minister replied categorically that his Government has no intention whatsoever of giving up any of these programs.

In his press release issued Friday the Minister said one of the reasons for terminating the Fishing Vessel Assistance Program is that it is part of the U.S. countervailable subsidy. Does the Minister have any other of those 58 programs on the chopping block under this fishing announcement, because of U.S. pressure?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, if the Hon. Member would read carefully from the statement I made, it reads as follows:

> The Minister also noted that the termination of the Fishing Vessel Assistance Plan eliminates a program identified by the United States Government as a countervailable subsidy.

There was nothing in that statement which indicated any admission that it was a countervailable subsidy. Each of those programs to which the Hon. Member refers is being reviewed according to its merits and the extent to which it can or cannot contribute to the genuine well-being of fishermen in Atlantic Canada.

CANCELLATION OF FISHING VESSEL ASSISTANCE PROGRAM

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** If the Minister considered this Fishing Vessel Assistance Plan so insignificant, Mr. Speaker, why did he take time to put this in his press release, clearly broadcasting to the Americans that we are prepared to cave in to their pressure in these trade talks?

**Mr. Clark (Yellowhead):** Such paranoia.

**Mr. Axworthy:** Why is the Minister making these statements before the decision is even made? The decision will not come down until March 18. Why is the Minister already conceding the case to the Americans?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, we are not conceding anything to the Americans.

**Mr. Dingwall:** Come on.

**Mr. Siddon:** That program, along with many others, has been reviewed by the Government for many months. The decision was consciously taken to eliminate the program for a number of reasons, the one stated by the Member not being one of them.

* * *

## THE ECONOMY

RESIDENTIAL MORTGAGE INTEREST RATES

**Mr. Ian Deans (Hamilton Mountain):** My question is for the Minister of Finance. What action does the Minister of Finance propose to take now to protect the 30,000 people who will be required to renew their mortgages at much higher interest rates this month than last resulting from the Bank of Canada's actions in trying to shore up the dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think I responded to that question a couple of times last week.

**Mr. Benjamin:** You said: "Tough cookie".

**Mr. Wilson (Etobicoke Centre):** I indicated that since the Government has taken office mortgage rates are down by 2 to 2.25 percentage points. That will save the average mortgagor between $70 and $125 a month, or an over-all savings in excess of $800 a year. I think this is good progress. We are not happy that interest rates have gone up recently.

As I also indicated, this is part of a packaged approach, a combined approach, to deal with the problem of speculation in the market-place designed to stabilize the interest rates and the exchange rate, and hopefully in the future to get them down to a more reasonable level.

MINISTER'S POSITION

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, there must be something wrong with the way I am asking the question. I do not seem to be able to get a response.

Let me try again. Does the Minister understand what I am saying?

**Mr. Axworthy:** No.

**Mr. Deans:** Is he prepared to take some action to protect those people who, as a result of the Bank of Canada's interest rate policy, this month are going to be faced with higher interest rates that will last at least for the next year! Is the Minister prepared to take any aciton to protect them?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have indicated that we have taken a considerable amount of action over the last 16 months to get mortgage rates down from 14.25 per cent on September 4, 1984, to the current rate of about 12 per cent. That will save the average mortgagor $122. For a three-year mortgage, it is down from 14 per cent to 11.5 per cent. That is 2.5 percentage points, and it will save the mortgagor $88 per month. Those are significant drops. We want to get them down further. That is the policy of the Government. That is the direction in which we have been going, and we will continue in that direction.

• (1450)

INTEREST RATES CHARGED BY CHARTERED BANKS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I remember when Marc Lalonde said the same thing, as interest rates went from 15 to 16 to 17 to 18 per cent. I should like to ask the Minister a related question. What action does he propose to take to ensure that the banks and financial institutions of the country will not continue to increase their consumer lending rates, in order to protect consumers against the kind of usury which we saw in the early part of the 1980s?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, a person can lose his patience listening to this type of question. The performance of this Government has been to bring interest rates down. It is not always a one-way street. We have had some adjustments up and down. However, the net result, the over-all result which we have had since September 4, 1984, has been very, very clear. That is one of the reasons for the strength in the economy. It is one of the reasons the economy will continue to have strength. It is another reason we will have a continuation of the type of job-creation figures which were announced on Friday, where 580,000 jobs have been created since September, 1984. That is the direction in which we will continue to go.

*Oral Questions*

## FISHERIES

FISHERIES IMPROVEMENT LOANS ACT—WITHDRAWAL OF LOAN GUARANTEES

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, the Minister of Fisheries said in his release on Friday that banks provide funds for this purpose, when the Minister knew that the federal Government notified all chartered banks that it would no longer honour guarantees under the Fisheries Improvement Loans Act, and some of those loans date back to the late seventies. What does the Minister intend to do to assist 1,500 fishing enterprises which have had the rug pulled out from under them by the inaction of the Government?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the ludicrous aspect of all these questions is that Hon. Members opposite cannot stand to ask questions, to look success in the face, and to admit that there have been more jobs created in Atlantic Canada in the past 16 months than in the four years from 1980 to 1984 when they occupied these benches. The programs which are being changed by the Government are being changed to bring benefit to the people who elected this Government. Those people are realizing tremendous gains, as witnessed by the jobs created last month alone—

**Some Hon. Members:** Oh, oh!

**Mr. Siddon:** —129,000 new jobs, an unprecedented level of job creation in Canadian history.

REQUEST FOR REINSTATEMENT OF GUARANTEES

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, there are 1,500 fishing enterprises affected in seven provinces—in the Minister's own riding, in the Prime Minister's riding, and in Newfoundland—and the Minister shrugs his shoulders. The Minister has agreement from the Official Opposition to introduce a Bill in this Chamber—and I am sure he would get it from the NDP—with no debate, to reinstate the guarantees for those loans—

**Mr. Speaker:** Order, please. A question, please?

**Mr. Baker:** Will he do it, or does he have to check with the Pentagon?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, why on earth would the Government want to reinstate any initiative of has former Government which has proven to be such an abysmal failure?

**Some Hon. Members:** Hear, hear!

**Mr. Siddon:** The Hon. Member foments only because he knows that in the last month 3,000 new jobs were created in his province alone and that the unemployment level dropped by a full percentage point. That is the success which he is afraid to admit.

*Oral Questions*

## INCOME TAX

### MINIMUM TAX—ADVICE ON AVOIDANCE

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance who just heard the Minister of Fisheries say that the programs being presented will protect the people who elected the Government. He will know that tax advisers are advising their clients on ways and means of beating the minimum tax. Newsletters are going out all over the country. Is the Minister of Finance aware of this and, if so, what is he doing about it?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, any time there is tax change, the lawyers and accountants will try to find ways of advising their clients to minimize their liability. That is normal.

**Mr. Orlikow:** And they are very successful.

**Mr. Deans:** How about giving mortgage holders some help?

**Mr. Wilson (Etobicoke Centre):** I would expect that even the Hon. Member for Hamilton Mountain has tried to minimize his taxes once in a while.

**Mr. Deans:** Always pay a little more, just in case.

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member has any guidance which he can give me on how the minimum tax can be improved, I would certainly welcome his views on that.

### MINISTER'S POSITION

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I have here a tax letter which outlines six ways to avoid the minimum tax, depending upon one's investment portfolio. My question is a simple one. Is the Minister aware that this is going on? If he is serious about having a decent minimum tax, there should be no way around it. Is he prepared to look into this matter so that the legislation which he brings forward ensures that in fact we have a real minimum tax?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sure the Hon. Member is aware that we have a minimum tax. It is a minimum tax which has some real bite to it.

**Mr. Deans:** There are six ways around it so far.

**Mr. Wilson (Etobicoke Centre):** I also ask the Hon. Member to consider the record of the Government in closing off loopholes which have led to some of the problems of people paying too few taxes—the SRTCs, the scientific research tax credits which we closed; the limited partnerships which we closed; the carve-outs which we closed; the income splitting which we closed—

**Mr. Speaker:** Order, please. This is becoming a speech.

## FISHERIES

### GRANTING OF COD FISHING QUOTA TO NEWFOUNDLAND COMPANY

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of Fisheries. Maybe he is sending a message out to the fishermen in Atlantic Canada that if they want answers they should hire Frank Moores, because he seems to be batting 100 per cent with this Government.

**Mr. Clark (Yellowhead):** What is your average, Sheila?

**Ms. Copps:** How can the Minister justify $1 million in cod quotas to a company owned by Frank Moores' son-in-law, Frank Mores' former special assistant, and Nordic Fishing Company, a company which last year bought access to the Government by hiring Frank Moores' company?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think we on this side would all appreciate it if Members opposite would get their facts straight before they make allegations. I was visited by a delegation of residents and elected officials from Harbour Grace in December to seek a way to have their town opened, to have their cannery restarted this spring. We found 2,000 tonnes of quota which had previously been given to the Spanish fleets, and made that available on the condition that it only be allocated to that plant and on the condition that it be reopened by whomever came forward, to satisfy the receivers who were acting on behalf of the Bank of Nova Scotia. At no time have I met any of the individuals to whom the hon. lady refers.

### INQUIRY OF THE MINISTER

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the Minister who is so knowledgeable about the issue should realize that it is not a cannery. It is a fish plant in question. Since he signed the permit, I should like to ask him whether he thinks it is entirely coincidental that the previous company was owned by Frank Moores' cousin, another relative Carl, his son-in-law's father, and that the current company is now owned by the son-in-law, his former aide, and a company for which he is a consultant, yet he claims that this is absolutely coincidental—

**Mr. Speaker:** Order, please. I take it that was a question. I am sorry, but I did not hear the beginning of it. Is there a question?

**An Hon. Member:** It is a question.

**Mr. Speaker:** There was a question.

**Ms. Copps:** Mr. Speaker, if you look at the "blues", I think you will find—

**Mr. Speaker:** Order, please. I take it the Hon. Member asked a question.

**Mr. Crosbie:** It was built by Frank's father as well, you dough-head.

**Some Hon. Members:** Hear, hear!

**Mr. Gauthier:** Did you just wake up, John?

**Ms. Copps:** That is why it went into receivership.

**Mr. Crosbie:** A big mouth never gets anything, baby—

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** Don't call me "baby".

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**Ms. Copps:** Mr. Speaker, he did it again.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

**Ms. Copps:** The Minister of Justice called me a baby again.

**Mr. Clark (Yellowhead):** Poor, thin-skinned Sheila.

**Mr. Speaker:** Order, please. This competition is clearly unfair, but I am not sure which way, with respect.

**Ms. Copps:** He called me baby.

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Hear, hear!

**Mr. Foster:** Get up on your feet and apologize.

• (1500)

**Mr. Speaker:** Order, please. May I remind all Ministers and all Members that language which provokes either side is not helpful.

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I will comply with your ruling. I frankly do not care if Mickey Mouse owns the fish plant. The fact of the matter is 1,200 people who would otherwise be unemployed in 1986 in Harbour Grace are going back to work.

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## TRADE

### CANADA-UNITED STATES NEGOTIATIONS—CANADIAN WATER RESOURCES

**Mr. Bill Blaikie (Winnipeg-Birds Hills):** Mr. Speaker, I have a question for the Right Hon. Secretary of State for External Affairs. The Minister has stated in this House that water exports are not on the table with respect to free trade negotiations. I want to ask the Minister whether or not he is aware of the grant given by the National Research Council for a feasibility, study to the proponents of the Grand Canal water diversion? If he is, will he say whether or not he would consider the request made today by Great Lakes United and the Nishnawbe-Aski nation to have that grant rescinded?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I am aware that there has been a grant discussed by the NRC. It is not a matter within my jurisdiction. The question, I gather, was directed to me because of the continuing allegation, against all the evidence, that water is somehow involved in trade negotiations with the United States. Water is not involved in trade negotiations with the United States.

### GRAND CANAL FEASIBILITY STUDY

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I have taken the Minister at his word; he does not have to keep saying that. I want to ask him whether the Government will consider rescinding this grant in view of the fact that it constitutes an *ad hoc* water policy, and may undermine the position the Minister constantly reiterates about water exports not being on the table. If this hare-brained, ecologically disastrous system is not on the table, then why fund a feasibility study of it?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, a number of feasibility studies have been made of this particular notion, not the least of which is a study which was done in the early 1960s called a "Canada-Ontario Water Study". There has been a small contract let by a regional office of the NRC in connection with the Industrial Research Assistance Program. There is no intention of Government to engage in any additional studies that are already on the table.

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## CRIMINAL CODE

### ACQUISITION OF FIREARMS BY PERSONS CONVICTED ON GUN CHARGES

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister of Justice. A coroner's inquest into a recent drug raid and shooting in Metropolitan Toronto involving the Toronto Police Department and one Allan Boyarski has revealed that Mr. Boyarski had purchased two hand guns less than five months after he was convicted of illegally carrying another hand gun. Would the Minister advise the House if the Government is prepared to introduce amendments to the Criminal Code, as called for by the coroner's jury in that case, which would prevent anyone who has recently been convicted of a criminal offence involving a—

**Mr. Speaker:** Order, please. I think the question is clear and it is quite long.

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I do not wish to discuss the specific case the hon. gentleman mentions, but amendments to the firearm control provisions of the Criminal Code, including amendments to permit the revocation of a firearms acquisition certificate, have been under consideration by the Department of Justice. We are all just slightly ahead of inquiries of this type, and they are to be discussed this week in Vancouver at a meeting of the Justice Ministers and Solicitors General. The hon. gentleman's concern will be looked into then.

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## THE ECONOMY

### EXCHANGE VALUE OF DOLLAR

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is directed to the Minister of Finance. In statements last week the Minister and the Prime Minister both blamed the fall of the Canadian dollar on speculators. How does the Minister reconcile that position with statements made by financial analysts that the Government wants to blame three guys in Chicago but there has been gross mismanagement of the economy?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I guess if we had better management of the economy we would not have just created 580,000 jobs; we would have created maybe a million jobs during the first 16 months. The number of jobs created in this country is easily the best record of western industrialized countries. I think the Hon. Member should be congratulating the Government on the policy formula we brought forward. The OECD, which is recognized as an objective observer of Government policy, has said quite clearly that it has no recommendations to make to this Government because it agrees fully with the policy directions we are following.

### INTEREST RATE LEVELS—GOVERNMENT POSITION

**Miss Aideen Nicholson (Trinity):** Job creation will not be sustained if interest rates are pushed up to prop the dollar. That is what the Minister said he is going to do. Will the Minister say how high interest rates will go? How much hardship will Canadians face buying a house, or getting a job in construction, before the Government accepts the blame for the decline of the dollar and starts looking for real solutions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Liberal Party, after the November 8 statement, said the policies that were being introduced by the Government were going to result in 200,000 lost jobs. Surely she understands that this wild rhetoric, which has absolutely no basis in fact, no basis in policy analysis, is totally off base. What is far, far more important to Canadians is to judge results, and over 1,100 jobs a day, 80 per cent of them full-time jobs, is the record on which I am proud to stand. Canadians are saying this is the right way to go.

[*Translation*]

## CROWN CORPORATIONS

### INQUIRY WHY GOVERNMENT WISHES TO SELL CANADAIR

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Last Thursday when my leader and I met with the President of Canadair, Mr. Des Marais gave us the assurance that Canadair was in good shape in terms of jobs, orders and viability.

Considering that last Wednesday, the Minister was equally optimistic in his assessment of Canadair, I ask him: Why sell Canadair?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in replying to the Hon. Member for Ottawa Centre perhaps I could point out that there is, in fact, a difference in attitude between the socialist Party in this House and the Government of the day.

**Mr. Orlikow:** I would hope so.

**Mr. Stevens:** Mr. Speaker, we believe that commercial activities are generally better run by the private sector than by Government. Canadair is a commercial activity that we feel should be put into the private sector, if there is a suitable buyer, and it is that end we are pursuing.

### GALLUP POLL STATISTICS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, since in Ontario, where people were closest to the sale of de Havilland, they opposed the Government's decision to sell de Havilland to Boeing by a margin of 46 per cent to 17 per cent, may I then ask again why sell Canadair when it is effective, efficient, productive and competitive? Why not keep it for Canadians in public hands?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Member from Ottawa Centre I am sure unintentionally misled the House with reference to the Gallup Poll concerning de Havilland. He forgot to point out that 52 per cent of those polled said that they did not know about the deal or they had not thought about it. of those having an opinion, the Member also failed to point out that it was 53 per cent having a New Democratic preference who said the deal should not have gone through.

Mr. Speaker, finally, their allies—the near socialists—the Liberals, of those polled 43 per cent said the deal should not go through. There is clearly a difference in our attitude.

**Mr. Speaker:** Order, please.

## THE BUDGET

PRESENTATION ON WEDNESDAY, FEBRUARY 26

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, my question is directed to the Minister of Finance. I am wondering if the Minister of Finance could announce today the date of his Budget.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would like to take this occasion to say that I propose to bring down my next Budget on Wednesday, February 26.

[*Translation*]

Mr. Speaker, I would like to announce that I shall be bringing down my next Budget on February 26—

[*English*]

At this point may I also make one other comment, Mr. Speaker? There have been some questions about the effective time when decisions that will be announced in the Budget would be effective. I want to make it quite clear that those who are planning their affairs should make sure that they plan their affairs to allow for the effective date of the timing, being midnight the day before budget date, as it was in the May Budget. I want to make that quite clear so that people can plan their affairs and have their plans in place prior to the Budget.

* * *

● (1510)

## AUTOMOTIVE INDUSTRY

GENERAL MOTORS—ANNOUNCED TRANSFER OF JOBS FROM WINDSOR TO UNITED STATES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. As I hope he knows, last Friday General Motors of Canada confirmed that it would be transferring 1,000 jobs from its GM trim plant in Windsor to plants in the United States. Will the Minister agree to intervene immediately in order to try to prevent this transfer of jobs since this is important not only to the workers in the GM trim plant in Windsor but could also be the tip of the iceberg for the start of similar shifts of production and jobs in other GM plants from Canada to the United States?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as I am sure the Hon. Member is quite aware, the dispute between the management at General Motors and the union centres on what might happen if the Canadian company is struck, with regard to the supplying of certain products to plants in the United States. I feel at this stage that it is in everyone's interest that the company and the union be allowed to work out their differences, and hopefully the diversion to which the Hon. Member has referred will not follow.



REQUEST FOR MINISTERIAL INTERVENTION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the people of Canada, and particularly the workers in question, cannot understand why the Minister will not assume his responsibilities by intervening and telling General Motors that what it is planning to do is contrary to the approach, the spririt, and perhaps even the letter of the Auto Pact, and also by telling General Motors that it cannot ask the Government to impose Canadian-content rules on Toyota and Hyundai and other Third World manufacturers while removing Canadian content from its own plants to the tune of 1,000 jobs. Why will he not assume his responsibilities and take some action on this matter?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, as I have already pointed out to the Hon. Member, this is a dispute between the management of General Motors and the union and I would think at this stage that it is in everyone's interest to let them try to work out the understanding that the company feels it needs before it continues with production in Windsor.

REQUEST FOR COMBINES INVESTIGATION

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my question is directed to the same Minister. Because this is much more than a dispute between the union and the company, I have written to the Director of Combines Investigations to protest the restraint of trade practised by GM in this decision. Will the Minister join me in this request to help save these 1,000 jobs, many of which are held by women, and to try to save the exports from the plant to the United States?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** There is no need for me to join the Hon. Member. In my discussions with the union representatives, including Mr. White, and also with the company representatives, I of course encouraged that not only this plant but other plants be kept in production to ensure that General Motors can maintain its level of employment and perhaps increase that level of over 40,000 employees in Canada. We have a mutual interest. It is not a question of joining; we are well ahead.

**Mr. Langdon:** Speaker, it is a question of joining with respect to Combines Investigation research.

[*Translation*]

REQUEST THAT MINISTER CONTACT GENERAL MOTORS ON LIMITATION OF EXPORTS

**Mr. Steven W. Langdon (Essex-Windsor):** My question is: Will the Minister admit that restricting exports from this plant is against the principle of the Auto Pact, and does he intend to contact GM in this regard?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member undoubtedly

knows that there has been a change of the Chief Executive Officer at General Motors Canada. I have had conversations in a general way with respect to this matter with the former president of General Motors and I look forward to meeting with the new president at an early opportunity.

* * *

## EXTERNAL AFFAIRS

### HAITI—AFTERMATH OF DUVALIER OUSTER

**Mr. J. R. Ellis (Prince Edward-Hastings):** Mr. Speaker, my question is for either the Secretary of State for External Affairs or the Minister of State for External Relations. Over the weekend the United States and France were involved in taking the former dictator of Haiti away from Haiti to a new country. Why would those countries become involved with such an unsavoury character? Second, what is our relationship going to be with the new regime? Finally, are we going to provide a—

**Mr. Speaker:** Order, please.

**Mr. Ellis:** I am never going to get a supplementary, Mr. Speaker.

[*Translation*]

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, the United States can do as it sees fit in the circumstances, and it is no business of ours.

I would like to take this opportunity to give the Canadian people the assurance that the safety of Canadian citizens is not at stake. The situation seems to be getting back to normal, and at this very moment, 400 Canadians should be landing at Mirabel. I may add that this was the only aircraft able to land at and take off from Haiti.

* * *

[*English*]

## HEALTH

### USE OF ALUMINUM DUST AT NORTHERN ONTARIO MINES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the very disturbing reports which came out last week indicating that the aluminum dust procedure which was used for some 36 years to prevent lung cancer in uranium and gold miners in northern Ontario actually probably caused cancer, can the Minister confirm that this procedure, which was used by the Ontario Government for that period of time, actually took place without the approval of the Department of National Health and Welfare?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, this topic was raised last Friday. We take it very seriously. I cannot answer the specific question that the Hon. Member put to me but I will get the answer for him.

The Department of Labour of the Province of Ontario has principal responsibility in this field but I have indicated that I, along with my colleague, the Minister of Labour, will give any help we are capable of giving. As to the specific question, I will check it, but there seems to be some question in terms of the dust that was used and that miners were not aware of some of the health factors.

### REQUEST THAT OCCUPATIONAL HEALTH CENTRE BE ESTABLISHED AT ELLIOT LAKE

**Mr. Maurice Foster (Algoma):** Mr. Speaker, in view of the increasing concern about lung cancer in uranium miners in Elliot Lake, can the Minister confirm the support of his Department for the establishment of an occupational health centre there, in co-operation with the Ontario Government, as was offered by his predecessor who had offered to negotiate such an arrangement?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, we have not received request from the Government of Ontario. As I indicated, we have been willing to co-operate with the Government of Ontario in whatever way possible. If that specific request comes forward, then obviously we would have to look at it at that time.

* * *

## INVESTMENT CANADA

### TAKEOVER OF DOMINION STORES—WITHDRAWAL OF PENSION FUND MONIES

**Mr. Neil Young (Beaches):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion who is also responsible for Investment Canada. Was the Minister aware that Conrad Black intended to skim $62 million from Dominion employees' pension funds when Investment Canada approved the takeover of Dominion Stores by A & P?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I was not aware of that fact and I would ask the Hon. Member to make sure it is in truth a fact.

### REQUEST FOR INVESTIGATION INTO USE OF PENSION FUND

**Mr. Neil Young (Beaches):** Mr. Speaker, would the Minister advise the House whether or not his Department intends to invetigate the coincidence between the taking of $62 million from employees of Dominion Stores and the investment of $60 million in the *Daily Telegraph* in the U.K. and whether or not that pension fund was used to purchase the *Daily Telegraph*?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the figures to which the Hon. Member refers are figures with which I, of course, am not acquainted. I will ask personnel in Investment Canada to

check on the Hon. Member's representations and I will report directly back to him.

* * *

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions with the exception of one presented by the Hon. Members on Friday, February 7, 1986, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Gander-Twillingate (Mr. Baker) does not meet the requirements of the Standing Orders as to form.

I am in receipt of a notice of a question of privilege to be raised by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

* * *

● (1520)

## PRIVILEGE

### STATISTICS CANADA EMPLOYMENT FIGURES

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, on Friday I gave the Chair notice that I would raise a question of privilege today with respect to the leak of the Statistics Canada employment figures on Thursday afternoon, more than 12 hours before the official authorization time, which is set for Friday at 7 a.m.

Your Honour may know that it has been the practice of Statistics Canada for many years to release these figures with respect to employment and unemployment on the first Friday of each month at 7 a.m. There are some exceptions to that practice but that is the general rule.

Also, it has been the practice of Statistics Canada to forward these figures to the offices of the Prime Minister, the Minister of Finance, the Minister of Employment and Immigration and the President of the Treasury Board with the understanding that the figures will be kept in embargo and not released in any way until the official release time of 7 a.m. Friday morning. On this occasion, as I have said, the figures were released more than 12 hours in advance. We are not sure by whom they were released; but they were then used by the Prime Minister (Mr. Mulroney) in a very partisan way at a public meeting in Montreal.

I submit that my privileges and the privileges of other Members of the House have been breached by this leak and the use of the figures in that some Members of the House have had access to and were able to use these figures in a political way before the great majority of Hon. Members in the House. I submit this is a violation of my privileges as a Member of Parliament. If Your Honour finds that I have a prima facie case of privilege, then I will move the usual motion.



**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker,I wish to address this matter, inasmuch as I think the statement made by the Hon. Member is possibly a little general and sweeping with respect to the participation of the Prime Minister (Mr. Mulroney). The Prime Minister did not at any point in time make any reference to statistics which were forthcoming from Statistics Canada. Indeed, that information, as I understand it, was in the hands of the media, specifically the CBC, which reported in advance of the actual day of announcement some details with respect to it.

With respect to the question of whether or not privileges have been affected one way or other, I do not think there is any basis or substance with respect to the Prime Minister having released any information at all.

Also, with respect to this matter, I understand that the Chief Statistician at Statistics Canada regards this as a serious matter which is important in terms of the operation of that agency. I also understand that he will be undertaking a serious examination of procedures in order to tighten them up.

As Your Honour will know, the current practice has been in effect for many years. That is to say, that there is a pre-release of this information to certain Departments, such as the Department of Finance, the Department of Employment and Immigration, the Office of the Privy Council, the Department of Regional Industrial Expansion and the Department of International Trade. The figures are released publicly within 24 hours of release to these officials, which has been the practice for many years.

As I indicated earlier, the fact that specific details were broadcast in advance by the media has caused the Chief Statistician to examine the circumstances to tighten up, hopefully, the procedures in order to ensure that this does not occur again.

**Mr. Speaker:** I appreciate both arguments. I am sure that the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) takes this matter as seriously as does the agency. If the Hon. Member were bringing to me a case with respect to information which, perhaps, was included in an embargoed draft report of one of our parliamentary committees, or some such form, then there might be a question of privilege. However, given that the case he is raising is with regard to information which is properly the property of an agency of the Government and not of Parliament, it would be difficult for me to find that there is a case of parliamentary privilege, notwithstanding the quality of the Hon. Member's grievance and concern. Therefore, I find there is no prima facie case of privilege.

I am also in receipt of a notice of a question of privilege from the Hon. Member for Hamilton East (Ms. Copps).

*Point of Order—Ms. Copps*

## POINT OF ORDER

UNPARLIAMENTARY LANGUAGE

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I regret having to raise this issue again in less than one year. However, I believe that at the time the Minister of Justice (Mr. Crosbie), who is responsible for the equality of women, called me "baby" in the House some months ago, I brought the issue to the attention of the Chair so that you might consider expanding the list of words which are deemed to be unparliamentary.

In Beauchesne's Fifth Edition Your Honour will see that words such as "scurrilous" and "scoundrel" are defined as unparliamentary. However, the obvious sexist connotation of "baby" is not listed as a word for consideration. I would ask the Chair to consider expanding the list of unparliamentary language to include this particular word. For the women of Canada, as I have said before, to have the Minister of Justice who is responsible for the equality of women consistently make remarks which essentially demonstrate his chauvinist mentality is unacceptable. I would like to see—

**Mr. Speaker:** The Hon. Member is, in fact, raising a point of order and not a question of privilege. I think she knows that she is raising a question of language. In fact, she did raise the matter with me before. I did, in fact, come back to the House on it.

I would now like to take 30 seconds to explain that there is not a list of unparliamentary words. There are simply decisions recorded in Beauchesne's as to what words have been found in past circumstances, in the context of those circumstances, to have caused a disorder in the House and therefore to have been unparliamentary.

The application of that to Question Period is itself a difficult problem because clearly at the moment there was a disorder being caused, in terms of there being a reaction. Clearly, there was a reaction as a result of the response of the Hon. Minister, which is why I rose at the time to say to both participants that words or language which cause reaction and, therefore, cause disorder through that reaction are not helpful to Question Period.

While I agree with the Hon. Member that there is language which should not be used in the House, I cannot accept her request that we publish a list of words which would be regarded as always being unparliamentary. If the Hon. Member were to read Beauchesne's carefully, I think she would find that that would be almost impossible to do. The only word I can think of in that instance off the top of my head is the word "liar".

Therefore, I think the Hon. Member's representations with regard to language are proper. I hope all Hon. Members will take them to heart.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, unfortunately, the Minister of Justice (Mr. Crosbie) is not in the House. I take it that he will be answering for himself with respect to this matter.

**Mr. Speaker:** May I remind the President of the Privy Council (Mr. Hnatyshyn) that I am not finding that there was an occurence of unparliamentary language which needs further conversation or a retraction. I hope I have made that clear.

In order to be clear to all Members, there is language which should not be used in the House of Commons. I think we all know that. However, in Question Period there is a special need to be careful, although at the same time we are sometimes in a state of difficulty anyway. I do not know how I could find in that situation that a disorder which was extraordinary had occurred.

* * *

## THE BUDGET

DESIGNATION OF ORDER OF THE DAY

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, Hon. Members will have heard the announcement of the Minister of Finance (Mr. Wilson) with respect to the date on which he proposes to bring down his Budget. Therefore, pursuant to Standing Order 65(2) I request the designation of an Order of the Day to allow the presentation of a Budget Speech on Wednesday, February 26, next.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

CANADA POST—MAIL DELIVERY

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a petition to present from the Province of Saskatchewan having to do with the Canada Post Corporation. It calls upon Parliament to require Canada Post to assure door-to-door delivery service of an equitable nature and to generally raise its level of service.

GASOLINE PRICES

**Mr. Neil Young (Beaches):** Mr. Speaker, I have a petition to present, signed by a number of constituents in my riding. They support the recent Canadian Automobile Association and Ontario Motor League findings in a survey they conducted regarding the exorbitance and over-charging on our gasoline prices. They support my efforts in the House in opposing the same.

● (1530)

## HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

On the Order: Government Notices of Motions;

February 6, 1986—The President of the Privy Council:

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered:

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necesssary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

**Mr. Speaker:** Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, if question no. 406 could be made an order for return, this return would be tabled immediately.

**Mr. Speaker:** Is it the pleasure of the House that question No. 406 be deemd to have been made an order for return?

**Some Hon. Members:** Agreed.

[*Text*]

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 406—**Mr. Cassidy:**

1. For each year since 1970, what was the average age at retirement of contributors retiring on account of age and who became entitled to immediate annuities under the Public Service Superannuation Act (PSSA), and what was the corresponding average age at retirement assumed in the actuarial valuations of the PSS Account?

2. By what amount were the actuarial liabilities of the PSS Account for past service increased as a result of changes made in the valuation assumptions on the average age at retirement of contributors retiring on account of age and becoming entitled to immediate annuities?

3. By what percentage of contributory payroll were employer costs for future service increased as a result of changes made in valuation assumptions on the average age at retirement of contributors retiring on account of age and becoming entitled to immediate annuities?

4. Were representatives of PSSA contributors and pensioners consulted on changes made in the valuation assumptions on the average age at retirement of contributors retiring on account of age and becoming entitled to immediate annuities and, if not, for what reason?

*Excise Tax Act*

5. What are the corresponding answers to parts 1 to 4 with respect to the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act?

Return tabled.

[*Translation*]

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

**Mr. Speaker:** Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the third time and passed.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I welcome this opportunity to say a few words regarding this legislation. It is legislation which will have enormous impact on ordinary Canadians. It implements key aspects of the May Budget. Specifically, it increases sales and excise taxes. A sales tax is simply a percentage tax on the price of goods we buy. It will have a direct and very important effect upon consumers. An excise tax is assessed at a fixed rate on units of things we purchase such as a litre of gasoline. This also will have a very dramatic effect upon the pocket-books of consumers across this country. Both taxes will hurt consumers. There is one positive but minor change in this legislation, and the Government deserves credit for it. The administration of the excise tax as it affects retailers is being changed so that when there is a dispute about the liability for tax, the collection of the tax can be delayed until the dispute is resolved. However, that does not take away from the over-all negative nature of the legislation.

This legislation will have enormous impact. Sales taxes are going to be increased on construction materials, cable and pay television services, alcoholic beverages, tobacco products and other goods. The total cost of the sales tax increases to Canadian consumers will be $990 million during the year 1986-87. Candy and confectioneries, soft drinks, pet foods, certain health foods and energy conservation equipment, all formerly exempt, are now subject to tax. It is a pretty mean Government that removes the tax exemption for candy bought by children with their allowance. The Government has chosen to take pennies out of the pockets of children in order to pursue this deficit fixation.

Increasing taxes on health goods will also have a very real impact on elderly Canadians. It is not enough that the Government attempted to deindex old age pensions partially; it is now introducing sales taxes on the goods they need for health purposes. As well, energy conservation equipment is losing its exemption. With the world price of crude oil dropping, perhaps the Government has forgotten that energy conservation is crucial to the long-term economic health of this country. By doing this the Government is saying that it is not concerned at all with energy conservation. That is a very short-sighted and foolish policy for any Government. The fact that oil prices are dropping today does not mean they will continue to drop. In fact, we know the opposite will be the case.

The excise tax on gasoline and diesel and aviation fuel is going to be increased as well. When Members of the Government were in opposition they talked about world oil prices and a better deal for the consumer. Yet today we have falling world oil prices and prices at the pumps are being kept high by the companies who dominate the market. This Government has refused to take any effective action to bring those prices down. It has refused to use Petro-Canada as a lever in ensuring fair prices at the pump. Instead, the Government continues to maintain artificially high prices for gasoline. On top of that, it raises the taxes on gasoline.

Taxes on alcohol and cigarettes are also going up. There are obviously morale and health questions concerning the use of alcohol and cigarettes, many of which I am in sympathy with. However, when the Government increases taxes on cigarettes and alcohol it simply takes another swipe at the consumer.

The total price tag for these increases to the consumer is something like $3.5 billion. That number is pretty hard to conceptualize, but it is an enormous amount. It is a tremendous burden on consumers at a time when they are feeling the pinch with regard to the cost of living. This measure shows the foolhardiness of the Government and its lack of concern for Canadians.

● (1540)

I could say many more things about these measures, but I will conclude my remarks. These measures are unfair in that they hit poor people more than they do wealthy Canadians. The Government could have found other sources of revenue. The negative economic impact of these measures has been documented as they affect most areas of the economy, particularly the tourism industry. Most of all, Mr. Speaker, I would like to point out that these tax measures affect low income Canadians more than they do upper income Canadians at a time when poverty is on the increase in the country. The Government should take note of the fact that the number of poor people in the country is increasing. Its tax policy should reflect that and it should show some concern for the people at the bottom end of the ladder.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is the following one. Mrs. McDougall, seconded by Mr. Hees, moves that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be now read the third time and passed. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the yeas have it.

*And more than five Members having risen:*

**Mr. Deputy Speaker:** Call in the Members.

● (1610)

*And the division bells having rung:*

**Mr. Deans:** Mr. Speaker, I rise on a point of order. I wonder if you have been able to ascertain whether or not the bells did in fact ring in the Confederation Building. I was informed that they did not, but I am not at all clear whether they rang at any time to notify Hon. Members that there was a vote contemplated. If they did not ring, I would like to suggest that the vote be delayed until such time as the bells are functioning properly, perhaps even until later today, at the end of the day.

**Mr. Deputy Speaker:** With regard to the first point of the Hon. Member's intervention concerning the fact that the bells may not have rung in the Confederation Building, the Chair has been notified of that. We have asked for a report from the Sergeant-at-Arms, which we have not received as yet. As far as delaying the vote is concerned, this is a matter for the Whips to decide.

**Mr. Gauthier:** Mr. Speaker, I would like to state that this should not set a precedent for any furture votes. I want the Government to understand that if the bells did not ring calling Hon. Members to the House, it is a difficult situation for them to be in.

[*Translation*]

**Mr. Prud'homme:** Mr. Speaker, on the same point of order, could I ask the Hon. Member for Hamilton Mountain (Mr. Deans) whether he is expecting any Members? If he is not—

[*English*]

Is he waiting for someone from the Confederation Building, because if the bells did not ring there we will wait. However, if there is nobody to wait for, we should vote.

**Mr. Deans:** Mr. Speaker, it is not a question of whether or not I am waiting for anyone. It is a question of whether Hon. Members have been properly notified that a division is about to take place. I am prepared to allow that the vote should proceed, but I want to make it clear that in fact there is a requirement that the bells at least ring at some point in order that Hon. Members be notified. I want it to be noted that that did not happen.

**Mr. Deputy Speaker:** On this matter, the Chair will be solely guided by the Whips.

[*Translation*]

**Mr. Gauthier:** Mr. Speaker, to be perfectly clear, since this is an unusual situation, and there is a possibility that some Hon. Members will not be able to get here because the bells did not ring in their offices or their buildings—

I will sit down, but on the understanding that this does not create a precedent.

[*English*]

**Mr. Deputy Speaker:** The House will now proceed to the taking of the vote.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

(*Division No. 203*)

YEAS

Members

| | | |
|---|---|---|
| Andre | Hamilton | Nielsen |
| Belsher | Hawkes | Nowlan |
| Bertrand | Hicks | Oberle |
| Bissonnette | Hnatyshyn | O'Neil |
| Blenkarn | Hockin | Paproski |
| Brightwell | Holtmann | Porter |
| Caldwell | James | Price |
| Clark (Yellowhead) | Jardine | Ravis |
| Clifford | Joncas | Redway |
| Clinch | Kempling | Ricard |
| Cook | Kilgour | St-Julien |
| Cooper | King | Schellenberg (Nanaimo-Alberni) |
| Crofton | Lanthier | Schellenberger (Wetaskiwin) |
| Crosbie (St. John's West) | Layton | Scott (Hamilton-Wentworth) |
| Darling | Lesick | Sparrow |
| Daubney | Lewis | Suluk |
| Desjardins | MacDougall (Timiskaming) | Taylor |
| Domm | Mantha | Thacker |
| Duplessis | Marin | Towers |
| Edwards | Mayer | Turner (Ottawa-Carleton) |
| Ellis | Mazankowski | Vézina |
| Fennell | McCrossan | Vincent |
| Forrestall | McCuish | Warner |
| Fraleigh | McDougall (St. Paul's) | Weiner |
| Fraser | McInnes | Wilson (Swift Current-Maple Creek) |
| Friesen | McKenzie | Winegard |
| Gray (Bonaventure-Îles-de-la-Madeleine) | McKinnon | Wise—86. |
| Guilbault (Drummond) | McLean | |
| | Minaker | |
| | Mitges | |
| | Nickerson | |

*Immigration Act, 1976*

NAYS

Members

| | | |
|---|---|---|
| Althouse | Fulton | Nicholson (Trinity) |
| Angus | Garneau | Nystrom |
| Axworthy | Gauthier | Orlikow |
| Benjamin | Gray (Windsor West) | Ouellet |
| Boudria | Guilbault (Saint-Jacques) | Parry |
| Caccia | Hopkins | Pépin |
| Cassidy | Isabelle | Prud'homme |
| Copps | Keeper | Riis |
| Deans | Langdon | Robichaud |
| de Corneille | Manly | Rossi |
| Epp (Thunder Bay-Nipigon) | Marchi | Tobin |
| Foster | | Young—36. |
| Frith | | |

● (1620)

**Mr. Deputy Speaker:** I declare the motion carried.

Bill read the third time and passed.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Swift Current-Maple Creek (Mr. Wilson)—Environmental Affairs—Prairie Wildlife Interpretation Centre; the Hon. Member for London-Middlesex (Mr. Clifford)—Senior Citizens—Housing needs in own neighbourhoods; the Hon. Member for York West (Mr. Marchi)—Visible Minorities—Redress for Japanese Canadians interned during World War II. (*b*) Request that action be postponed pending receipt of report.

## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-55, an Act to amend the Immigration Act, 1976, as reported (with amendments) from the legislative committee.

**Mr. Deputy Speaker:** There are four stated motions on Bill C-55, an Act to amend the Immigration Act, 1976. Motion No. 1 will be debated and voted on separately. Motions Nos. 2 and 3 will be grouped for debate and voted on separately. Motion No. 4 will be debated and voted on separately.

*Immigration Act, 1976*

**Mr. Mike Cassidy (for Mr. Heap)** moved:

Motion No. 1

That Bill C-55, be amended in Clause 1 by striking out line 8 at page 1 and substituting the following therefor:

"fewer than seven and not more than thirty-six".

He said: Mr. Speaker, I was glad to see that some Members on the government side are prepared to agree to this particular amendment. Members will know—

**Mr. Lewis:** On a point of order, Mr. Speaker, we agreed to the motion being put in the absence of the Hon. Member for Spadina (Mr. Heap). We did not agree to the motion.

**Mr. Cassidy:** Mr. Speaker, I did not know whether the vote would be taken, whether in fact Members would be prepared to listen to the reasons for which my colleague, the Hon. Member for Spadina, who is our immigration critic, had hoped that the House would accept this particular amendment.

Members will know that the purpose of Bill C-55 is to allow the expansion of the Immigration Appeal Board from its present maximum of 18 members to a maximum of 50. They will also know that the Bill was put forward at the same time that the Plaut Report was being prepared looking at the question of refugee determination, and winding up proposals for alternative means of refugee determination

Members will know that the Standing Committee on Employment and Immigration considered the Plaut Report and came back and endorsed most of its recommendations quite conclusively. The major one was that the Immigration Appeal Board should not be used as a chosen vehicle for making refugee determination decisions, but that there should be a separate board to do that difficult and very important job. The feeling that the committee had, the Plaut Commission had and certainly our Party has, is that the question of refugee determination is something that Canadians feel is important. We do not feel that people who are refugees should be forced out of Canada and sent back to homelands where they may risk death, imprisonment or persecution.

Now, how does this affect the amendment which is to limit the proposed increase in the size of the board to a maximum of 36 rather than the proposed 50? It affects it in this way: we have two processes going on side by side. On the one hand the Immigration Appeal Board is to be expanded, according to this Bill, to 50 members at a maximum. Yet on the other hand an all-Party committee has unanimously endorsed recommendations that refugee determination questions should be taken out of the hands of the Immigration Appeal Board. We know that originally the Government's proposal was that the board should be expanded to 36 members in order to deal with sponsorship and a number of other procedural questions where delays were beginning to take hold. I would assume that was done with the concurrence and agreement of the Government.

● (1630)

In future, if someone who claims refugee status on appeal and wishes to have an oral hearing before one member of the board, he or she may do so, but if he or she does not consent, then the original procedure of a three-person appeal board and hearing will have to be followed. As I understand it, that means that the amendments to the appeal board portion of Bill C-55 will help to solve problems of work overload which the appeal board has been experiencing in a number of the other sections for which it is responsible. The board will not in the main resolve the question of refugee determination and, according to the recommendations of the Commons Standing Committee and of the Plaut Report, it should not do so. The Government will remain charged with the responsibility of acting on the Plaut Report, and I hope that means creating a convention refugee determination commission or board which will work on a non-adversarial basis, will not have to work only on the basis of the judicial rules of evidence, and will be able to make compassionate recommendations to the Ministry even in cases where it does not find that a prima facie case for refugee status actually exists. Those are matters on which the Government will have to make a decision.

The reason the Hon. Member for Spadina (Mr. Heap) and I are proposing that the size of the Immigration Appeal Board be restricted to a maximum of 36 members is, as we have argued before, that we do not want to see an appeal board, the existence of which has been questioned as recently as today in a long article in *The Globe and Mail* because of its failure or perceived failure to act in a quasi-judicial way due to problems in administration, perpetuated because of its vast size and become an institution. If this happens, the Government, because of its size, may be hesitant to cut back on, reorganize, or quite possibly, even eliminate or restructure it entirely. That is a fairly lengthy argument but that is why we are proposing that the maximum size be limited to 36 members rather than 50 as was originally proposed.

The compromise that refugee cases cannot be considered by a single-person panel except where the refugee claimant consents means that this is not now a Bill which is designed to eliminate the backlog of refugee applicants before the appeal board. Another procedure will have to be found. Under those circumstances, it does not make sense to go forward with an increase of the appeal board to 50 members when the reason for the increase to 50 members was that the Government thought at one time that it could use this particular device to eliminate the backlog.

I would like to conclude by saying that it is the opinion of my Party, and we think of most Canadians, that questions of refugee determinations which are life-and-death determinations in many cases must be dealt with in a very serious, thoughtful and sensitive way. A new procedure has been proposed by the Commons committee and by the Plaut Report. We hope that that procedure is followed and that the Government does not try to find some back-door way of doing indirectly what the committee determined in its hearings on Bill C-55 it should not be able to do directly. I do hope that the Hon. Minister of State will be able to consent to this particular amendment, which I think makes sense at this time, bearing in mind that the question of refugee determination is bound to come before the House again in the near future.

**Hon. Walter McLean (Minister of State (Immigration)):** Mr. Speaker, I would like to respond to the Hon. Member for Ottawa Centre (Mr. Cassidy) who has been speaking on behalf of his Party's critic, the Hon. Member for Spadina (Mr. Heap). First, I would assure the Hon. Member that the Government is seized of the matter of the new refugee determination policy, and I can assure him that as soon as possible we will be bringing before the House a new system based on the extensive recommendations and representations that have been made to us.

The Hon. Member for Ottawa Centre made reference to the report of Rabbi Plaut. For the sake of the record I might remind the House and the Hon. Member that Rabbi Plaut recommended that the existing system be expanded by an increase of members to the Immigration Appeal Board.

The amendment of the Hon. Member for Spadina is one which was introduced in committee and we have had an opportunity to fully discuss it. The effect of that amendment would limit the number of members of the board at a level which we already suspect we might need during this interim period, until new legislation is in place. If indeed that is the case, surely it is wiser to have the potential for a greater number of appointments should they be required, rather than having to propose new legislation and go through the same process.

The Bill as it now stands, allows a far greater flexibility in terms of the role to be played by the IAB during this transition period. It allows for the IAB to be expanded to better serve those outlying communities in the Maritimes and the West. I reiterate, the Bill is allows a greater degree of flexibility for the board, and for this reason I feel that this amendment should be defeated.

On this occasion, I would like in general to speak more generally about Bill C-55 and the process that it has gone through since its introduction into Parliament last June. For a Bill of such modesty yet important on substance, it has had a remarkable passage, which shows that the democratic process is alive and well and working across the country.

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. I am sorry to interrupt the Minister. I really do not like doing this, but if we want to proceed in an orderly way with report stage of the Bill, we must stick to amendments as they are taken up and discussed. We are dealing with the first amendment, but I take it the Minister now wants to speak to the principle of the Bill in general. I would ask him, in a spirit of generosity, to try to stick to the amendments so that we do not get too confused.

**Mr. Deputy Speaker:** The Chair, of course, believes that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is right in his representations.

**Mr. McLean:** Mr. Speaker, the justification of the Government for the rejection, is surely part of the substance of the motion. Let me, merely say to the Hon. Member, who seems to be in a mood to facilitate the passage of this Bill, that I want to inform the House and the public that there has been wide consultation. There were consultations before the legislation was drawn up and consultations in committee with many groups from across the country. I would like to pay tribute to them for coming at their own expense to Ottawa to make their concerns known. As well, I want to express our appreciation for the work that was done by the legislative committee.

We want to underline the Government's opinion and belief that what we have before us is a strong Bill. Acceptance of this will also demonstrate that we have made a number of accommodations in the process. We are now putting some flexibility into the instrument of the board, to carry us through the months that lie ahead. Let me conclude by indicating that we will be dealing not only with the machinery, but with the important issue of the appeal rights for citizens and permanent residents. At this time we will be moving forward on this basic human rights issue at this time.

On behalf of the Government, I must oppose the motion as proposed by the Hon. Member for Spadina, and I ask for the co-operation of Hon. Members to see that we are able to move ahead with these motions without delay.

• (1640)

**Mr. Sergio Marchi (York West):** Mr. Speaker, I rise to speak to Motion No. 1 moved by the Hon. Member for Spadina (Mr. Heap). Regardless of whether the number of commissioners is set at 29, 36 or 40, our Party agrees with the general thrust of the motion. That is to say that I think the Government is more preoccupied with the roots or the by-products of the problem than with the cause. There has been considerable concern expressed that we are institutionalizing the Immigration Appeal Board so that we can resolve the tremendous backlog of some 20,000 refugee claimant cases, as well as other immigration appeals which have come forward from Canadian sponsors and abroad.

In this morning's issue of *The Globe and Mail* there was a considerable and lengthy article with respect to the whole question of the Immigration Appeal Board and its membership. Rather than quibbling over whether the number should be 50 or 36, I think we should be taking a hard look at the very substance of the board, how it functions and where the problems lie. There was a suggestion in the article, which was voiced by various experts who appeared before the committee, that there should be a separate body put in place to deal with the refugee problem. That seems to say that we are more preoccupied with the symptoms than with the causes of the backlog. What this Party has attempted to do, in conjunction with various community elements, is to speak to those causes. Whether we have 40, 50 or 60 commissioners, there is still a backlog of some 20,000 refugee cases. With all due respect, what we need is a policy which will free that log-jam.

I submit that if we go from 16 or 20 to 50, a considerable amount of time will still be needed to deal with those applications. Countless individuals came before the committee—and there was a huge demonstration in front of Parliament Hill a

few weeks ago in this vein—who spoke to the frustrations felt by individuals living in Toronto or Montreal 10 or 12 to a room, waiting for their applications to be dealt with. As a Parliament we cannot now say that the appointment of 50 commissioners as opposed to 18 or 20 will solve the problem. Of course, a number of applications will be resolved somewhat sooner. However, when one looks at the parameters of the situation with this backlog, one finds that we need solutions which speak to the totality of the problem as opposed to the quick figures.

If we do come through with a solution which speaks to the backlog, then what will we do with a board of 50 commissioners which is too large to deal with individual claims after we have wiped the slate clean? I wish to draw to the attention—

**Mr. Weiner:** I rise on a point of order, Mr. Speaker. I admire the ruling you just made with respect to sticking to the motion. We are now listening to a discussion with respect to a principle and a process. Could the Hon. Member not stick to the motion?

**Mr. Marchi:** Mr. Speaker, I respect what the Hon. Member says. I do not think I was going above and beyond the motion.

In closing, I would like to say that we agree with the general thrust of the motion put forwad by the Hon. Member for Spadina. It does not deal with the symptoms. It concentrates on coming up with a solution which will address in a bold and courageous way the cause of the problem. The problem will not be solved by increasing the number of commissioners. I think that is the message the Hon. Member wishes to convey to the House. We in this Party support the motion. It is also supported by various communities.

**Mr. Jim Hawkes (Calgary West):** Mr. Speaker, as a member of the legislative committee and the standing committee, I urge Hon. Members to defeat Motion No. 1 on the basis of the following logic and information. As a result of the information which came to the committee from witnesses, it is not difficult to envisage that an expanded board of 50 members would take between two and three years to deal with the backlog of cases, not including refugee cases. It would deal simply with the backlog in terms of family reunification cases and the addition of rights of landed immigrants, which is contained in the Bill, to appeal to the Immigration Appeal Board on behalf of family sponsorship. With respect to the backlog and the increased workload with respect to family reunification cases, an expanded board of 50 members would take between two and three years to get caught up.

In its wisdom the committee amended the Bill before reporting it back to the House to ensure that these additional people will be employed by the Government of Canada to undertake that job on behalf of the people of Canada for a maximum term of two years. We are not instituting something by which people would be in place for five, 10 or 15 years. If Hon. Members would read carefully the amended Bill as reported from committee, they would see that appointees would be appointed for two-year terms only. One assurance we had from the chairman of the board was that refugee claimants would not have their appeals heard by the board unless they requested it. In other words, any refugee claimant in the system has the power, through the system, to delay his hearing until a new system is put in place. The standing committee certainly dealt with the Plaut Report and with the refugee backlog. It has provided the Government with advice on how to deal with the matter.

However, I think the debate will advance more quickly and in better form if we do not cloud matters with the refugee issue. These commissioners are needed on the appeal board to deal with family reunification appeals. The increased number is not needed and will not be used in any major way to deal with the refugee cases. It is necessary to move as quickly as we can with respect to this issue. The suffering which is felt by a Canadian or a landed immigrant who wants to bring his or her mother, father, brother or sister to the country and is blocked at the appeal stage simply because of a lack of resources to hear the appeal is certainly a real tragedy.

I urge Hon. Members to limit the debate and to move as quickly as we can. If it is felt necessary, then a vote can be taken, if that is what members of the Opposition want. However, the faster we can recruit these new commissioners, train them and get them hearing cases, the more humanely will the Parliament of Canada be acting for some people who really need this type of help. The matter has been on our plate since June, and the faster we can deal with it the sooner more people in the country will be satisfied by the process.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I wish to raise a problem with which I and, I am sure, many other Members of Parliament have frequently faced recently. I refer to the problem of constituents who have come to Canada in recent years from countries such as Poland, Portugual, India or the West Indies and who have a sister or brother still living in the country from which they came. They believe in family reunification, as do members of the Government and Members of Parliament. However, in fact, when they try to arrange for their family member to join them in Canada, they usually face problems and are turned down even before they can get to the Immigration Appeal Board. They are turned down for two reasons. The first reason is that the income of the family which is sponsoring the application is too low. I believe the income requirements which the Government has set down are much too tough. Second, they are turned down because they do not have a job offer which supposedly meets the required needs of this country. When the Minister announced a few months ago that there would be a substantial increase in the number of people permitted to come to Canada, I was quite hopeful. However, it seems to me, from inquiries made by my constituents that the only new people coming to Canada under these new guidelines are people who have a substantial amount of money and—

● (1650)

**Mr. McLean:** Read your mail.

**Mr. Orlikow:** The Minister tells me to read my mail. He arranged for a briefing last week. Because I could not be there I sent my assistant and I asked him to ask these two specific questions which I have mentioned. Aside from the income required, with which I have already dealt, when it came to job requirements we looked at the list of 100 occupations and found that they are so highly skilled and specialized that most applications will be turned down because the jobs those people can perform do not fall within that 100. I am disappointed. I thought the Minister was really sympathetic to the concept of familly reunification. I have to say that I am disappointed in what I have seen up until now and I hope he will look at this question again.

**Mr. Deputy Speaker:** The Hon. Member for York West (Mr. Marchi) is rising on a point of order, I presume.

**Mr. Marchi:** Are we not allowed to participate more than once at report stage?

**Mr. Deputy Speaker:** That is right.

**Mr. Marchi:** I thought we were.

**Mr. Deputy Speaker:** No.

**Mr. Marchi:** Perhaps I can have the consent of the House to ask a question of the Minister whom I see in his place.

**Mr. Deputy Speaker:** Is there consent to allow the Hon. Member to ask a question of the Minister?

**Some Hon. Members:** Agreed.

**Mr. Marchi:** I thank Hon. Members.

**Mr. Turner (Ottawa-Carleton):** Remember that.

**Mr. Marchi:** We have been contemplating increasing the number of commissioners from 18 to possibly 50. Debate has been waged in recent days on the question of who should be a member of the Immigration Appeal Board. Some say it should only be lawyers who can deal with the legal questions. Some are saying that the majority of commissioners should come from those communities with which the board is going to be dealing. Does the Minister favour the legal profession over that of members of the community concerned? Is it a question of balance? This is a subject on which I think a lot of people would like to hear the position of the Minister.

**Mr. McLean:** Mr. Speaker, I would like to thank the Hon. Member. He will know that any criticism being made is a result of the current system which the Hon. Member's Party put in place. Obviously we will welcome his observations on the matter.

It is quite apparent that there needs to be a balance between the legal and the ethnic sensitivities. The Hon. Member will know that we had some discussion about the, duration of new appointments. What we are now dealing with is people who may be available for two years rather than the long-term appointments which the Act presently calls for.

**Mr. Cassidy:** Mr. Speaker, I think I understand that because this is report stage one does not have the same flexibility one has in committee stage. I have a question arising out of the Minister's comments which I can put now or during the debate. I prefer to put it now, but I am in your hands.

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Hon. Member to ask one question of the Minister?

**Some Hon. Members:** Agreed.

**Mr. Cassidy:** Could the Minister be more specific in his comments about when we will hear an announcement concerning the policy regarding the refugee determination process? When does he expect the legislation to come forward? If it is going to be delayed, there is room for everyone to be concerned. If it is going to happen very soon, then there is no reason why, despite the comments of my friend from Calgary, we could not increase the board to 36 now and, if it needs further expansion, then we can do so when the refugee determination legislation is before us.

**Mr. McLean:** Mr. Speaker, it is the Government's intention to bring legislation before the House this spring. As the Hon. Member will know, it will take some time before one can actually bring the new processes into play. I can only assure him that we are moving as fast as humanly possible. We need the new legislation in place and we hope to have it in the next few months. I cannot be more precise than that.

**Mr. Redway:** Mr. Speaker, I would like to direct a question to the Minister concerning this matter as well, particularly in light of the discussion concerning expanding the numbers on the board to 50 as opposed to the amendment before us which talks about a maximum of 36.

As I understand it—and I would like the Minister to confirm this—it will require 50 members of the board in order to clear away the current backlog of cases, apart from the refugee cases, within two years. Is that correct?

I would also like him to comment on the term of appointment of these people based on some of the comments we have heard here this afternoon. As I understand it, the original term was five years, but now we are talking about two years with one further extension, which I assume means one further term of two years. The Minister has indicated that he intends to recommend the appointment to this board some members of the legal profession. Does the Minister sincerely believe we can recruit capable people to serve on this board for as short a period a time as that, particularly members of the legal profession? Does he seriously think members of the legal profession and other competent peole will pause in their career for two years in order to be appointed to this board to clear away the backlog of cases, following which they will have to go back and pick up their lives again?

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Minister to answer the question?

**Some Hon. Members:** Agreed.

**Mr. Clinch:** No.

**Mr. Deputy Speaker:** On this question?

**Mr. Clinch:** No.

**Mr. Deputy Speaker:** There is no unanimous consent.

**Mr. Cassidy:** Control your own Members.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 1 standing in the name of the Hon. Member for Spadina (Mr. Heap). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour will please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

**Mr. Prud'homme:** On division.

Motion No. 1 (Mr. Heap) negatived.

**Mr. Deputy Speaker:** Is there unanimous consent to call it five o'clock?

**Some Hon. Members:** Agreed.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### PUBLIC PENSIONS REPORTING ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-255, an Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof, as reported (with amendments) from the legislative committee.

**Mr. Deputy Speaker:** As Hon. Members are aware, on today's Notice Paper there are three report stage motions in amendment to C-255. These motions will be grouped for debate but voted on separately.

● (1700)

**Mr. W. Paul McCrossan (York-Scarborough)** moved:

Motion No. 1

That Bill C-255, be amended in Clause 11 by striking out line 4 at page 6 and substituting the following therefor:

"*Superannuation Act* is repealed and the following substituted therefor:

"27. In accordance with the *Public Pensions Reporting Act*, a cost certificate, an actuarial valuation report and an assets report on the state of the Superannuation Account shall be prepared, filed with the Minister designated under that Act and laid before Parliament." "

Motion No. 2

That Bill C-255, be amended in Clause 12 by striking out line 6 at page 6 and substituting the following therefor:

*Superannuation Act* is repealed and the following substituted therefor:

"35. In accordance with the *Public Pensions Reporting Act*, a cost certificate, an actuarial valuation report and an assets report on the state of the Superannuation Account shall be prepared, filed with the Minister designated under that Act and laid before Parliament."

Motion No. 3

That Bill C-255, be amended in Clause 13 by sriking out line 9 at page 6 and substituting the following therefor:

"repealed and the following substituted therefor:

25. In accordance with the *Public Pensions Reporting Act*, a cost certificate, an actuarial valuation report and an assets report on the state of the Superannuation Account shall be prepared, filed with the Minister designated under that Act and laid before Parliament."

**Mr. Deputy Speaker:** Is the House ready for the question on Motion No. 1?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt Motion No. 1?

**Some Hon. Members:** Agreed.

Motion No. 1 (Mr. McCrossan) agreed to.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt Motion No. 2?

**Some Hon. Members:** Agreed.

Motion No. 2 (Mr. McCrossan) agreed to.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt Motion No. 3?

**Some Hon. Members:** Agreed.

Motion No. 3 (Mr. McCrossan) agreed to.

**Mr. McCrossan** moved that the Bill be concurred in.

Motion agreed to.

**Mr. McCrossan** moved that the Bill be read the third time and passed.

He said: Mr. Speaker, it is a pleasure to speak briefly today on the third reading of Bill C-255, the Public Pensions Reporting Act. Several months ago I spoke during the special debate on parliamentary reform. At that time I dealt particularly with two items in the parliamentary reform process. The first was the desirability of having the first Private Members' Bill

passed through the House. The second was the desirability of having a Member, for the first time, vote against his own Party to establish the independence of Members of Parliament. Members who were present at that debate will remember that I did not volunteer for the second role.

Today I hope to see the first substantive Private Members' Bill passed in 11 years because I believe it is important for the parliamentary reform process, which I understand will be debated in the House tomorrow. Mr. Speaker, it is not very often, as Members know, that Private Members' Bills come to third reading.

There are many individuals whom I would like to thank for getting this Bill to the third reading stage the day before we are going to discuss the parliamentary reform of the House. Particularly, in the official Opposition, the Hon. Member for Sudbury (Mr. Frith), the Hon. Member for Ottawa-Vanier (Mr. Gauthier), and the Hon. Member for Trinity (Miss Nicholson) were very helpful to me in getting this Bill as far as it has gone. With regard to members of the NDP, the Hon. Member for Beaches (Mr. Young) and the Hon. Member for Kamloops-Shuswap (Mr. Riis) also helped me in getting the Bill this far.

I also want to thank the many Ministers who were involved in this Bill, including the Minister of Finance (Mr. Wilson), the President of the Treasury Board (Mr. de Cotret), the Minister of Supply and Services (Mr. McInnes), and the Minister of Justice (Mr. Crosbie), as well as the Chief Actuary, the Auditor General, and the Comptroller General, for their support. I also want to thank the many members of my own Party, including the Member for Ottawa-Carleton (Mr. Turner), who attended hearings and offered their help. Finally, Mr. Speaker, I would be remiss if I did not mention Michael Beaupré, the Assistant Law Clerk of the House of Commons, who worked so hard on this Bill in an attempt to draft it in a way which would be acceptable to all Members of the House.

I believe this Bill will make a difference to the quality of information available to Members of Parliament and to members of the public about the Old Age Security Act and all federal government employee pension plans. This Bill should make it much more likely that we will keep our pension commitments in the future since Members of the House and members of the public will better understand the nature and the cost of the pensions commitments we have made.

Once again, I would like to thank all Members of the House. I hope this goes down as a historic day in the process of parliamentary reform. I would be honoured to be the first private Member to have his Bill passed in the new spirit of parliamentary reform with active support from all Parties, for it is only with all-Party support for each Private Members' Bill that comes to a vote that parliamentary reform will endure.

Since this Bill passed unanimously in committee, and I believe it will pass third reading unanimously today, I hope we will have speedy Senate approval and proclamation.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, it is a pleasure for me to take part in a debate that is unique, in that a Private Member, in one session, has managed to present a Bill as important as this one and get it through the report stage to third reading with the unanimous consent of the House. I have been a Member of this House for thirteen years, and it is the first time I have seen this happen. I would like to congratulate the Hon. Member, not only for having tabled the Bill but also for his political acumen, because he has managed to convince us all that it was a good Bill and that its passage was absolutely necessary if it was to have any impact in the near future.

I will therefore be brief. I think that basically, the Hon. Member is to be congratulated, I say it once again, on tabling this Bill. I know he is an expert on actuarial matters. I know that he has worked very hard to convince his Government that this was a sensible piece of legislation.

As far as I am concerned, I am proud to say that I agree with him on the concept of a Bill that is more or less asking the Government to provide actuarial tables and projections on a three-yearly basis, so that we will all know where we are going with these pension plans, which, as we all know, concern hundreds of thousands of Canadians, whether they are in the Canadian Forces, whether they are Members of Parliament or in the Public Service or in the Royal Canadian Mounted Police . . . and the Judges Act and the Old Age Security Act.

Mr. Speaker, that being said, I may inform you that we are very pleased to take part in the debate on third reading and that we are giving our consent for third reading of this Bill today, without further delay. Once again, I wish to congratulate the Hon. Member on tabling this Bill.

[*English*]

**Mr. Neil Young (Beaches):** Mr. Speaker, I, too, want to offer my congratulations to the Hon. Member for York-Scarborough (Mr. McCrossan) for the tremendous amount of work that he did in preparing this Bill for presentation to the House for first reading. From my own personal experience I know the amount of hard work that he did in getting this Bill through committee with all-Party agreement.

As I said on second reading of this Bill, this Bill will ensure that Members of Parliament and the public will receive full information as quickly as possible about the details of pensions plans. In that respect alone, I have no hesitation in saying, as I have said before in both committee and in the House, that this Party fully supports the Bill in its final form.

Again, I want to congratulate the Hon. Member for York-Scarborough on behalf of individual Members in my own Party and, I am sure, other Members in the House, on this, the first Private Members' Bill that has passed through the House containing and dispensing very, very important information to the House of Commons and the Canadian people.

*Adjournment Debate*

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, as a member of the legislative committee on Bill C-255, and as someone who believes very, very strongly in the process of reform which is taking place in this House, I want to add my congratulations to the Hon. Member for York-Scarborough (Mr. McCrossan) and to members of all Parties who participated objectively, fairly, and effectively in the discussions we had in committee. I think that demonstrates that this House is not always in an adversarial position and that today is a victory not only for the Member for York-Scarborough, but for all of us and for all Canadians.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to and Bill read the third time and passed.

**Mr. Deputy Speaker:** Shall I call it six o'clock?

**Some Hon. Members:** Agreed.

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• (1710)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### ENVIRONMENTAL AFFAIRS—PRAIRIE WILDLIFE INTERPRETATION CENTRE

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, on January 27, I asked a question of the Minister of the Environment (Mr. McMillan) concerning the future of the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan. I would like now to expand on that subject because I perceive that no firm arrangements have been made for the 1986 summer season, and time is of the essence. The Centre is located some 17 miles west of Swift Current on the Trans-Canada Highway. It was opened in 1979. The visitors' centre and the adjoining lands cost in excess of $1 million. Paving of an access road in 1984 cost another $134,000.

The purpose of the centre was to display and interpret to visitors the unique wildlife to be found on the prairies. The centre was part of a network of five centres operated by the Canadian Wildlife Service which were marked in November, 1984 for transfer to the provinces or to the private sector. The other centres are in British Columbia, Ontario and two in the Province of Quebec. The operating budget of the Prairie Wildlife Centre for the 1983 season was $246,000. For 1984 it was $217,000. In each of those years, approximately 20,000 visitors attended for a per person visit cost of between $11 and $12. Clearly, the centre was not being operated in an effective and efficient manner. It was, therefore, not unreasonable that some spending restraints be imposed.

I understand that some arrangements have been made for the continuing operation of the other four centres on a permanent basis. The problem with the Prairie Wildlife Centre relates directly to its location. It is representative of a vast semi-arid area of western Canada which, by its very nature, is sparsely populated. Southwestern Saskatchewan does not now, and likely never will have, a population base sufficient to support the centre to a break-even point.

The prairies ecology and wildlife is not well understood in Canada. This Centre is, therefore, important in its role of interpreting and translating the vibrancy and uniqueness of this region to visitors and locals alike. Closing the centre after the capital investment has been made and visitor patterns have been established is clearly unacceptable. Most people agree with the objective of cost reduction, but not to the extent of outright closure.

For the 1985 season, the operation was let to a private contractor and funded by the federal and Saskatchewan Governments to the sum of $68,000. This was to be an interim measure while negotiations continued toward the conclusion of a long-term contract. The 1985 summer season was somewhat less than satisfactory in that the opening was not announced until June 13, too late for adequate staffing, planning or preparation. Due to the late start last spring, a lack of marketing and the public perception that the centre was closed, attendance dropped to under 8,000. At the same time the net cost to the taxpayer, after deducting admission fees and land rentals, was under $50,000.

On October 16 last, I asked in this House as to the future of the centre. The Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) stated in part that the Government intended to ensure that the centre remains open and serves the public. Again on January 27, in response to the same question, I was most encouraged when the Minister replied in part: "The main thing is that we are going to keep that centre open and we are going to make an arrangement at an early date". It is now February 10 and I fear there will be a repeat of 1985. An immediate announcement is necessary. It will not be good enough to make an announcement in April, May or June. In order to give the centre a chance to prove itself sufficient, lead time is required.

Expo 86 opens on May 2 and there will be greatly increased traffic on the Trans-Canada Highway. This represents a tremendous opportunity to draw tourists to the centre, providing arrangements are in place. To gear up for May, the centre must have an operator and funding. There is much work to do and the hour is late. Staff must be hired, displays prepared and advertising done.

An area rancher has offered buffalo to the centre as an additional attraction. He deserves an answer. Each additional day of delay compounds the problem and leads to a less

satisfactory operation. We need an immediate announcement concerning 1986, the establishment of a telephone number, thus providing an opportunity for schools and other groups to book tours for May and June.

I urge the Minister to let a contract now for 1986 to the same operator as in 1985. That individual is familiar with the centre and is anxious to proceed. I further urge the Minister to redouble his efforts in seeking out a long-term solution to the future of the centre. The centre, in the short term at least, cannot survive on entrance fees and lease rentals. It is located in an area of sparse population but, nonetheless, an area with its own unique ecology and special wildlife heritage which is worthy of promotion and maintenance. That is the basis for its being and that remains the justification for its continuation.

The centre requires some Government support. I am not talking about vast sums of money. It is not a cadillac type of operation. My constituents understand the enormity of the national debt and the paralysing effect that the interest charges which must be paid on that debt have. They appreciate that the operating budgets of the pre-1985 years are simply unacceptable relevant to that deficit. Clearly, the purpose of the centre, which is to display and interpret the unique wildlife of the prairie, is a worthy one. People in my constituency of Swift Current-Maple Creek want to see the centre continue. They also want to see it run effectively, efficiently, and at the least possible cost to the taxpayer.

I conclude by repeating that the successful operation of the Prairie Wildlife Interpretation Centre requires lead time for staffing, display preparation, program planning and advertising. Time is short. I respectfully urge an early and meaningful response in order that the centre can be opened in time to serve school groups, tourists and other members of the public.

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I want to take this opportunity to commend my colleague, the Hon. member for Swift Current—Maple Creek (Mr. Wilson), for his interest in the environment and, specifically, in the future of the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan, in his riding. I appreciate that he has made representations to the Minister on this particular park as recently as January 9, I believe, when he proposed a cost-shared arrangement.

As the House will know, this is part of our Government's response to the problems with which we are faced with respect to the deficit. At the same time, we continue to have concern for the environment and also an appreciation for the importance of interpretation centres such as this one. I understand that the Minister had the Hon. Member's letter for consideration and discussions are taking place. I will, on behalf of the Government, endeavour to have the Minister reply to the Hon. Member as soon as possible.

## SENIOR CITIZENS—HOUSING NEEDS IN OWN NEIGHBOURHOODS

**Mr. Terry Clifford (London-Middlesex):** Mr. Speaker, on November 1, 1985, I asked the Minister of National Health and Welfare (Mr. Epp) if the Government would consider a new policy directives with regard to the care of seniors in Canada. We have a tremendous need to preparing Canada and Canadians for the 21st century. Presently there are 2.6 million Canadian seniors, which is 10 per cent of the population. By the year 2021 there will be an estimated 5.9 million Canadian seniors, which will be 20 per cent of the population. That becomes a pressing problem. When the National Council on Aging filed its report in January of this year, it said that the number one concern of seniors, was shelter. Their concern is where they are going to live, in what neighbourhoods will they well spend their twilight years. When that concern is coupled with the fact that over 1 million Canadians today, mainly the young and young marrieds, are having problems finding housing, we can see a tremendous difficulty ahead in deciding how we are going to direct our resources and what our policies will be. Basically we have the question, how Canadians take care of their kin?

• (1720)

A couple of things have to happen in the area of housing. We have to look at what we have already done in our veteran's program through the initiative called the Aging Veterans Program with its home adaptation service and the home care service. The program has just recently been expanded from 8,000 to 18,000 veterans. It provides adaptations such as grab bars, locking systems on doors and, security systems, et cetera in veterans' homes. The cost of keeping them in their own homes is one-tenth that of putting veterans in a housing care facility for seniors. What a tremendous advantage this is. If we could expand this service to other seniors, not only would we save money, but seniors would be able to stay where they want to be, namely in their own homes.

We have portable flexible modular housing, which is added to an existing residence, this enables seniors could live with their families. These additions, also referred to as granny flats, are designed specifically for. I understand that Canada Mortgage and Housing Corporation through its Design Committee is accepting proposals for new designs for the exterior and interior of housing for seniors. This report is due, I understand, in April.

These kinds of initiatives through Canada Mortgage and Housing Corporation will be of great help. At the same time, we have to find a way to bring home care to seniors in a wider context. We should investigate through our two ministries, of National Health and Welfare and Housing and Labour to see whether seniors can get vouchers for home care to pay for daily assistance to meet the needs and the responsibilities of running a house and living a normal life. Again are tremendous possibilities in this field.

I realize the limitations because of federal and provincial responsibilities. A lot of health care is handed over to the provinces. Through some initiatives in these two ministries, the federal Government could show the lead and people would benefit.

Canada is facing a major problem with an aging society which is starting to dominate in percentages. We are creeping up toward 20 per cent of the population in the over 65 age group. They are very healthy people because of diet and strides in medicine in the 20th century. They want to live in their own neighborhoods where they are comfortable with their friends to enjoy these years. We must find ways of keeping seniors in their homes with dignity. An extension of such programs as the Aging Veterans Program and extensions of CMHC's housing is important. We need to design housing that will not become a dinosaur. We have to get the dynamics of architecture involved so that we do not build something that is not needed in the 21st century.

We have over-built certain kinds of housing which no one else can use. In the latter part of the 20th century we over-built schools. The children who went to these schools are now forming the nucleus of what will be the graying society in the early part of the 21st century in Canada.

With some of these initiatives, Mr. Speaker, we could go on to bigger things.

**Mr. Joe Price (Parliamentary Secretary to Minister of Labour):** Mr. Speaker, I want to congratulate the Hon. Member for his representations on behalf of senior citizens. He is to be commended for his thoughtfulness and ingenuity in suggesting some solutions to a very serious problem.

When the Member first posed the question, the Minister of National Health and Welfare (Mr. Epp) replied that the Government is in complete agreement with the importance of helping seniors to live independently for as long as possible. It is without any hesitation that I repeat that position today.

That being said, I would like to inform the Member of the many initiatives through several Departments and agencies at the federal level that are already under way and that have the objective of helping our seniors to remain in their own homes for as long as possible.

Within the Department of National Health and Welfare, we are developing a strategy to promote health among older Canadians and to improve their quality of life. In the area of health services, we have produced guidelines for the establishment of services, such as day care centres since such centres have proved to be effective in postponing entry of the elderly into institutions. Other guidelines on rehabilitation services and on the prevention of progressive incapacity with aging are currently being prepared. In addition, the Department supports many projects to promote community living through its funding programs.

The Department is also actively exploring ways to promote independent living from a social service perspective. We are working very closely with homemakers associations across the country to improve training standards and to produce guidelines for the provision of adequate home care services. We also recognize that the income of seniors can influence their capacity to live independently. This is why we enhanced the financial situation of many of our seniors by expanding the Spouse's Allowance Program to all low income widows and widowers between the ages of 60 and 64. This goal has also led us to discussions with the provinces aimed at improving the Canada Pension Plan.

Canada Mortgage and Housing Corporation also has this objective of independent living in mind in providing as many options as possible with respect to meeting the housing needs of seniors. These include funding research, as the Member has indicated, on innovative concepts such as granny flats and home sharing. It also means administering programs to help finance renovations and retrofitting of housing to make it more accessible and suitable. These programs are used heavily by seniors. Furthermore, CMHC has various social housing programs that add to the stock of housing for the elderly appropriate to independent living.

As indicated by the Hon. Member for London-Middlesex (Mr. Clifford), there are many Government departments involved in assisting seniors to live independently. Some I have mentioned, others the Member has mentioned. Veterans Affairs is another example. Although there is no single policy aimed at ensuring that seniors can remain in their own residences and thus improve their quality of life, there are many responses by the Government to that end.

## VISIBLE MINORITIES—REDRESS FOR JAPANESE CANADIANS INTERNED DURING WORLD WAR II. (B) REQUEST THAT ACTION BE POSTPONED PENDING RECEIPT OF REPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to participate in this debate to review a question I asked in Question Period on January 28 of the Minister of State for Multiculturalism (Mr. Jelinek). I referred to the ongoing dilemma of the Japanese Canadian redress.

The gist of my question on January 28 was two-fold. First, would the Minister show decency and patience to wait for a study and report commissioned by the Japanese Canadian community to look into the historical perspective of the losses and sufferings caused some 40 years ago. Second, was the Minister prepared to keep the commitment of his own Government to initiate a compensation package with the representatives of the National Association of Japanese Canadians.

• (1730)

The question was prompted by the Minister's Rambo-like actions the day before the Japanese association was in Ottawa. The Minister had met with the association, as did my Leader and myself, but in the press conference he referred to the national association as "dragging their feet" and as "trying to get their act together". He imposed, through those quotes, the deadline that unless the national association moved quickly and came to the Government table, he would perhaps proceed unilaterally as his predecessor attempted.

The editorials in the newspapers across the country the day after certainly took the Minister to task. I should like to refer to a few of them. The article in *The Toronto Star* captioned "Time for PM to intervene" read as follows:

It's time the Prime Minister, a man with proven skills as a negotiator, put an end to Jelinek's bullying tactics. Mulroney should take over the issue himself, and deliver an honourable settlement. That would be an act of leadership.

The article which appeared in the *Vancouver Sun* was captioned "Where's the fire?" and read:

> Multiculturalism Minister Otto Jelinek's impatience to settle the issue of compensation for Japanese Canadians for the mistreatment they suffered during the Second World War is insensitive if not insulting.

The article in *The Citizen* entitled "Jelinek acting like Rambo in compensation wrangle" read:

> One wonders just what exactly, then, the situation is. When Brian Mulroney was running for office, he spoke often of both apology and redress, something the Japanese Canadians warmly welcomed.

An editorial entitled "Mr. Jelinek's haste" in *The Globe and Mail* read:

> This is the man Prime Minister Mulroney has entrusted with redressing what Mr. Mulroney has rightly called "an historic injustice." Can he not find someone with sympathy for the job?

An article written by Walter Stewart in *The Toronto Sun* and entitled "Jelinek shows his chutzpa" read:

> It is that wrong that Jelinek now says Canada is willing to right. But only at his price, and only in his time. If he gets away with it, the crime will be compounded.

The whole thrust of those articles was simply to try to bring home to the Government, and particularly to the Minister, that the issue deserved the respect and sensitivity which other issues we debate in Parliament and throughout the country obtain. The Minister must keep the commitment offered by the Prime Minister (Mr. Mulroney) and by his predecessor, that they would mainly do two things: first, that they would negotiate compensation for the Japanese Canadian community. They said that very clearly, not only in speeches across the country but in a press release dated December, 1984. They also said that they would negotiate with the national association, the representative body of that constituency.

The Minister has spent considerable time on the differences which may exist within the Japanese Canadian community—differences of opinion, differences in approach and differences in process. That happens every day on virtually every issue we discuss in the Chamber. There is no unanimity on anything. There is no complete agreement on a process or a solution. In the end we try to build a consensus. We try to speak with and through the national organizations speaking for their constituencies. Whether it is The Canadian Bankers Association of the National Farmers Association, in the end we have a responsibility to deal with the structures that are in place and were elected by the constituencies they represent. I cannot see why the Minister chooses to spend most of his energy downgrading this national association. What he should be doing is negotiating, discussing and working closely with the national association so that together we can strike an agreement which will do us proud. He is not doing that.

Another factor is that the Minister is forgetting that the injustices to these individuals were against Canadian citizens, by and large. Ninety per cent of those individuals who lost their land, who lost their fishing boats, who lost their property, who lost their life savings, were Canadian citizens of Japanese ancestry. That does not change the fact that the rights of Canadians were abused. Therefore we should not only threat it as a minority issue or as a multicultural issue. It is not only that. It is wider. It speaks to the fundamental rights which you, Mr. Speaker, and I as Canadians enjoy today. Those Canadian rights, some 40 years ago, were trampled upon.

Perhaps the Minister of State for Multiculturalism—and I am saying this objectively—is not the appropriate Minister to be dealing with this issue. It is an issue of basic Canadian human rights. Rather than treating it from a multicultural perspective, perhaps we should have the Minister of Justice (Mr. Crosbie) dealing with what is essentially an injustice against Canadian citizens.

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, it strikes me that the Hon. Member for York West (Mr. Marchi) and I dealt with the Japanese Canadian redress issue not too long ago during an adjournment debate. I think the Hon. Member would agree that the issue is of such importance that it bears repeating and putting on the record, once again, the superb efforts of the Minister of State for Multiculturalism (Mr. Jelinek) up to this point.

The Government continues to place high importance upon finding a just and equitable form of redress for Japanese Canadians, and upon finding a meaningful way to restore honour and dignity to Canadian citizens who were deprived of their rights and freedoms during World War II.

The Government believes that the matter of redress must be shared by all Canadians and therefore intends that any action on its part be done through Parliament on behalf of all Canadians. That is why, in our efforts to arrive at a reasonable solution, the Minister of State for Multiculturalism has undertaken to consult with a wide cross-section of Canadians represented by a variety of organizations, including provincial Governments.

Among those organizations, the National Association of Japanese Canadians is recognized as one of the most important representing the interests of Japanese Canadians. In a meeting with the NAJC on Monday, January 27, 1986, we were in general agreement on a number of principles. The Government has indicated its willingness to move forward on such items as: first, a formal acknowledgement and an apology for the events of 1942-43; second, a granting of pardon for those convicted of war-time infractions; third, the reinstatement of citizenship to those whose status was revoked; and, fourth, amendments to the War Measures Act to safeguard against future occurrences of that nature against any ethnic group.

The National Association of Japanese Canadians has commissioned a study by Price Waterhouse to try to determine the value of property and personal belongings lost as a result of the relocation. They have expressed a desire to await the results of that study and to have a complete redress package concluded which would include both monetary and non-monetary considerations.

While the Government sympathizes with that position, we are also aware that there are those in the Japanese Canadian

community, including the more elderly survivors, who would like to have the issue resolved and out of the public domain as quickly as possible. Whatever the timing, the Minister of State for Multiculturalism, who I believe is doing an excellent job, and the Government of Canada will honour our commitment to finding a just and equitable resolution as soon as practicable.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.39 p.m.

# HOUSE OF COMMONS

**Tuesday, February 11, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

**Hon. Ray Hnatyshyn (President of the Privy Council)** moved:

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional paper No. 331-7/37A) be adopted and made provisional Standing Orders of the house.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

He said: Mr. Speaker, when the excellent debate on reform of the House of Commons came to an end on the evening of December 4 last, you said that you had never before so greatly missed the right to speak in debate. I understand that sentiment, because seldom does one have the privilege of participating in a fundamental reform of the central institutions of one's nation. I have had the privilege, which all Members of this Parliament now share, of participating in this process.

In opening this debate today, Mr. Speaker, I am deeply conscious of the honour and responsibility which I have been granted. I know that you, Mr. Speaker, and many other distinguished Canadians, share with me a sincere affection for the ability of the House to capture the best of the Canadian experience and make this place reflect and exemplify the possibilities this great nation holds for her people. It is with this sense of motivation that I participate in this very important debate. I hope that the reforms which we are debating today will soon be in place and that they will lend new vigour to the work and new luster to the achievements of this and many future Parliaments.

I would be greatly remiss if I did not, from the outset, acknowledge the Government's debt, and, indeed, that of the whole House, to the distinguished Member for St. John's East (Mr. McGrath) who is seated in the House at the present time. Wisdom acquired over 25 years of service in this House guided his chairmanship of the Special Commitee on Reform of the House of Commons. The results of that arduous task, contained in the three reports of the committee, have led to the package of reforms presently before the House and to other important administrative reforms now being dealt with by the Board of Internal Economy.

[*Translation*]

Mr. Speaker, I want to take this opportunity to emphasize the invaluable contribution made by the two critics of the two Opposition parties, the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

The Committee's proceedings were conducted with great effectiveness and impartiality. All parties demonstrated their goodwill and unstinting co-operation in laying the foundations for the proposals we are considering today.

[*English*]

I do not think that any praise would be too high for the members of the committee who brought with them a wealth of experience, both in the House and outside of it. Under the inspired leadership of the Hon. Member for St. John's East the committee brought forward one of the most cogent and decisive studies of the House that we have been privileged to receive. May I again congratulate the committee for its work.

This work was an ample fulfillment of the undertaking the Government made during the last election campaign which was subsequently enshrined in the Speech from the Throne. On the initiative of the Government the committee was formed and undertook its difficult and sensitive work in a spirit of nonpartisan co-operation. As a result, last June the House adopted an important package of reforms which have already had a profound impact on the work of the House and its committees.

In September, 1985, the Prime Minister (Mr. Mulroney) announced a broad range of additional reforms which touch on our national institutions, both in Parliament and across the Government. These included a commitment to ensure that almost all order-in-council appointments would be subject to review by a committee of the House. This unprecedented move was coupled with new conflict of interest and post-employment guidelines which now apply to most employees of the federal Government and Crown corporations. In addition, the Prime Minister announced a proposal for a registry of interests of Members of Parliament and a registry of lobbyists. The Government's demonstrated commitment to reform of our institutions cannot be doubted and has never wavered.

● (1110)

In June of last year I participated in the debate which saw the first stage of reform adopted with a laudable degree of unanimity which I hope will also guide our consideration of this new package of reform.

[*Translation*]

Again, I wish to take this opportunity to express my support for this major body of parliamentary reform that deals with the powers, practice and procedure of this House. The amendments to the Standing Orders which I tabled last Thursday reflect the majority of the recommendations contained in the Special Committee's Third Report. During the past few months, I have had a series of consultation with the Opposition parties, and the document I tabled last week is a reflection of negotiations and consultations, both public and private.

We have approved Members' recommendations in many areas, including the changes that have now been made regarding membership of committee. I believe the amendments have been drafted in a way that responds to the concerns of all three parties.

The nature of these discussions and the spirit in which they were held have made me confident that this debate will be an excellent vehicle for communicating the results of the impartial study accomplished by the Committee.

[*English*]

I am sure that I need hardly remind Members of the House that the main thrust of the reform initiative taken by the Government was and remains to search for a more relevant and meaningful role for the House and its Members, and particularly private Members. Our system of Government, as it has developed over the last two decades, has placed increasing importance on extra-Parliamentary centres of decision-making and policy development. As a result, policy initiation was no longer considered a part of Parliament's role. Indeed, that role has been diminished so that Parliament was sometimes seen as merely endorsing legislation developed elsewhere.

In recent years, however, primarily as a result of the first two reform packages and the commitment of the Government to involve Members of Parliament in a much larger role, Members have had numerous opportunities to take part in the process of policy development.

The adoption of the proposed Standing Orders will provide the Standing Committees with an even greater number of opportunities. The paramount role of the House and its committees is to ensure that the Government is held accountable every day for its actions and decisions. If these reforms are adopted, the entire array of Government activity will be before Members, giving their consideration a broad horizon over which to range.

The ongoing accountability of the Government to Parliament, which is already most comprehensive, will become complete as a result of these reforms.

Members in the House have, as their principal mandate, the enforcement of Government accountability. For that reason I am sure that all Members will welcome the increased powers of review and investigatiaon being granted to the Standing Committees.

It is because we endorse the views of the special committee that: "The key to restoring confidence in our central democratic institution is to enhance the role of the private Members of Parliament" that we have brought forward the package of Standing Orders which is before the House today. The Government believes that only by improving the influence of the people's representatives in Parliament can Government be made more relevant to the citizens of this country. For this reason an important focus of parliamentary reform must be the role of private Members as legislators and as part of the policy development process.

As a result, the Government has worked to ensure that the recommendations with respect to Private Member's Business will be accurately reflected in this proposed package.

[*Translation*]

The proposed Standing Orders will make it possible to bring certain Private Members' Bills to a vote, following debate during a period not exceeding five hours. Private Members' Bills or Motions will be considered in turn, according to their place in the established order of precedence. This will make it possible to provide more thorough consideration of motions and of Bills on second reading.

The report stage is reached after substantial consideration in committee, and in most cases, it will be after two rotations of the order of precedence.

Furthermore, debate may be extended at the report stage and on third reading so as to allow all Members concerned to express their views.

I have been particularly attentive to the concerns voiced by the Opposition parties regarding the provisions on Private Members' Bills. In fact, following these representations, we made very substantial changes in our proposals in this respect.

[*English*]

In this proposal, the role of the private Member as legislator has been significantly enhanced. In addition, the new rules concerning Private Members' Business will ensure that more Members will be able to participate in debate and more new ideas will be able to be brought forward. These changes to the rules relating to Private Members' Business will make it more important and relevant.

Having touched upon the enhancement of the roles of the Standing Committees in policy, management and operational accountability, I would now like to take this opportunity to summarize how these changes are proposed to be brought about.

First, most Standing Committees will be given wide-ranging powers to conduct independent inquiries into all aspects of a Department's activities.

Second, a smaller, permanent membership will be given sufficient facilities to develop an expertise with respect to the function and the mandate of the Department they will be reviewing. The Department's operations will now not only be before the committees during their three-month study of the Main Estimates but will now constitute a permanent order of reference to the committee. As a result, the permanent Members will be able to develop an in-depth and continuing understanding of the Department. Since no parliamentary secretary will any longer be a member of a Standing Committee whose mandate includes the review of his or her Department, such committees will have significantly increased independence.

The new role of the Standing Committees will provide an unprecedented opportunity for private Members to have a real impact in the way in which this country is run.

The enhanced powers of the Standing Joint Committee on Regulations and Other Statutory Instruments contained in the proposed package represents a major effort to restore the important balance between parliamentary and extra-parliamentary decision-makers. This historic reform will provide the House with the power to approve orders to the Ministry to rescind regulations. While all Standing Committees will have the responsibility to review the substance of regulations in respect of Departments under their scrutiny, the Joint Committee will have the power to make reports recommending recision of delegated legislation. The Joint Committee will retain its present powers under the Statutory Instruments Act and will, in addition, be able to recommend rescission on the basis of its study of regulations which is authorized by that Act. The Standing Orders empower the committee to recommend that the Ministry rescind those items of delegated legislation over which the Governor in Council has the power of rescission.

In this way, the decisions of extra-parliamentary decision-makers will come under very close scrutiny. The power given to the House by these proposed Standing Orders will enable it to regain significant control in this important area.

In recent years, public concern has been raised with respect to the manner of making appointments to important managerial and indeed regulatory agencies of the federal Government. For this reason the Prime Minister made a commitment to allow the Standing Committees to review all non-judicial Order in Council appointments.

This historically unprecedented move will ensure that the Government is held accountable for its selection of individuals for important public posts. I believe that all Members will agree that this new power will greatly enhance the work of the Standing Committees. This landmark experiment will provide, for the first time in our history, an open public review of the qualifications of individual appointees to non-elected public offices.

[*Translation*]

Members will have to assume their new powers in a responsible manner. In fact, they will constantly have to define the borderline between a person's private and public life.

I am confident that the committees of this House will use these new powers in the same spirit that has pervaded the process of parliamentary reform initiated by this Government.

Moreover, once the Canadian public is acquainted with the appointment process, it will be in a better position to judge the qualifications and sense of duty of people who dedicate themselves to the service of this country.

• (1120)

[*English*]

I have highlighted merely a few of the important reforms, but these in combination with others will have a profound impact on this House and this Parliament. I am very conscious of the historic nature of the course upon which we are now embarking. I am also very much concerned that the reform we now have before us combine to mould this, our most important democratic institution, into a Parliament which is uniquely Canadian.

I believe that these reforms are founded in the best traditions of parliamentary Government and will improve this institution in ways that we may little appreciate at this moment. This debate is but one step along the road of reform upon which the House has been set since the Speech from the Throne. This is neither the beginning of this process nor will it be the end. The Government, with a strong mandate for change, set better management and reform of the House among its earliest priorities.

Reform, Mr. Speaker, is not merely a matter of rules. It is also a question of commitment, the commitment to ensure that the talents of Members are used to the country's best advantage, the commitment to refocus public attention on the House of Commons when making policy announcements and the commitment to bring forward a bold and comprehensive legislative agenda.

This Government has moved to refer numerous policy questions for committee consideration. For example, the Government has brought forward several consultation papers and a White Paper which contained draft legislation. The Government in its first year in office made more policy announcements in the House of Commons than were made during the entire Thirty-second Parliament. As well, the rate of legislative activity has increased in this Parliament.

To our Government, reform does not only mean changes in the conduct of Government business, it also means a new attitude toward the substantive policy initiatives with private Members. Indeed, yesterday, the House passed Bill C-255, sponsored by the Hon. Member for York-Scarborough (Mr. McCrossan) the latest in a series of motions and Bills proposed by private Members and accepted by the House.

I believe the Government's record in this first session of Parliament gives ample testimony of our continuing conviction that Parliament should become again the central focus of democratic Government in Canada.

This tenacious commitment to reform has carried the recommendations of the members of the special committee

forward to the point of implementation. I want to emphasize that the reforms proposed here today are an experiment, and, like all experiments, we cannot foresee entirely their outcome. We can monitor their success and we can seek to make improvements wherever possible. However, let no one here be in any doubt about our resolve to ensure implementation of reform.

We have in this House at this time a rare opportunity not given to many of our predecessors. We hold in trust for future generations the foundations of parliamentary democracy in Canada. In the last generation we have seen the gradual erosion of the power, influence, and importance of this institution and thereby the people's representatives. We now have the chance to reverse that trend. We have it in our power to change, for the better, the position of the House of Commons in a parliamentary system.

Can we rise to that challenge, Mr. Speaker? I am convinced that we can. Have we the courage to enter upon this new and uncharted territory? I, for one, and I am sure I speak the sentiments of the vast majority of Members of Parliament, say yes.

I ask my colleagues on all sides of the House to join me in this initiative. Together with patience and fortitude we shall succeed, and thus bequeath a stronger and more effective Parliament to Canadians.

Let us meet this challenge together, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member for Ottawa-Vanier (Mr. Gauthier) is raising with the Chair a point of order regarding whether we would vary our practice in this matter by unanimous consent to permit questions to the previous speaker after each of the first three speeches. I take it there is agreement that by unanimous consent we would allow a 10 minute period for everybody participating in the debate, including the first three speakers.

**Mr. Hnatyshyn:** Yes, Mr. Speaker.

**Mr. Speaker:** Therefore, questions. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

**Mr. Gauthier:** Mr. Speaker, the Minister referred to the reforms as an experiment and that he was going to monitor the progress, the weaknesses and the strengths of them. Would he agree to have an ongoing review process put in place now? If somebody in the House felt strongly about certain amendments to our rules not working properly, could we appeal the case to somebody, grieve it to somebody in the House, either the Privileges and Elections Committee or some other committee so that we could get satisfaction? I am thinking particularly of legislative committees that for a number of months have been proliferating. We have no way of going to anybody to make sure that the legislative committees were queued or put in order by the House. Would the Minister answer that question please?

**Mr. Hnatyshyn:** Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) raises a very important question. Let me respond in two ways. With respect to the precise matter of legislative committees, the Hon. Member will be aware that in the first report, the recommendations of which were accepted, that legislative committees were to consist of between 20 and 30 members. Our experience showed that this put enormous pressure on the Hon. Member who is the whip of the Official Opposition. He has a sense of this as much as anyone, and I know from speaking with the other two whips that this has put pressures on in terms of serving on those committees in a meaningful way. I have talked with members of the committee, including the chairman, who indicates that what was intended and what we have accepted in this set of revisions is that there be no minimum number of members for legislative committees. The striking committee will assess each topic. The number of members on legislative committees will depend on the relative importance of the legislation.

Accordingly, it may be appropriate for certain pieces of legislation to have by way of example seven members on a committee, whereas other topics may be of such crucial importance that we want to get a committee made up of over 20 members.

With respect to the Member's observation of monitoring and the method by which the rules can be dealt with and grievances or points of view put forward, I believe that with the present regime of rules, the Standing Committee on Procedure and Organization has that very function. It would be my suggestion that this is an ongoing reference which they will now have under the new rules. We will now make a permanent reference with respect to these matters, including the whole question and rules of the House to the committee.

This committee will become very important as it is the vehicle for which all members, regardless on which side of the House they sit, will be able to put forward their suggestions and recommendations, have a thorough hearing and report and make a recommendation back to the House.

I have discussed this matter—not with any amount of thoroughness, but the matter has been discussed and I think it is fair for me to reveal that some of the discussions took place with House leaders. It seems to me that might be an appropriate thing for all Parties to be involved in, to look at the process a to make sure the legislative committees are working efficiently.

● (1130)

**Mr. Allmand:** Mr. Speaker, in general I think the proposals for Private Members' Business are good, but I am still somewhat concerned about the suggested process for selecting private Members' Bills for voting. According to the proposed new Standing Orders, there would be a standing committee on Private Members' Business which would meet and select from the Private Members' Bills and motions on the Order Paper six that would be votable, and go through a special process. In principle that is good, but I am concerned about how it might work in practice.

First, the majority on that committee will be from the Government side, no matter what Parliament we are in. The majority can decide not to bring in any Bills or motions for a vote which might affect the Government, or might try to avoid any kind of controversial legislation, so that we would just vote upon very bland Bills.

I should like to refer to my Bill as an example, and not ask for any opinion on it. I am referring to Bills such as the one I have had for many years on gun control. In fact, the matter was raised yesterday by a Government Member. How do we see any possibility of Bills dealing with subjects such as that getting through a committee on Private Members' Business? Does the President of the Privy Council (Mr. Hnatyshyn) think that process will be one where we vote on bland Bills, as we did in the past, such as the one to make the beaver the national animal of Canada, or the one by which the Hon. Member for Saint-Maurice (Mr. Chrétien) was successful in changing the name of Trans-Canada Airlines to Air Canada? I think those were good things, but I hope the process will be advanced further than that. Could the President of the Privy Council assure us that the process will give the House an opportunity to bring to a vote Bills of some significance?

I understand that the Government must protect itself but, for this process to be meaningful, the committee has to deal with matters in a somewhat objective way so that we have a chance to discuss and vote upon Bills which will have some meaning.

**Mr. Hnatyshyn:** Mr. Speaker, from that point of view, the recommendations absolutely follow the recommendations of the special committee on reform which was chaired by the Hon. Member for St. John's East. In the matter of Private Members' Business, we have tried to reflect accurately, with one exeption, the recommendations of that committee. We are talking about Private Members' Business. Parliament consists of representatives of various political Parties. However, in terms of Private Members' Business, it will reflect the membership of the House from time to time in subsequent Parliaments.

The two representations I have received have been at opposite ends of the spectrum, quite frankly. One was made by the Hon. Member, that we make sure significant items are allowed to come forward. I believe that we will have a chance to see, in this period of provisional application, private Members in control of their own destiny, not influenced by and not having the participation of Government Members, shall we say. They will exercise their judgment, to the benefit of private Members. That is the whole purpose of this kind of private Members' control over the agenda.

The other stream of representations I have received is a concern that somehow matters of great significance will in fact be dealt with in Private Members' Hour. This is the dilemma one faces; we have to make up our minds. Either private Members will be able to bring forward issues of importance or not. I opt for that. My position is that Private Members' Business will not be mere puffery, but I am only one Member among 282.

The Hon. Member's question is a valid one. There has been a suggestion that perhaps there would be an opportunity to steamroll things through Private Members' Hour. I do not think that is a valid argument now, because we have not allowed for the telescoping of the debate. We have also extended the time available for private Members to participate in important issues. There will be 10-minute speeches and virtually an opportunity for all private Members to participate on really significant issues. I think we have reached a very satisfactory accord in respect of Private Members' Business. I am very interested to see how it will work. Notwithstanding my own views in respect of the Hon. Member's proposed legislation, I see no problem in that matter being debated fully and being put to a vote. I do not see how that would offend anyone's sensibilities. He may not be successful on a vote, but at least it would be put to a vote.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, in entering this debate I do not want to begin by dealing with the specific proposals for procedural changes which are before us, but generally with the purposes of parliamentary reform. Our object in considering reform ought not to be merely for the purpose of attempting to keep some Members who feel underemployed busy, or to make some Members feel that their work is somehow more meaningful. Our object should not be to make Parliament either an automatic legislative mill or, at the extremity, a mere cockpit for partisan political posturing. Our object must be to seek to make Parliament do better that which it is intended to do.

Parliament is here to consider and make final decisions on legislative proposals and, in doing so, to have the opportunity to alter and present alternatives to such proposals. However, the reality is that when we talk about legislative proposals, we are, to all intents and purposes, talking about those presented by the Government. Only the Government, that is the Ministry, can propose legislation to spend money or requiring the expenditure of money to achieve its purposes. Most of the time for debate is reserved for measures the Government wishes to introduce. The package before us does not change any of these essential facts.

This is consistent with the basic principle of parliamentary Government, that of responsibility. The Government is formed by those having the support of the largest number of Members. This means, with rare exceptions, that the Government is formed by the Party having the largest number of seats in the House, the largest number of Members. That Government must take responsibility for its actions or non-action to Parliament and, through Parliament, to the Canadian people between elections and ultimately directly to the Canadian people which makes decisions on whether a Party forming a Government should continue or be replaced by one of the other Parties in a general election.

Therefore, it could be argued that Parliament's function in our democratic system is primarily to hold Governments to account on behalf of the Canadian people in the broadest sense of the term. If that is the case, then we are talking about having Parliament in a position to examine every action of

Government and to provide Government with a framework for operation which meets the needs and expectations of the Canadian people. I submit that everything Parliament does—legislation, examination of the Estimates and seeking information—flows from this basic concept. Surely we must examine all our procedures and all proposals for changes in those procedures in this context.

From what I have said, I think it is clear that we must examine any proposal for change, for reform of Parliament, in the context of our system of political Parties. Our parliamentary system is not simply one of Government and private Members, those Members who form the Government and those who do not.

● (1140)

To suggest this, and there is a disturbing flavour of this in the Government's proposals to change the Standing Orders, overlooks the reality of our parliamentary system, what it is and what I believe it should be. We do not talk of a system of checks and balances in our legislative, executive and judicial structures in the same way as the Americans do. Perhaps, in a more subtle and limited sense, we do have a system with checks and balances here in Canada and in our Parliament, our House of Commons. The balance, the creative tensions in that system are not simply those between the Government and Private Members. They are between Government, that is the Party forming the Government, and the other Parties as well. This is recognized, particularly by the fact that both in law and in parliamentary practice and precedent, the concept of the Official Opposition is enshrined; that is the Party with the second largest number of seats. We have gone even further here in this House of Commons and have recognized formally the position of other Parties if they have a minimum number of seats.

An essential feature of our Canadian parliamentary system—essential to our own Canadian approach to checks and balances—is the existence of parties other than the one forming the Government and their ability, particularly that of the party forming the Official Opposition, to play an active and meaningful role. What happens if that system, even in a well meaning and inadvertent way, is tilted so that this concept of parties testing one another and vying for support through their challenges to Government, alternatives, ideas and people on the one hand, and the Government putting forward its proposals on the other hand, is weakened? Then I say Parliament is weakened and the risks of untested, unchecked and, therefore, bad government is dangerously increased.

Parliament is not simply Government and private Members, it is, particularly today, the Party forming the Government and those Parties in opposition to it. It is clear we must examine any proposals for parliamentary reform in the context of the party system.

Over the years, Parliament has structured all of its activities around the parliamentary system. Constitutionally, most legislative initiatives are in the hands of the Ministry, those who are supported by the Party with the largest number of members. In turn, the Ministry organizes its supporters in the House of Commons in such a way so as to maintain their support, therefore, the confidence of the House, and to see its legislative initiatives acted upon. In order to hold the Government to account and to scrutinize its proposals. The Opposition as well has to be organized in particular ways.

The House, in any process or decision of reform, must ensure it has procedures that facilitate the organization, not only of the Government and its supporters, but of the Opposition as well. Our electoral system reflects this kind of organization. Study after scholarly study shows that the overwhelming majority of the Canadian electorate makes its choice at the polls, to a large degree, on the basis of political party and leadership. While each elector votes individually for an individual member, his or her decision is heavily influenced by party considerations. Candidates are mostly chosen by party processes. Elections are basically conducted on a party basis, and almost every member is elected, whether or not we admit it to ourselves as individuals, largely for party reasons.

Thus when we reach the House of Commons we face a dual situation. We have 282 individual members elected from what are still 282 separate districts. We also have a system that is organized into Government and opposition for the purpose of carrying on the business of Parliament. Both these facts must be reconciled, in the organization of the House and its rules, and if we are to fulfil the expectations of our electors we must bear them in mind.

Having said this, I do not want to be understood to be downgrading in any way the role of the individual Member of Parliament. The people, in making party choices, clearly do not wish their elected representatives to be trained seals functioning only as instruments of their parties, they expect initiative and individual participation to the fullest. Our party system, indeed, depends upon these very qualities for its vitality.

A major factor in the role played by individual Members, the major way in which they have an impact either on the proposals or actions of the Government, or of their party if it is not the one forming the Government, is through something not recognized in the Standing Orders at all, but which is very real all the same. I refer to the party caucuses and the caucus committees.

Bearing all this in mind, I want to make some comments on the Government's proposals. These proposals are, of course, not exactly those made by the Special Committee chaired by the Hon. Member for St. John's East (Mr. McGrath). My colleagues, the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Cochrane-Superior (Mr. Penner), who are intimately involved in the proceedings of that committee, will be commenting more extensively on this. I want to say that all the Members of the committee worked both intensively and extensively and are to be congratulated for the production of their very comprehensive and challenging reports. The proposals now before us are in fact the initiatives of the Government. The report of the committee chaired by the Hon. Member for St. John's East (Mr. McGrath) was the taking off

point, but the proposals are in many places quite different than the committee's recommendations.

I want to say in this regard that the President of the Privy Council (Mr. Hnatyshyn) has talked with myself and the Hon. Member for Hamilton Mountain (Mr. Deans), as the House Leaders of our respective Parties, about the Government's proposals and he has taken into account a number of our suggestions. This has likely made possible a debate that would be easier and more positive than would otherwise be the case at this time, but there remain a number of considerations for the House before it reaches any decision.

I want to stress that there has been no package deal worked out behind the scenes to simply whiz this measure through without any real debate. The debate today, as far as I and the members of the Official Opposition are concerned is to go on here on the floor of the House of Commons into the pros and cons of the Government's proposal. This is not simply a pro forma gesture aimed at enshrining something worked out behind the scenes. I want to say the individual Member rightly expects to be active and to count for more than simply casting his or her vote at the direction of his or her party whip.

The individual Member rightly expects to be active and to count in the visible workings of Parliament, to take part in a more visible and meaningful way. I recognize and support the importance of their work as individual Members of Parliament. Therefore, we must consider the effect of the proposed changes of the rules on both aspects of a member's work, as someone who is a member of a party caucus and as someone who has an individual standing and is directly elected for a particular constituency.

Therefore, it is important in this debate today, and subsequently, if necessary, that we hear from individual Members of Parliament, particularly those not on the government side, whether they feel the Government's proposed changes in the rules actually improve or retard their ability to do their work as they see it. My approach, and that of the Official Opposition to this debate, is one which is sympathetic to parliamentary reform. However, our members want to discuss openly here in the House of Commons the extent to which the Government's proposed changes in the rules do, in fact, bring reform in the sense of enabling them to do their work in a more vigorous and effective way.

• (1150)

Last June, acting on the basis of the Special Committee's initial recommendations, a number of provisional revisions to the Standing Orders were adopted. Some of these have caused many individual MPs from both the Government and Opposition sides great concern. One problem arises from the decision to do the committee stage of consideration of legislation in legislative committees rather than in Standing Committees. This has led to an incredible proliferation of committees and committee meetings, placing an almost impossible burden on Members wishing to specialize in particular subjects. It is not an infrequent occurrence that meetings of more than one legislative committee or of a Standing Committee considering matters falling within the same general subject area are held at the same time or so close in time to one another that Members concerned are either physically unable to attend meetings or to prepare themselves properly for meetings. It has also happened that the subject under consideration in the House has conflicted with committee consideration; this situation cannot continue.

If the Government wants to enhance the role of the individual MP, I do not think continuing this proliferation of legislative committees and meetings is the way to do it. The private Member of Parliament needs time to reflect, to prepare and to talk to individuals and groups concerned with the subject matter being looked at in committees on which that Member serves. This cannot take place if there are so many committee meetings that the MP is spending all his time at meetings or running from one to the other. To do real committee work the Member must have available to him adequate time for preparation, reflection and contact with the public. The Member also needs time to be able to participate in debate in the House itself, take part in the work of his caucus, attend to the problems of his constituency and meet with interest groups or individuals that want to meet with that Member.

In the United Kingdom only a fixed, a limited number of legislative committees may sit at one time. There are only so many queues or slots for those committees. As a result, Bills are apportioned and scheduled to legislative committees whose meetings are set up so as to minimize conflicts for Members. Some adaption of this queue system will have to be put in place here if the system is to have a chance to work and continue.

Frankly, this is a problem that was not anticipated when the provisional rules were adopted last June, but unless some correction is made that is satisfactory to Opposition Parties, the difficulties that have arisen threaten the continuance of the whole procedural package or the adoption of further changes.

I will have more to say about the proposals regarding committees and the motion before us, but before leaving this point I would also like to say that for any new proposals to be adopted the Government must make a formal commitment right now that it will be willing to join with the Opposition Parties in making adjustments from time to time during the 10-month experimental life of any changes proposed should further unforeseen problems arise. Yes, the Government's proposals are for an experimental period of only 10 months, but we also know too well that even one week is a long time in politics. The commitment I have sought must be made formally in the House of Commons during the course of this debate.

Dealing with the proposals that are before us, I would like to comment briefly on the proposals dealing with Private Members' Business. For many years, private Members have been frustrated by the system presently in place whereby it is possible for any determined group to prevent any given private Member's proposal from ever coming to a decision. It is highly desirable that at least some degree of relief from this restriction be found, and I know that this is the intent of the Governments proposed changes to the Standing Orders regard-

ing Private Members' Business. However, this is not to say that the method for relieving this frustration should be contrary to the fundamentals of our system.

I am seriously concerned that the system now proposed, even with the changes that have been made since the draft Standing Orders were tabled before Christmas, still could be manipulated in such a way that it would contravene the principle that the Government of the day should and must take responsibility for the process by which important decisions on issues of major national concern are taken, and, even more importantly, the principle that all such proposals are given the fullest possible consideration at all stages before the House is asked to pronounce its final opinion. The proposal as it now stands may still, although not intentionally, threaten these fundamental requirements.

Five hours of House time at the second reading stage of many important legislative initiatives may very often be sufficient, whether the proposal is that of the Government or of a private Member. However, I think Members would agree that it would be clearly inadequate on some issues, and this is especially true regarding issues of great social importance on which decisions will be permitted to depend on the personal views of Members as opposed to Party positions, and on which quite naturally they would require more time than usual for explanations of individual courses of action.

I do recognize that the proposal would require that any item once debated would go to the bottom of the priority list thereby giving opponents and proponents alike a period of weeks if not months in which to alert the public at large as to the nature of the proposition. This, however, does not fully meet the guarantee required that issues of great national import receive the full and complete consideration of the House.

Why do I say this? While there is a maximum number of hours provided for consideration of a proposal at second reading and at the post-committee stages, there is no minimum time.

What is proposed is that 20 Private Members' Bills be selected by lot to have some priority and the committee on Private Members' Business will select six of these which will then actually come to a decision by vote after limited debate. This committee would understandably be composed of a majority of Government supporters, and it will be able not only to select the six Bills that will come to a vote but to determine how much debate they will be allowed on second reading stage up to a maximum of five hours.

The Government's proposal to ensure that there is adequate time for public input on each of these measures is based on the premise that each measure will receive five hours of debate, but this is not the case. This is not what a close reading of the revised proposals to amend the Standing Orders tabled late last week actually say. The committee can decide to give a measure, or all six of the measures no more than one hour's debate each on second reading stage. In that case, the Government's proposal to stretch out the time for consideration through a rotation system to allow the public to become informed and state its position will not come into effect at all.

The Government's proposal, therefore, on this aspect of Private Members' Business, must be changed so that every one of the six measures which will be selected for super priority and be allowed to come to a vote get the full five hours of debate, unless there is unanimous consent by the House to do differently. In short, the five hours must be a minimum and not a maximum time for debate on second reading.

As well, there is no guarantee whatsoever in the proposed Standing Orders regarding how one of these items selected for super priority might be treated in committee, and that Government supporters will not try to ram it through in only one or two committee meetings. These problems are compounded by the element of the proposal whereby the House itself would have no opportunity to debate or alter the decision of a Private Members' Business committee with regard to which items must be brought to a vote and how long they may be debated. There is no procedure in the proposed Standing Orders covering this, and in my view it is not enough to say that the House can change anything by unanimous consent.

Let me be frank. This system, even with the changes made, leaves open the potential for abuse either through manipulation of committee work or other forms of perhaps inadvertent connivance by a Government not willing to assume its responsibility for presenting controversial measures to Parliament. For the proposal for Private Members' Business to be one for which our support could be expected, there must be at least one further change made of the kind about which I have talked. There must be no way for a Private Members' Business committee to decide that a measure selected to come to a vote will receive only one hour's debate in the crucial second reading stage.

I would like now to turn to the proposal for the report stage that, if improperly used, could render that stage redundant and could seriously impair the rights of Members to bring important issues before the whole House for determination. I am seriously concerned about the proposed "Note" to be added to Standing Order 81(10). The report stage is intended to be a final appeal to the House as a whole from a decision of a limited group of members; or, in the case of matters of procedural dispute, from decisions by persons of less experience, knowledge and sophistication than those, with all due respect, we may find in the Chair and at the Table in the House at present.

● (1200)

In my view the present proposal is too strongly phrased. I fear it could be interpreted in a way which would be too rigorously restrictive. If the "Note" were to be interpreted literally and rigorously applied, then our legislative process would be seriously unbalanced and would be considered to be most unfair in its operation. It would certainly be inconsistent with our system of checks and balances and the desire to enhance the role of Private Members, not to mention the role of opposition Parties, for whom presenting amendments is a

crucial way to formally state how they think the Government's legislative proposals could be improved and to force the Government to take a stand on their alternatives.

I would now like to turn to the proposals in the Government's motion with respect to standing committees. As I indicated earlier, I have some serious reservations concerning the over-all thrust of the recommendations of the Special Committee with regard to committee structure. I welcome the proposals which would enhance the powers of Standing Committees to initiate investigations on subjects of their own choosing.

As someone who has had the honour of serving in the House in almost every conceivable capacity, including as a private Member in Opposition, as a Private Member on the Government side, as a committee chairman dealing with one of the most important things with which a committee can deal; that is, the decennial revision of the Bank Act, as a Private Member who had once been in Cabinet and was then out while his Government was still in office, and now as House Leader of the Official Opposition—I think I have some perspective which I can honestly bring to these deliberations.

As I have said, while I welcome proposals which would enhance the powers of standing committees to initiate investigations on subjects of their own choosing, I have my personal doubts about the utility of having many small standing committees going about their diverse activities while the legislative work in their fields is parcelled off to separate *ad hoc* legislative committees.

I believe that if the committee system in place since 1968 were to have the enhanced terms of reference proposed by the special committee, and as set out in the Government's proposals we are discussing today, then they would have greater potential for achieving the goals which we desire. Members wishing to specialize in particular areas may do so in the type of framework I have mentioned without the risk of defusing their related activities on legislative, expenditure and policy matters, whose consideration would be divided between separate standing and legislative committees. I am concerned that the system set out in the proposal could—and I hope it will not if it is adopted—lead Members off on tangents and away from the major issues of the day. In this way they would be diverted from addressing important matters in their chosen fields of interest when they are brought before the House by the Government in the most tangible and meaningful form of parliamentary consideration—the form of legislation.

Everyone recognizes that the most effective and powerful committee system in any deliberative body in the world is that employed in the Congress of the United States. I point out that in Congress there is only a single system of large standing committees, each with a comprehensive mandate over not just investigations but Government expenditure and legislation. In the process each makes ample use of subcommittees.

As I have said, from my own experience here in a whole range of capacities I cannot help but wonder whether the proposed new system will not prove to be merely a way of diverting Members from the real issues when presented in the form of Government legislation. In the long run, unless we are very careful, it could be more frustrating than helpful.

There is no assurance from this Government that when a standing committee is holding an inquiry into a subject that the Government will wait until the inquiry is over before presenting legislation to the House and to an entirely separate legislative committee. The Government has given no assurance that when a standing committee is reviewing a Government policy or an administrative decision it will not go ahead and act in any event before the committee completes its deliberations. An example of this is the way this Government first refused any committee hearings with respect to the sale of de Havilland to Boeing and then later caved in and agreed to hold hearings. However, it said it would not take into account the evidence or conclusions of those committee hearings. It then went ahead and to all intents and purposes closed the deal to sell de Havilland to Boeing two days before the committee completed its work. That is not a very good example of how what the Government is proposing will actually work.

At this point I may as well indicate my Party's and my serious concern about the proposal to limit the kind and number of questions which any Member may have on the Order Paper at any one time. The Government has not taken up the Special Committee's *quid pro quo* of permitting members of committees studying Estimates to submit a fixed number of written questions in advance, nor has the Government shown any interest in improving the speed with which written questions are now answered. As a result, this new limitation on seeking information could seriously impair the rights of Members to seek information on Government activities. We hope for real assurances from the Government with respect to this matter, not merely in the form of promises but in the form of tangible evidence in the way it tables answers to questions which are now lying on the current Order Paper, in some cases for more than a year.

Also, Mr. Speaker, since you, under the current and proposed rules, can direct someone asking a question during the Oral Question Period to put it on the Order Paper, the Member of Parliament to whom this direction is made can be completely frustrated in his or her efforts, if that Member already has four questions on the Order Paper and the Government is stalling in answering them. That outlet which the rules provide will really be limited.

There are many other areas touched upon by these proposals: the timing of Routine Proceedings, the method of taking divisions, the making of Orders in the House, the provision of a registry of a Member's external travels, and many other important issues. I am sure my colleagues will be addressing all these matters, and others, during this debate.

With respect to the proposal for a registry of a Member's travels outside the country, and the payment for those travels by other Governments or non-governmental organizations, we think there is a major gap. There is no requirement to list trips paid for by the Government when the Government sends Members abroad to represent it, or includes Members on its official delegations; nor do trips taken abroad by Ministers and

paid for out of public funds have to be included. This means that the proposal in the form presented today for a registry of a Member's external travel could largely cover travel by opposition MPs, which would give a distorted and perhaps unintentionally misleading picture, since the large amount of travel by Government MPs allegedly on behalf of the Government, or through being a part of Government delegations, would not be included.

With respect to the taking of divisions and the length of time bells can ring before a vote is taken, the Conservatives, when in opposition, argued that the ability to control how long bells ring before a vote is taken is important for an Official Opposition to get a Government too secure in its majority to at least listen—not necessarily to change its legislative proposals in question, but at least to allow more time for debate, to allow committee hearings, or to divide a complex Bill into several simpler and more clear-cut propositions in individual Bills. If the potentially unlimited ringing of bells as a possible parliamentary tactic by an Opposition is to be given up, then surely the Government has to confirm at the very least that it will not abuse its majority and prevent the adequate consideration of major legislation and major administration proposals.

I also want to say that the measure before us would give the Speaker new authority to have Members leave the House when they are what we call being "named". However, the proposal before us goes far beyond what is recommended, if I am not mistaken, in the report of the special committee. It not only says, Mr. Speaker, that you can suspend an Hon. Member from the service of the House without motion for the balance of the day, but also if this happens on a second occasion you can do so for a period of five days without any recourse or appeal to the House as a whole. I must say, Mr. Speaker, with all due respect to you, and all future incumbents of the Chair, that this goes beyond the recommendation of the Special Committee, and we certainly think it is excessive.

• (1210)

If these proposals, like any reforms, are to work, it will depend on a great deal of effort and good will, especially on the part of the Government. On this point, I look at this Government's track record and, contrary to what the Government House Leader has said, it is not encouraging. I have already mentioned as one example the way in which the Government handled the de Havilland case without due regard to Parliament.

There is an even more troubling indication of the Government's intentions and purposes. I refer to what the Prime Minister (Mr. Mulroney) said in Montreal just yesterday, as reported in a Canadian press dispatch. The Prime Minister was talking about his good friend, Ronald Reagan, the President of the United States, when he said, and I quote: "He doesn't have to face the House of Commons every day. It's an almost ideal situation". Let me repeat that. The Prime Minister, who should be the first among Parliamentarians, said in Montreal last night when speaking of Ronald Reagan: "He doesn't have to face the House of Commons every day. It's an almost ideal situation".

**Some Hon. Members:** Shame!

**Mr. Gray (Windsor West):** If this is what the Prime Minister, who is and should be the first among Parliamentarians, thinks about Parliament, how can we have any real confidence in the Government's intentions with respect to these reform proposals and the way in which the Government would operate if this, or any other package of reform, were to be adopted? If the Prime Minister is going to ignore the Canadian people by ignoring their elected representatives in Parliament, and if he is secretly hankering for the U.S. presidential system, let him be more forthright. Let his Government propose changes in Parliament which will establish not just those changes he wants but all of the checks and balances of the presidential and congressional system.

By the way, Mr. Speaker, what happened to the supposed interest of the Government in lessening the necessity for the confidence of the House to be at stake every time the Government presents a proposal? That is not in these proposals anywhere at all and was not, as far as I recall, anywhere in the speech of the Government House Leader. Let us be frank, if the private Members' role is to be enhanced, one of the prerequisites is that the Government make a formal commitment that it is going to have much less recourse in insisting that the confidence of the House and, therefore, the future of the Government is at stake when Government measures are proposed. That is not a problem in the American system which is liked so well by the Prime Minister. After all, those members stay for a fixed period of time no matter what happens to the Government's legislation. But we have nothing from the Government House Leader on this matter.

In our House of Commons, the Opposition Parties as well as individual private Members have to be able to check and hold to account the executive in order that its actions be properly scrutinized, in order to be able to alter Government legislation and in order to present and have considered meaningful alternatives. The Prime Minister cannot surreptitiously or openly try to weaken the existing parliamentary system on the one hand and, on the other hand, have his House Leader talk about strengthening the role of private Members and of Parliament itself.

The Government House Leader talked earlier this morning about how his Government wants to make Parliament once again the centre of the real consideration of the great issues of the day. But this is not what the Prime Minister said yesterday in Montreal. He said just the opposite. And who speaks for the Government? In our parliamentary system it is still the case that first and foremost it is the Prime Minister and he has just, in effect, cancelled out the well intended, I trust, words of the Government House Leader.

The first step to real parliamentary reform is for the Prime Minister and his Ministers to commit to be in Parliament regularly and frequently to answer to the House, and they have a lot to answer for already.

The Official Opposition and I favour parliamentary reform, real reform, but we received the latest version of the Government's package only late last week and a more detailed study of these proposals has raised new and serious questions in our minds. These questions have been enhanced in concern and intensity by the intemperate and troubling words of the Prime Minister last night. We believe in parliamentary reform but these new questions have been raised and we have not yet received the answers.

**Mr. Caccia:** Mr. Speaker, I congratulate the Hon. Member for Windsor West (Mr. Gray) on his excellent speech. I would like to refer him to the "Note" which appears on page 1666 wherein you, Mr. Speaker, seem to be put in an extremely difficult position when it comes to the report stage of a Bill. The Speaker is expected to judge and determine motions which are of exceptional significance and to determine whether or not they would warrant further consideration at that report stage. Would the Hon. Member for Windsor West care to comment as to the difficulty the Speaker would encounter in making such a political decision?

**Mr. Gray (Windsor West):** Mr. Speaker, the very concept of a committee is that it is a smaller body to which a question is referred by a larger body. The committee is subordinate to the larger body. The proposal of the Government turns that on its head, because it states that normally the House as a whole will not be able to overturn decisions of what is supposed to be its subordinate body on matters of procedure, and normally will not be able to deal with questions which came before the committee in the form of amendments. As I have said, I believe this turns the basic concept of what a committee is on its head.

It might be argued that there is an escape clause for the Speaker to avoid the problems mentioned by the Hon. Member because the direction to the Speaker has the word "normally" included in it. But what does "normally" mean? It means that the usual, customary, every-day practice is to do what is in the instructions. Therefore, every time a report stage comes forward, there is a risk that the incumbent of the Chair, the Speaker, will have to make a decision—which can well be attacked as being political—to not allow an amendment ruled out of order in the committee to be argued and considered again on its acceptability from the point of view of the rules in the full House, nor in allowing the House as a whole to take a look at an amendment which was presented in the committee.

The Speaker already has the authority, which he uses, to group amendments, and this has saved a lot of time on report stage. It seems to me that we have to give serious consideration as to whether the need is simply a more active use of the authority the Speaker already has to group amendments, rather than putting the Speaker into what could be an untenable position of making decisions which will inevitably run the risk of being considered political because they deal with the merits of amendments as well as their acceptability under the rules rather than some mechanical grouping or organization of the debate.

• (1220)

I think there is peril in this amendment for the rights of the individual Member of Parliament and for Members organized in Parties to have their views considered formally in the form of amendments. Perhaps, in the long run, there is an even more serious threat to the position of the Chair and the appearance and reality it must have of complete impartiality.

**Mr. Taylor:** Mr. Speaker, I would like to make one or two quick comments and then ask the Hon. Member for Windsor West (Mr. Gray) a question. The remarks of the Hon. Member reminded me of the words of the philosopher: "All is yellow to the jaundiced eye". This reform package may not be perfect, but it is so much better than anything we have had before that every Hon. Member should be dancing with joy. We are not saying it is perfect, but it is certainly a tremendous move forward.

With reference to questions on the Order Paper, I would like to remind the Hon. Member for Windsor West that I had a question on the Order Paper from 1980 until 1985 and never got an answer. At least we are moving ahead with the answers to questions on the Order Paper. My question was not too difficult. All I wanted to know was how many defeated Liberal candidates had been invited to the dinner for President Reagan. It was a very simple question, but I could not get answer in four and a half years.

The last point I would like to make has regard to Private Members' Bills. The proposed reforms represent a tremendous advance in this area. I look forward to the day when we will no longer be talking out important Bills. The Hon. Member mentioned that we should have a minimum period of debate. I would like him to enlarge on that. If no one wants to discuss a Bill, why require a minimum time for debate? If Members do want to discuss it, they can continue for the maximum time, but to impose a minimum time would be defeating the whole purpose. People would be talking simply for the sake of talking. Would the Hon. Member enlarge on what he meant when he said that there should be a minimum time for debate on Private Members', Bills?

**Mr. Gray (Windsor West):** Mr. Speaker, the Hon. Member who just spoke showed why it was important for me to make the comments which I made previously. He himself has raised what could be a problem, which we on the Opposition side have identified, with respect to the proposal regarding Private Members' Business. Under the Government's proposal the Private Members' Business committee can select six measures of the 20 that are selected by lot, which will be decided upon through a vote. A majority of Members on that committee can say that one of those six measures need only have one hour of debate, or may have a maximum of five hours.

The Hon. Member's House Leader has recognized the concern of opposition Members that the proposal for bringing Private Members' Business to a vote could be used to slip through the House, without adequate debate, a major matter which, first, should be one for which the Government at least takes the responsibility of bringing before the House and,

second, there is assurance that it has at least as much debate as a minor Bill normally has under our rules when presented by the Government.

The way this is written, if the majority of the members of that Private Members' Business committee agree, the protection which the Government itself said is necessary to prevent something from slipping through the House without adequate debate of at least five hours, those five hours being strung out over a series of weeks, will not take place. If the Private Members' Business committee formed by a majority, in this case, of Government Members, say that a measure needs only one hour of debate, the protection which his own Government House Leader says is necessary will not come into play. The very first time debate on second reading on one of these six measures comes up in the House there will have to be a vote after one hour, if that is what the committee has decided. There will not be rotation with the other measures which require debate before coming to a vote.

I urge my hon. friend to look at the real concern which I have expressed, not simply because I have expressed it, but because his own House Leader has agreed with what I have said. I, in a constructive way, have been trying to point out a way to help the Government better achieve what it feels is necessary to achieve.

**Mr. Nunziata:** Mr. Speaker, I would like to ask the Member for Windsor West (Mr. Gray) a question about the proposal with respect to the power of the Speaker to name Members of this House. The Member for Windsor West indicated in his comments that he believed the proposal was excessive. I agree with the Member and I have some very serious concerns about the proposal which, as I understand, was not a proposal by the committee, but was a government proposal.

In my view, Mr. Speaker, there is no greater right of a Member of Parliament than to sit here in the House of Commons. That right is the result of being elected by one's constituents in a general election. That is the greatest right, and I believe that that right should be taken away in only very extraordinary circumstances. Who should have the right to remove a Member from the House? Ultimately, the electors in any particular constituency should have the right to remove a Member from the House. In my view, only the House should have the ultimate right to remove a Member between elections.

With all due respect, Sir, this proposal gives you ultimate authority to decide whether a Member should continue to sit in the House. I do not think that is right. Given the fact that it is on ultimate right, only one's peers in the House should be given the authority to remove one from the House. Under the present system the Speaker can name a particular Member and, on motion, that Member can be removed from the House or suspended for the day. One's peers have to make that decision. The Government is proposing that the Speaker be given the authority to name a Member without resort to motion, not only for one sitting day, but for up to five days on a second naming.

Will the Member for Windsor West expand upon his comments with respect to his position that this proposal is excessive? Does the Member agree with me that the ultimate authority to suspend a Member from the House should rest with other Members in the House of Commons?

**Mr. Gray (Windsor West):** Mr. Speaker, there are arguments on both sides. As a practical matter, the suspension by the Speaker of a Member for the balance of a sitting for alleged misconduct in the House is almost automatic now. The custom is—and I have never seen it happen differently—that when a Speaker names a Member the Government House Leader automatically moves a motion to support the Speaker and all the Government Members vote with him. As a practical matter, a proposal limited to the right of a Speaker to have someone suspended from the House for the balance of a day's sitting does not really change what is happening now. However, it will prevent the naming of a Member and the vote on that naming from blanking out a Question Period, if the incident takes place during Question Period. I think we would agree that for all Members, especially Members in Opposition, the ability to question the Government is something very important and precious.

• (1230)

Finally, I repeat what I said in my speech, that I do not believe there are grounds for giving the Speaker, the incumbent of the Chair, the right to suspend a Member for five days during a sitting on being named a second time. I believe that is excessive, although I can see arguments pro and con for the Speaker being able to name someone on his own accord for the balance of a day. I believe the Speaker in the United Kingdom House of Commons can do that at the present time.

**The Acting Speaker (Mr. Paproski):** Questions and comments have now terminated.

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, this could be a great day for Parliament. I say that it could be because there are a number of conditions attached to that hopeful prediction. My hope arises from the work I have been involved in since being appointed to the Lefebvre Committee on Parliamentary Reform and subsequently the Special Committee on Reform of the House chaired by the Hon. Member for St. John's East (Mr. McGrath).

In order for this to be a significant day, we must continue the spirit of flexibility, accommodation, compromise and non-partisan debate that accompanied this process since its beginning and should these reforms be adopted, Members of Parliament, both individually and collectively, whether in committee or in the House, will have to actively use these new powers to create a new Parliament. They will, as the popular expression has it, have to "go for it".

May I also suggest that what we have here is only half the package of parliamentary reform. The Government House Leader has acknowledged that we are dealing with the procedural half of parliamentary reform and that there are still nearly 30 recommendations of the committee with which to

deal. Outstanding reforms include administrative reform of the House, the organization of Parliament Hill itself, the recommendations concerning broadcasting of the House of Commons and sound availability in committees. That was a recommendation in our second report which has yet to proceed. Other recommendations include the expansion of the CBC parliamentary channel into a Canadian equivalent of C-SPAN. I suggest the adoption of these recommendations would go a long way to better informing the public about Parliament. I understand that on Friday the Government House Leader made a commitment to proceed with these recommendations.

Although this motion is a Government proposal, we are dealing with a procedural package which is very close to what the committee recommended. In some ways it is unfortunate that we must deal with this motion as a Government proposal because it may provoke a somewhat partisan debate. However, even members of the committee had second thoughts and wanted the Government to change some recommendations so that dealing with this motion as a Government proposal was unavoidable. Otherwise, it would have been necessary to adopt the committee's procedural recommendations without incorporating any of the changes recommended by committee members and other Members of the House.

It is unfortunate that the Government did not rely enough on experts who were close to the work of the committee in preparing its procedural package. The Government could perhaps have saved itself some problems in attempting to devise the Standing Orders. In that respect, I think the process could have been better. Furthermore, it is important to note that this motion is the result of consultation rather than negotiation.

The Government has demonstrated some flexibility because it has dealt with many of the criticisms we raised last fall. My greatest criticism concerned parliamentary secretaries sitting on Standing Committees. The proposed Standing Orders strictly prohibit this from taking place. In addition, I am grateful that the Government House Leader has dropped his proposal to have the Government define "confidence", in the myriad and convoluted ways once contemplated by the Government House Leader. Thank God for that.

The Government has also demonstrated a welcome flexibility in meeting the objection raised by my colleagues about the description of Private Members' Business as it appeared in the proposed Standing Orders just before Christmas. If those Standing Orders had been adopted at that time it would have been possible for the five hours that might be allocated to a votable item to be allocated consecutively by the Special Committee on Private Members' Business. I understand that this would not be possible under the present Standing Orders and that a Bill which was allocated five hours would be debated one hour at a time with a full nineteen hours of Private Members' Business in between those hours. If I understand correctly, if Private Members' Business could not be dealt with we would revert to Government business. This reflects a concern of my caucus that there be appropriate "political time" for Private Members' Business.

The committee was also cognizant of the fact that if private Members were to be given the new responsibility of being able to cause a Bill to come to a division and, if passed, become law, the process should have some of the same safeguards accorded to Government legislation. This safeguard gives the public enough time to mobilize and react to certain legislation. Such a requirement to prevent Private Members' Bills from being quickly passed applies to all legislation that comes to the House. Private Members' Business is not being singled out. I am pleased that the Government has moved in that respect.

The Hon. Member for Windsor West (Mr. Gray) made a good technical point, that the possibility still exists that the committee on Private Members' Business could make a bad decision and allot only one hour for a matter that deserves five hours of deliberation. This is something the Government might consider because, without sounding naive, the consideration for the allotment of time for many of these questions depends to a great extent on respect on the part of the chairman and members of that committee for what should be debated for the maximum amount of time. Our committee operated in a co-operative and trusting environment and tended to make recommendations with such an atmosphere in mind. We know that such an environment will not always exist, and I suggest the Government consider the point made by the Hon. Member for Windsor West.

I remind the House that the Private Members' Business Committee is intended to be appointed by the Speaker rather than the Government, and that the chairman of the committee will be someone who is selected from the panel of committee chairmen. In many respects then this committee is not an arm of the Government, although it will consist of a majority of government Members. The concerns of the Member for Windsor West and the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) warrant consideration, but the success of this proposal ultimately depends on whether we live up to the spirit of the reform or simply maintain the same old attitude.

● (1240)

In this respect I say to Government Members, whether they be cabinet members or backbenchers, that a lot—the future, the vitality and the integrity of Parliament—will depend on the extent to which you allow this reform to work in keeping with the spirit of the reform itself, not letting short-term political considerations get in the way of what could be a very, very exciting new era for the Canadian Parliament. Much depends, as I say, on the attitude the Government takes to these reforms.

I would like to add some caveats about what has been recommended by the Government; concern, for instance, is in order about the Standing Orders having to do with report stage amendments. I am not so concerned about the ability of the Speaker to rule out amendments that have already been considered in committee. That is something the committee recommended, and I stand by that recommendation. In that sense, as I understand it, we are only going back to a system that was in place some time ago.

I think though that the Speaker ought to have a little more flexibility than is given to him by the proposed Standing Orders. The Speaker should be able to look at an amendment that was considered out of order in committee which in the Speaker's judgment was a bad ruling, because there is such a thing as human imperfection. The Speaker should, in my view, have the flexibility to say that, notwithstanding what happened in the committee, something might be brought forward again, even though ruled out of order in committee. I ask the Government to consider that suggestion.

When I ask the Government to consider these things I am not necessarily asking it to consider them in the context of amending the proposal that we have before us today, but to consider these changes on the assumption that they are going to say or do what the Hon. Member for Windsor West asked, i.e. give a commitment that as we move along, even within the experimental period, there be an ability and a willingness to change things and to say: "Yes, we should have covered that, but we did not. Let us change it." I think that is the kind of spirit we need as we enter into this experimental period.

I see the Prime Minister (Mr. Mulroney) is here now. Let me say that I hope the Government will, as we enter into this experimental period, be open to things we discover as we go along. It does not matter how much effort you give to the drafting of these Standing Orders, there is always an odd wrinkle here and there that no one ever thought of, and I think it is very important the Government move with that attitude in mind.

Some of the ways in which the Government's proposal is different from what the committee recommended also need to be put on the record. For instance, substitution on committees. The committee recommended that members be made permanent members of the smaller standing commitees and they, and they alone, have the ability to designate their substitute. That had to do with the notion of building up a sense of tenure on a committee.

The Government has recommended that people who are appointed to these committees be able to name a group of five from which they could draw for substitution. This group of five has to be signified by the whip of the Party in question, depending on which Member is affected. We have two problems. One, we still have the whips involved and that could erode the independence of the member on the committee. Second, we also have the problem of what do independents do. We have an independent Member in this Parliament, at least so called. What does an independent Member do in terms of getting a list of five people to substitute for him on committee? That is just one of a few problems that I wanted to put on the record.

With respect to questions, Mr. Speaker, and this is very important, here is where you clearly run into the dangers of tampering with the package the reform committee put together. On the face of it, limiting Members to four questions on the Order Paper at any given time looks like a very severe restriction of Members' ability to ask questions. I say, I think fairly, that it is more of a restriction on Members who were in the habit of using the Order Paper for questions. It is not something of which I have done a lot so I probably will not feel it as much as other people who have been very successful at using this route for calling attention to issues, but the committee agreed to that, Mr. Speaker, because there was a trade off. We agreed because at the same time in our package we allowed for Members to submit 10 written questions on the Estimates on whatever committee they happened to be working. It was the trade-off, a *quid pro quo* or whatever it is called. I think the Government has made a mistake in tampering with that recommendation. It made the package more unacceptable to people who were looking to find things wrong with it by giving them a kind of legitimate thing on which to hang their hat. I do not know why we could not have gone ahead with the 10 written questions proposal.

I am glad to see some of the cleaning up that has been done on previous proposals that were adopted. Some of the problems came, admittedly, because the Government adopted the committee's recommendations holus-bolus, particularly the problems that came with legislative committees. The committee had recommended that legislative committees be made up of 20 members. The Government adopted the committee's report and so we got legislative committees made up of 20 members.

We have now in these new Standing Orders, if they are adopted, more flexibility. We could have larger legislative committees. I hope we do not, Mr. Speaker. I hope that a 30 member committee will be used only for constitutional amendments or something like that. I hope we will see smaller legislative committees. I also hope that whoever speaks for the Government next will say why there appears to be no attempt to establish some sort of traffic control with respect to legislative committees.

Does the Government have some process in mind which could be reached between the Parties outside of the Standing Orders for limiting the number of legislative committees, or is this just an oversight? I hope the next person who speaks for the Government will indicate what the Government intends to do about a problem that I believe was raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) having to do with the proliferation of legislative committees.

Finally, some advice to the Government on today's proceedings. If these proposals are adopted, if the spirit of these proposals is lived up to and if in the coming weeks and months the appropriate changes are made when we discover things that were not apparent to us when we passed the Standing Orders, we will be entering into a whole new area of parliamentary politics, a whole new parliamentary process.

I think the Government should consider that it is all right for the House to take the time it needs to have everything said that Members feel should be said before this proposal comes to a vote or to an agreement, whatever the case may be. I hope that is something we could do unanimously or at least by consensus. I think it is very important that it not only be seen to be done that way but that it genuinely be that. For that reason I encourage the Government to listen carefully to the various reservations that, Members have about the proposal

before them. I hope the Government will do what it can immediately in terms of actual changes, or commitments that it will be possible for changes to be made. The Government should do what it can about that today.

● (1250)

I also encourage Hon. Members on my right, in the Liberal Party, to see their way through some of the understandable reservations which come from their day-to-day dealings with the Government and to seek a higher ground. I encourage them to try to see this process through to completion. As one who has been involved with it—it seems since time immemorial—I hope we can bring at least one important stage of parliamentary reforms, and there are others to go, to completion today.

**Some Hon. Members:** Hear, hear!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, first of all I want to enter the debate very briefly. I realize I only have a few moments, and I will not take many more than that. I should begin by complimenting the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for the tremendous role which he played in this major initiative in parliamentary reform. I pay tribute as well to all members of the committee, to the Hon. Member for Papineau (Mr. Ouellet) who played a very significant role in developing what is an historic intervention on behalf of parliamentarians with regard to the evolution and reform of our institution, the House of Commons, and, of course, to the very distinguished Hon. Member for St. John's East (Mr. McGrath) who has led, with great leadership and sensitivity, Members of the House of Commons to unanimous recommendations with regard to the reform of this fundamental institution. I salute his leadership and the great distinction which he brings to himself and to the House with this report on reform of the House of Commons.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Hon. Members will recall that in the Speech from the Throne the Government outlined its intentions to embarks upon a process of parliamentary reform in the following words:

> First, you must critically examine the relationship of Parliament with the people of Canada. Members of the House of Commons will be asked to approve the appointment of a parliamentary task force on reform . . . The central focus of this task force will be the enhancement of the role of the private member. From that perspective the task force will examine and make recommendations concerning the powers, practices, organization and resources of the Commons.

I would remind the House as well that in September, 1985, I announced a broad package of reform initiatives, including a review of Order in Council appointments by a standing committe of the House. Last fall, again, the Government announced a register of interests by Members of Parliament and a proposal for a register of lobbyists. Let me point out that the amendments before the House represent a consensus reached after consultation with representatives of the Opposition Parties.

[*Translation*]

Those, Mr. Speaker, were the specific recommendations formulated by the Committee. I admit that I was impressed by the role of a Member of Parliament when I came here for the first time in September 1983, which makes me a very junior Member compared with a Member who has now been sitting in the House for twenty-eight years, and I am referring to the Hon. Member for St. John's East (Mr. McGrath), and there are many more. I was greatly influenced by some of my reactions and observations, and that is why I decided to take action shortly after I was sworn in as Prime Minister. Let me explain:

[*English*]

One of the first things which struck me as I entered the House of Commons for the first time, as Leader of Her Majesty's Loyal Opposition, was the fact that this represented democracy, these were the leaders of communities across Canada and yet, in point of fact, the Member of Parliament had less influence in the decision-making process in this town than an Assistant Deputy Minister of any given Department. The erosion of influence and authority which has taken place over the years, as the bureaucracy usurped the executive functions in the decision-making process of the Member of Parliament, was something that had to be arrested and turned around so that once and for all there was a reaffirmation of the principle, dulled over the years, that this House, even with its imperfections, stands tribute to the nobility of the parliamentary system and is the authority of the elected Member of Parliament over the executive at all times and in all circumstances.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I make no pretence as a relatively new Member of Parliament to great understandings of some of the arcane rules which have governed our conduct over the years. I know that people watching us from time to time have difficulty understanding why certain things take place, as do I. I know that most people would agree, for example, that the way Question Period has evolved, and television in the House, have both served to distort and detract from the tremendous contributions in committee made by the backbench Members of Parliament, the contributions which they make to enriching the parliamentary process. However, that is life, and that is the way it has evolved and nothing will change it.

This will throw more light on the parliamentary process. It will enhance and strengthen our democracy, as do initiatives such as that brought forward by the Hon. Member who preceded me. The basis of parliamentary reform—all we are trying to do, and no one says that it is perfect—is to respond in some ways to the present situation.

[*Translation*]

—the heartfelt concerns, because they were indeed heartfelt, the concerns I read as formulated by my hon. friend from Winnipeg-Birds Hill (Mr. Blaikie), who, I am sure, was speaking for many Members of this House. I found a passage

quoted in the very beginning of the McGrath Report on Parliamentary Reform, and it was quoted from something Mr. Blaikie had said:

[*English*]

I think one of the reasons why a lot of people run for Parliament is that they feel they have something to say. I always thought that if I could just get to say these things in the House of Commons, that would be significant, it would matter . . . However, since I have come to Ottawa, everything I say is suspect, if it is listened to at all. So there is this incredible frustration. What ought to be the pinnacle of exchange of ideas is in fact the black hole in which nobody listens to anybody.

I could not have said it better myself.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I think that comment points out the frustration, and it is a comment tinged with realism. What the Hon. Member was saying to the committee and to all Members of the House of Commons was: "Help me and my colleagues elevate parliamentary debate; help us make once again the Parliament of Canada that instrument of magnificence it once was and can become again, if the role of the Member of Parliament is enhanced". Somebody once said in the House of Commons that Members of Parliament are nobodies when they get outside the House. I say that Members of Parliament are somebodies inside this House and outside this House at all times.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I want to say to my hon. friend that that was not a partisan comment. I can understand. If the term was used, I did not construe it as pejorative because in point of fact the erosion which has taken place over the decades and over the years with regard to the attributions, the responsibilities, the influence and the power of the Member of Parliament, has served to diminish the Member and, in so doing, has served to weaken the House of Commons, and when the House of Commons is weakened, democracy suffers.

What we have tried to do, imperfectly no doubt, is to reach out to the best instincts of Members of the House and say as a new Government, as we did: We can do better. We can arrest the decline of the House of Commons and we can elevate debate. We can make the role of Members more meaningful. We can make certain that Members participate in a substantial way in the decision-making process. We can make sure that when a Member of Parliament from Winnipeg, the North Shore, Cape Breton or Vancouver Island comes to Ottawa, he or she comes to Ottawa to set great questions of national policy, not to respond to the whims of bureaucrats. That is what happened and that is what now must be reversed.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I think, as I look at it, Your Honour, we have let the symbol of democracy slip. We now have an opportunity to accept this tremendous document of reform, brought about by the Hon. Member for St. John's East, the Hon. Member for Papineau and their colleagues from the NDP. I say to you, Sir, that though imperfect, this is a splendid document, the acceptance of which will bring honour to the House of Commons, will bring honour to each and every Member.

[*Translation*]

But above all, it will bring honour to our Canadian democratic system and to all those who are a part of that system.

[*English*]

**Mr. Speaker:** It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*English*]

## HUMAN RIGHTS

SOVIET UNION—RELEASE OF ANATOLY SHCHARANSKY

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, today is a day of triumph for human rights activists. Today is the day that gives hope to all who work from depth of heart and genuine concern on issues of man's humanity towards his fellow man. Today is a lesson learned about respect for conviction, personal strength of courage, and ability to cope with intolerance when one's firm belief in the right to practise one's religion freely and the right to rejoin one's family, wherever they may live, is not respected.

Today is a day of celebration as we witness an end to injustice with the release from Russian internment of Anatoly Shcharansky. We rejoice as he crossed to freedom rejoining his wife Avital.

Today we are witness to an act of faith, of hope, and of tenacity by thousands of people throughout the world who took heart with the signing of the Helsinki Accord, but lost hope as the Soviets disregarded their responsibility and obligations as co-signators.

As an early activist and organizer of public demonstrations in the interest of Soviet Jewry, as a member of the Interfaith Task Force of the Canadian Jewish Congress, I take this opportunity to thank the Parliament of Canada, its senior Ministers, and individual Members of Parliament who have brought the issue of Anatoly and of Soviet Jewry to the attention of Soviet ambassadors, leaders at the United Nations, as well as in the Soviet Union.

Today Canadians may take pride in knowing that their efforts have sensitized the Soviets to the importance of the

issue of human rights and the emigration of Soviet Jews in the eyes of the western world, as well as leading to the release of Anatoly Shcharansky.

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## FINANCE

### NEW DEMOCRATIC PARTY TASK FORCE ON TAX SYSTEM

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, as you know, the New Democratic Party has been asking Canadians to make their views known on our tax system through the Tax Probe 86 Task Force chaired by the Hon. Member for Kamloops-Shuswap (Mr. Riis). What they have found so far is an existing tax system that rewards the rich and punishes middle and low-income earners. For example, advertisements appearing in the *Financial Post*, the *Financial Times* and *The Globe and Mail*, inserted by companies such as Wood Gundy, tell wealthy Canadians that they are able to arrange their tax reports so that they will pay no income tax on an income of $42,000 through the use of the dividend tax credit and other deductions. They can own a cruiser with 100 per cent borrowed funds generating $165,000 in tax deductions over four years. They can invest $12,500 in a hotel and receive a 60 per cent tax write-off in one year and the balance in the next.

The Task Force also knows that the average Canadian family is paying $1,000 a year more from the tax changes in the last Conservative Budget, and that single unemployed Canadians will be paying federal income tax on as little as $7,000 received in unemployment insurance benefits, that is presuming that they still qualify to receive UI. No wonder ordinary Canadians are telling Tax Probe 86 that they want a tax system that is simpler, fairer, and more efficient. That is exactly what this NDP task force will be recommending to Parliament in the months ahead.

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## THE MONARCHY

### THIRTY-FOURTH ANNIVERSARY OF HER MAJESTY'S ACCESSION TO THE THRONE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, this year is the thirty-fourth anniversary of Queen Elizabeth's accession to the Throne and means her reign in Canada has been the longest in Confederation. In a time when monarchists are becoming fewer, her hold on the affection of Canadians has become more secure. When we patriated our Constitution a few years ago, there was no challenge to continuing the monarchy in Canada. One reason for this was the Queen herself. During these 34 years she has been a model of service to country and devotion to family. She has exemplified the virtues of toleration and adaptability that have made Canada an island of stability in a world of turbulence.

Where other rulers must flee in the night, she remains welcome to our shores. From coast to coast Canadians know this is a better country because we still say "God save the Queen!"

**Some Hon. Members:** Hear, hear!

* * *

## ADMINISTRATION OF JUSTICE

### CRIMES COMMITTED BY PAROLEES

**Mr. William G. Lesick (Edmonton East):** Almost daily Canadians read newspaper stories about criminals who have been released on parole and repeat violent offences similar to those which they committed previously. We heard the other day of a Scarborough man, on parole after serving 26 months of a 7-year sentence for manslaughter, violently raping a former girlfriend. On the same day we heard of a 19-year-old drifter on probation for sexual offences who attacked and raped a woman beside her three-year-old son. Such sexual offences are violent, despicable acts of human barbarism. In many countries, such acts carry the death penalty.

• (1405)

In Canada today many criminals are being released with little evidence of true reform, and mandatory supervision and parole regulations often allow criminals to get back to the streets where they are a threat to our society.

This Parliament should deal effectively with this issue. We have a moral obligation to initiate effective and compassionate programs for victims not only of rape but of many other serious offences which leave permanent scars on the victims. In many cases Canada's criminal justice system forgets about the suffering of victims. If we believe in justice, fairness, and the law, we owe our society not just prevention but compassion for those who suffer from the acts of barbaric human beings.

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## HUMAN RIGHTS

### SOVIET UNION—TRIBUTE TO ANATOLY SHCHARANSKY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I rise to congratulate and offer my best wishes to Anatoly Shcharansky who was today released from the Soviet Union. Anatoly Shcharansky is a leader of Soviet Jews whose role in that country of monitoring the Helsinki Final Accord brought him into direct conflict with the Government and led to his imprisonment.

The courage and bravery of this one individual who endured the pressures of the entire Soviet system to change the principles for which he stood, are a symbol not only for Jews around the world but for people everywhere who believe that basic human rights cannot be trampled. His is a triumph of the human spirit.

I wish also to pay tribute to his wife, Avital Shcharansky, who has for the past eight years travelled around the world so

many times to meet with world leaders and with concerned people everywhere, on behalf of her husband and Soviet Jews. Her travels also brought her to Canada where she and her husband have thousands of friends and supporters. Her long journey on behalf of her husband is now over, and I think we all wish her and her husband a period of peace and rest.

However, the long journey for Soviet Jews who have been denied basic rights of movement, of association and of religious freedom, is not over.

[*Translation*]

There are still thousands of Jews in the Soviet Union. I think the Government of Canada and governments throughout the world should continue to pressure the Soviet authorities, so that Jews living in that country are treated fairly, as human beings, which includes having the right to emigrate if they so desire.

[*English*]

We do not know yet if Mr. Shcharansky's release marks a change in Soviet policy toward dissidents, but today we can hope and give thanks that one man's agony is at last over.

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## HUMAN RIGHTS

SOVIET UNION—RELEASE OF ANATOLY SHCHARANSKY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I too want to say something about today's important news concerning the release of Anatoly Shcharansky. The release of Mr. Shcharansky today took place in the context of an exchange of spies between the Soviet Union and the United States and he was inappropriately included in this category.

It is of course true that the only offence Mr. Shcharansky ever committed in his life was his insistence in the Soviet Union that the Accord reached at Helsinki be observed. Mr. Shcharansky is anything but a spy. He has set an example for the world of what it means to be a courageous human being in pursuit of human liberties.

We in the Canadian House of Commons note Mr. Shcharansky's release with a great deal of pleasure. Many of us remember meeting his wife some years ago here in Ottawa when she visited our country as a part of her international attempt to obtain the release of her husband.

I conclude by simply observing that the release of Mr. Shcharansky is an important landmark for human liberty in the Soviet Union. We want to underline, however, that there remain thousands of other citizens in the Soviet Union who would like to have the same liberty. The Canadian Government, and indeed myself, on behalf of Canadians have in the past year presented a list to the Soviet Union of other citizens we would like to see obtain freedom.

**Mr. Speaker:** Order, please. The Hon. Member's 90 seconds have expired.

## REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON—ANNOUNCEMENT OF PLANT LOCATION IN RICHMOND COUNTY

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, I rise to comment on the economy of Cape Breton and eastern Nova Scotia. It is important to understand one thing about this region, and that is that the economic problems of the region were not created in the last 15 months. The problems were created over the last 20 years under the Grit Government that preceded us.

When I grew up in the region there was an unemployment rate of 40 per cent in my home town. The Liberals only knew how to pass out grants, just enough to get through the next election. They succeeded for years; but in the process they destroyed the confidence of these people, never giving them a chance to prove themselves—never deciding to push ahead in a meaningful way with determination to solve the problem.

• (1410)

Our Government has decided to solve the problem. We have achieved a remarkable level of success. For example, a major plant has been announced for Richmond County in Cape Breton, the first major private sector announcement in decades—that's progress! Another major announcement is set for Guysborough County in the near future, the first in decades for that region. That is also progress. We are proving that there is another way—a better way.

We are funding construction of a nautical institute to the tune of $18 million. We have committed $150 million to Sydney Steel. We have committed $40 million to clean up the tar ponds in Sydney, and millions more have been committed to the community of Glace Bay for community improvement and to replace a fish plant. These are the facts.

I want to assure the Grits, who are delighting in the hardship of these people, that they are accountable for having neglected—

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

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

NEW QUEBEC—ROLE PLAYED BY NATIVE PEOPLES

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, Hon. Members must realize that economic development is one of this Government's priorities.

The economic development of New Quebec is a particular challenge, not only because of the size of the region but also because the James Bay and Northern Quebec Agreement and the Northeast Quebec Agreement have established unique systems that affect the ways in which we can provide for

economic development in New Quebec. These two agreements were the first two native land claims settlements in Canada.

Mr. Speaker, I am delighted to be able to inform Hon. Members that work has started on co-ordinating economic development in New Quebec. Representatives of the Department of Indian Affairs and Northern Development are now negotiating with representatives of the Department of Regional Industrial Expansion so that the native people in New Quebec can take better advantage of the Regional Economic Development Agreement between Canada and Quebec. Meetings are also being held on a regular basis with the Cree, Inuit and Naskapi to discuss opportunities for economic development.

Mr. Speaker, our greatest hope for economic development in New Quebec lies in the energy and the will to succeed of the native people themselves. Hon. Members may have read in the press about the entrepreneurship and successful business ventures of the Cree in Quebec. Their holding company, Creeco based in Val d'Or, manages funds for vast commercial enterprises, and they have some very ambitious projects in aviation and construction. Activities are co-ordinated by a regional Cree organization which has recently been given administrative responsibilities by the Department of Indian Affairs and Norther— Development

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

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## LIBERAL PARTY

ELECTION SUCCESS IN NEW BRUNSWICK

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I am proud to announce in the House today that the New Brunswick Liberal Party has just won a great victory in the by-election held in Edmundston yesterday, a riding considered to be a Conservative bastion and a barometer of electoral trends, which makes this Liberal victory even more significant.

The rise of the Liberal Party in New Brunswick, like that of the Liberal Party across this country, proves that people have confidence and identify with the Liberal Party. The poor performance of the Progressive Conservative Party, both provincially and nationally, has made people realize that this party no longer meets their expectations.

[*English*]

Yesterday's Liberal victory in the provincial by-election in Edmundston is an example of what will happen throughout New Brunswick when the provincial Tories dare to call a general election.

**Some Hon. Members:** Hear, hear!



**Mr. Robichaud:** The Liberal candidate, Roland Beaulieu, easily defeated his Tory rival by a two-to-one margin. It is truly a remarkable victory and a tribute to the leadership provided by Frank McKenna.

The people of New Brunswick are coming to a new era—an era of responsible leadership under Frank McKenna.

**Some Hon. Members:** Hear, hear!

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## ADMINISTRATION OF JUSTICE

THREE-YEAR SENTENCE FOR BOY CONVICTED OF THREE MURDERS

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, Canadians were outraged and horrified to learn that a 15-year-old boy in Scarborough will receive three years' punishment for killing three people. The three-year sentence for three murders is, I believe, a travesty of justice. Yet under the Young Offenders Act that is the maximum allowable sentence.

• (1415)

What kind of signal does a case like this send to young people across Canada? Does it tell them that killing is wrong and that criminals are severely punished for crimes they commit? What do we as lawmakers say to the victims of crime who suffer the traumatic consequences of criminal activity? What do we say to the relatives of the seven-year old girl this boy brutally killed?

The Defence Council in this case was quoted as saying: "As a human being, I have difficulty with the sentence. Three years for three murders is hard to accept". Indeed it is.

I applaud the Solicitor General (Mr. Beatty) for the commitment he has made to reform the sentencing provisions in the Young Offenders Act and I urge him to pursue those reforms as quickly and expeditiously as possible. Canadians can wait no longer.

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# ORAL QUESTION PERIOD

[*English*]

## FINANCE

CONTENT OF FORTHCOMING BUDGET

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the absence of the Minister of Finance I direct my question to the Prime Minister. In last year's Budget the Minister of Finance and the Prime Minister proposed the largest tax increase in Canadian history, and most of it was hidden; hidden gas tax increases, hidden family allowance cuts, and hidden deindexation of the tax system. Will the Prime Minister give an undertaking to the House that there

will not again be these types of sneaky tax grabs but that the Minister of Finance will be open and straightforward in his approach to taxes?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Minister of Finance is always very open and straightforward in everything he does. These are, of course, value judgments which have to be exercised and articulated, and in so doing the record indicates whether one is right or wrong. I can remember when the Minister of Finance stood here on November 8, 1984, and made a very important Economic Statement. The Leader of the Opposition predicted that as a result of that statement and economic policy there would be a loss of some 100,000 jobs. In point of fact 580,000 jobs have been created.

GAP BETWEEN THE RICH AND THE POOR

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I want to present not a value judgment to the Prime Minister but a statistical fact, namely, the growing gap between the rich and the poor. Last year's Budget exacerbated that gap by exempting wealthy Canadians from capital gains and allowing the deindexation of the system to work in their favour, while imposing the largest tax increase ever on average Canadian families. Will this year's Budget further exaggerate and exacerbate that gap between the rich and the poor, which is not a value judgment but a fact?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I cannot consider or contemplate anything more difficult or more inappropriate than the Right Hon. Leader of the Opposition using the term "poor". It ought to be used in reference to someone who does not have a job. That is the most important element of our society. It is to this we have directed our attention.

**Mr. Broadbent:** Wait a minute.

**An Hon. Member:** More important?

**Mr. Axworthy:** Why don't we try old people, those over 65?

**Mr. Speaker:** Order, please.

**Mr. Mulroney:** I will just give you, Mr. Speaker, two indications of two elements of society. When we came to office 85,000 of our elderly were not entitled to the benefits which were added by the new Progressive Conservative Government in the autumn of 1984. Those widows and widowers now receive substantial benefits from the Government of Canada.

With regard to the unemployed, on the month of January 129,000 new jobs were created. That is the largest number since Statistics Canada started to compile records in Canada.

[*Translation*]

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, the Prime Minister has just given a new definition of the poor which does not include the elderly, widows or single-parent families. Truly, an extraordinary definition!

INQUIRY IF CONSERVATIVE BUDGET WILL AGAIN ENLARGE GAP BETWEEN THE RICH AND THE POOR

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I shall repeat my question: Will this year's Conservative Budget once again widen the gap between rich and poor in Canada? That is the question!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Opposition is wrong once again. I did not give a new definition of the poor. I said that people without jobs were among the least well-off in our society. And we are trying . . . I know the Liberals are against job creation, but we support it. Mr. Speaker, I have spoken to 85,000 widows and widowers who were not eligible for federal income supplements and who have been included in the plan as a result of Government intervention.

**Mr. Malépart:** What about single people?

**Mr. Mulroney:** And furthermore, 580,000 Canadians have found jobs since this Government was sworn in.

• (1420)

[*English*]

REQUEST FOR FIVE-YEAR ECONOMIC PROJECTION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, in the absence of the Minister of Finance I will ask my question of the Prime Minister. Could the Prime Minister assure us that the Minister of Finance will break with the unfortunate precedent he set last year of not giving the hard data and five-year projections which underlie his Budget? In other words, will he ensure that we have the data underlying assumptions on economic performance, including interest rates, oil pricing, and the projected rate of inflation for five years?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the data supplied by the Minister of Finance will indeed be accurate and, I think, helpful. It will be reliable, and we will not add $200 million to it while walking into the House of Commons.

TAX ON OIL

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Prime Minister may not know that the Royal Commission on Financial Management and Accountability said that the only way a Government can be held to account is through providing five-year projections. We set that precedent. We went with five-year projections.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** That is revisionist thinking.

**Mr. Speaker:** Order, please, both sides. Order! Just a question, please.

**Mr. Johnston:** I will go straight to my question; I think the point has been made. With respect to oil pricing which should be in those projections, will the Prime Minister ensure that no part of the lower oil price, which should be of benefit to the consumers of Canada, will be skimmed off by the Minister of Finance in his forthcoming Budget?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, that is a chintzy question which is unworthy of my hon. friend. All he need do is wait for the Budget and I think he will be well pleased.

FAIRNESS OF BUDGET MEASURES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question pertains to the budget announcement of the Minister of Finance. Canadians will recall that last year the Minister of Finance assured us that the Budget would be fair, and in fact we got a Budget which increased taxes on ordinary Canadians, whacked pensioners, and provided special loopholes for the rich. Will the Prime Minister assure us that the Budget which will come down later this month will in fact be fair, and will he live up to that commitment?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, not only will the Budget be fair, it will be effective. In November of 1984 my hon. friend said that in terms of jobs the net effect of the program during the next fiscal year would unquestionably be a net loss of between 50,000 and 100,000 jobs. In point of fact 450,000 jobs were created, so the Hon. Member was slightly off again.

**Mr. Broadbent:** Mr. Speaker, I know it would come as a great shock to the Prime Minister's system, but I do wish he would try to answer the questions he is asked today.

LIMITED PARTNERSHIP LOOPHOLE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Prime Minister did depart from his script about jobs long enough to say that the Budget would be fair. There is one special loophole in the tax system now associated with limited partnerships which provides millions of dollars in tax benefits to people who use it. In the case of the Western Pulp Partnership, this specific loophole provided $100 million in tax write-offs. Will the Prime Minister assure us that this kind of unfairness will be removed from the tax system?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I know that the NDP gets twitchy when it sees good job-creation figures. The NDP does not like prosperity, but Canadians like prosperity, and they are going to get a lot more of it with this Government.

**Some Hon. Members:** Hear, hear!

• (1425)

**Mr. Mulroney:** With regard to tax fairness, I agree that my hon. friend and I, during the television debate, were the only two of the three Leaders in favour of it.

**Mr. Turner (Vancouver Quadra):** That's not so.

**Mr. Mulroney:** In point of fact this Government has shut down more loopholes that were introduced by the Grits for their fat friends, and we brought in a minimum tax whereby 100,000 rich taxpayers who never paid a nickel in tax now have to contribute to the national welfare.

**Mr. Broadbent:** The Prime Minister is getting close. He almost answered the question that time.

REQUEST THAT LOOPHOLE BE ELIMINATED

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the specific loophole that I mentioned was described by the Minister of Finance himself as a benefit: "Available only to a small circle of taxpayers and one which jeopardizes the integrity of the tax system". He simply went on to eliminate advance rulings but kept the loophole in place.

Will the Prime Minister assure us that the Government will not simply be content with removing rulings but will remove the loophole so that we can have some fairness in the system?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we always take my hon. friend's representations seriously in this and other areas. I do so again in regard to the specific observation that he makes. However, I know he will want to acknowledge in the House at his next opportunity that the Government has shut down more tax loopholes than any other Government in Canada in a comparable period of time, ever.

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[*Translation*]

## THE BUDGET

ANALYSIS OF GOVERNMENT PROGRAMS—REPORT OF TASK FORCE

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have a question for the Deputy Prime Minister.

Since the fall of 1984, a task force of senior officials and representatives from the private sector, chaired by the Deputy Prime Minister, has been analyzing Government programs in terms of any Budget cuts that would be feasible.

Considering that this work was done with public funds, could the Deputy Prime Minister give this House the assurance that he will table a copy or copies of the reports of his task force before the Budget is brought down as scheduled on February 26?

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I think the hon. gentleman is a bit confused. The program review task that was mandated by the Prime Minister in September, 1984, was not for the purpose of cutting expenditures—

**An Hon. Member:** Slashing.

**Mr. Nielsen:** Nor was it slashing. It was a management exercise determined to identify and eliminate overlap, duplication, and to provide more effective service to the Canadian public of a wide array of programs throughout the entire Government.

[*Translation*]

REQUEST THAT REPORT BE TABLED

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, this is all very interesting, but the Deputy Prime Minister did not answer my question.

And if it is all as neat and clean as he appears to be saying, does he intend to table a copy of this report in the House so that the general public and Hon. Members will know whether he is telling us the truth?

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Well, Mr. Speaker, I do not know whether the translation of the last part of the hon. gentleman's question came across accurately but I can assure him that at the appropriate time, in the appropriate way, all of the information that has been so laboriously gathered by mixed study teams of private sector and public sector individuals will be made available for the judgment of the public.

**Mr. Garneau:** Twenty-five years from now.

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## FINANCE

APPLICATION OF MINIMUM TAX

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Prime Minister. He will be aware that various accounting firms and tax advisers are outlining to their clients ways and means of beating the minimum tax. Will he indicate what steps he or the Minister of Finance is taking to ensure that ways are not found around the minimum tax so that every taxpayer of upper-income means will pay a fair minimum tax?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I do not think that anyone can give a guarantee in regard to the ingenuity of Canadian tax specialists in that regard, but I can assure him that, in response to observations made not only by my hon. friend but by many members of this Party, that we will be taking steps to ensure that the full degree of fairness is exacted in regard to those taxpayers. If my hon. friend has any suggestions I would be happy to hear from him.

• (1430)

USE OF LIMITED PARTNERSHIPS TO AVOID PAYMENT OF TAX

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my supplementary question is also for the Prime Minister. I do have a suggestion I would like to pass along. The SRTC, when it was brought to the attention of the Minister of Finance, was closed off as a loophole. The Minister has now been alerted that the limited partnership provision in the Tax Act is being abused by countless—

**Mr. Speaker:** Order, please.

**Mr. Riis:** Having found in Tax Probe 86 that firms across the country are now finding ways and means of using the limited partnership to avoid tax—

**Mr. Speaker:** Order, please.

**Mr. Riis:** —what is the Government going to do about it?

**Mr. Speaker:** Order, please. Order. I will allow the question because it was heard. May I remind Members that preambles to supplementary questions are not appropriate.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, if my hon. friend is betting on the ingenuity of the accounting profession in this regard, I will bet on the integrity and the ingenuity of Michael Wilson.

**Some Hon. Members:** Hear, hear!

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## WESTERN GRAIN TRANSPORTATION ACT

CAPITAL INVESTMENT BY RAILWAYS

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a question for the Minister of Transport. Is the Minister aware that CN and CP are not keeping their promises of capital investment in the west or their commitments for investment in the west made at the time of the rewriting of the Crow rate legislation?

**Mr. Blaikie:** I told you they wouldn't.

**Mr. Ouellet:** If the Minister is aware of this, is he now ready to withhold payment under the Western Grain Transportation Act?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the Member somewhat answered his own question. There is a provision within the legislation to ensure that the investment takes place.

I think that in fairness though the Hon. Member would agree that with the downturn in traffic, particularly in grain traffic, the capacity problem does not exist in the same magni-

tude as it did a few years ago. Given CN's cash flow difficulties—

**Mr. Benjamin:** And CP's.

**Mr. Mazankowski:** —and CP's, there may be a sort of deferral. I do not think that, in any way, shape or form, will relieve them from the commitment and obligation that they have in the long term as a result of the passage of the WGTA.

FUTURE OF CN INVESTMENT PLAN

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a supplementary question. Are we now to understand that because of government cuts CN will not go ahead with its investment plan in the west, thereby very substantially jeopardizing double-tracking and a series of commitments to modernization and computerization that will improve efficiency and, above all, safety?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the matter has absolutely nothing to do with Government cuts. It has to do with the reduction in the flow of traffic.

As a matter of fact I believe CN grain traffic movement is down by some four million tonnes. That represents a $100 million loss in revenue. Surely the Hon. Member should be aware of that.

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## TOURISM

EFFECT OF GASOLINE PRICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is for the Minister of State for Tourism. He said today at his press conference that high gasoline prices were an irritant to American tourists when they considered visiting Canada, for example, to see Expo 86.

Is the Minister aware that the Manitoba Motor League in the Minister's own province has been advising Canadians when they are going out west to Expo that they should travel through the United States instead of Canada because of the high gasoline prices in Canada?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, I am aware of that. I would not necessarily say it is irresponsible of the Manitoba Motor League, but I clearly think it is not a good way to promote tourism in Canada by having Canadians travel through the United States on their way to Expo.

**An Hon. Member:** What about market forces?

**Mr. Murta:** What I said in my press conference today is that there is not, from a point of view of American tourists, one single thing that would deter them from holidaying in Canada, and gasoline fits within that parameter.



REQUEST THAT MINISTER ACT TO REDUCE PRICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Let me remind the Minister, Mr. Speaker, that these are Canadian tourists. Will the Minister do more than just sending a wimpy telex to the oil companies, as the Minister of Energy did, go to bat in Cabinet for the tourist industry and get these outrageous gasoline prices lowered right away?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, the Government has done more and is doing more at the present time for the tourist industry than any other Government in the history of the country.

**Some Hon. Members:** Hear, hear!

**Mr. Murta:** We have put into place what I believe will be a first-class advertising campaign in the United States. We have more research information on the American market at present that will be targeted specifically to Americans. We will have more Americans, and more tourists generally, in Canada this spring, summer and fall than we have had in years.

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## AIR SAFETY

DEREGULATION—REQUEST FOR DELAY IN IMPLEMENTATION

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is for the Minister of Transport. The Minister will be aware that last week in Washington two expert witnesses, appearing before the first U.S. congressional hearing on the Arrow crash at Gander that killed 248 servicemen, testified that deregulation in the United States air industry is the underlying cause of inadequate maintenance, inadequate training, and decisions to defer maintenance in both charter and scheduled airlines.

Given this evidence, will the Minister now agree to delay the implementation of deregulation of Canada's transportation systems, as promised by him for April, until the Standing Committee on Transport has been given an opportunity, denied until now, to examine fully the relationship between declining safety and U.S. airline deregulation?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am sure the Hon. Member knows that there are views counter to that one. I would ask the Hon. Member to consider the statement made by the President of the Airline Pilots and Owners Association which indicated there had been a significant improvement in aviation safety in the United States with the advent of deregulation.

**Mr. Benjamin:** No, it didn't.

SAFETY INSPECTORS—AUDITOR GENERAL'S REPORT

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, I am interested in developing a Canadian view before we commit ourselves to a possibly very dangerous course.

**Mr. Mazankowski:** Why do you keep referring to the United States then?

**Mr. Tobin:** Does the Minister agree or disagree with the Auditor General of Canada, Mr. Kenneth Dye? In his last report to Parliament he said with respect to safety inspectors that "none of the regions of Canada was able to inspect all the carriers in its jurisdiction at least even once a year".

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I think it is important to point out that that happened during a Liberal regime, and we are trying to correct that situation.

**Some Hon. Members:** Hear, hear?

* * *

[*Translation*]

## INDUSTRY

### INQUIRY WHEN PRIME MINISTER WILL RESPECT COMMITMENT TO POPULATION OF DESBIENS, P.Q.

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Prime Minister. During the election campaign the Prime Minister told the residents of Desbiens in Quebec that he would go there himself to settle the problem related to the closure of the pulp and paper plant. Here is my question: The residents of Desbiens had to come to Ottawa, they are now in the House with us this afternoon, and they want to know when the Prime Minister will live up to his August 8, 1984 political commitment to the people of Desbiens.

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Yes, Mr. Speaker, the Government did make a commitment to the people of Desbiens. Last May we offered $4,598,000 to the company and since then the management have asked us to wait because they are seeking new partners to get those people back to work.

### INSISTENCE THAT PRIME MINISTER TAKE ACTION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, the people of Desbiens have been out of work for 50 months already. When will the Prime Minister live up to his August 8, 1984 political commitment to those people?

[*English*]

**Mr. Speaker:** The Hon. Member knows that displays are out of order.

**Mr. Benjamin:** What display? That is a newspaper clipping.

[*Translation*]

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, this is a good example of someone who does not listen to the answer. We made a commitment and honoured it. We made a firm offer and I sincerely hope the people of Desbiens will find a partner. That is what we ask for. The funds are available and we want to help those people.

* * *

[*English*]

## HUMAN RIGHTS

### SOVIET UNION—RELEASE OF ANATOLY SHCHARANSKY—PLIGHT OF PRISONERS OF CONSCIENCE

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, my question is for the Secretary of State for External Affairs. The Minister will know that three Members of this House visited Moscow last year to see the mother of Anatoly Shcharansky.

● (1440)

All 274 members of the Canadian Parliamentary Group for Soviet Jewry rejoice in Anatoly's release today, to be reunited with his wife, Avital.

**Some Hon. Members:** Hear, hear!

**Mr. Attewell:** Will the Minister indicate what new initiatives he will take to help liberate the tens of thousands of refusniks and prisoners of conscience whose basic human rights are being violated by the U.S.S.R.?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, let me take the opportunity to express on behalf of the Government of Canada how welcome is the news that Anatoly Shcharansky has been released.

**Some Hon. Members:** Hear, hear!

**Mr. Clark (Yellowhead):** I also pay tribute to the several Members of the House, past and present, who used the influence of their offices to try to encourage the Soviet Union with regard to this case and the broader case raised by the Hon. Member for Don Valley East. With regard to his specific question, I have had meetings within the last week with representatives of the Jewish community in Canada who are particularly concerned about the situation of Jews in the Soviet Union. We are looking at all effective ways in which Canada can try to secure the release of more Jewish persons from the Soviet Union. I emphasize—and I think it is shared by all Members of the House—that we want to focus upon practical efforts, practical infuence which Canada can bring to bear.

[*Translation*]

## EXTERNAL AFFAIRS

SITUATION IN LATIN AMERICA—REPRESENTATIONS MADE TO UNITED STATES

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Today, many Canadians are concerned about the situation in Central America. Yesterday, the four Ministers of External Affairs of the Contadora countries and four other Ministers of External Affairs from other Latin American countries made representations to the United States, asking it to stop helping the Contras in Nicaragua and to resume bilateral talks with Nicaragua.

Does the Secretary of State for External Affairs intend to make representations to Mr. Schultz, the U.S. Secretary of State, and ask him to be more flexible so that we can get lasting peace in Central America?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Canadian Government has always tried to urge the United States to take a position that could lead to a successful outcome with the Contadora group.

We intend to continue in this vein, and today, I want to take advantage of the fact that Mr. Wagner, the Minister of Foreign Affairs of Peru, who attended yesterday's meeting, is here in Canada, to get first-hand information on the talks that took place yesterday in Washington.

POSSIBLE OPENING OF EMBASSY IN NICARAGUA—GOVERNMENT POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I have a supplementary for the Secretary of State for External Affairs.

Does he intend to take advantage of the Budget period to ensure that funds will be earmarked for opening an embassy in Nicaragua, considering that hundreds of Canadians are now putting pressure on both the Minister and other Members of Parliament to make this positive gesture as soon as possible?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this is a situation where we intend to follow the example of my hon. friend, who did not open an embassy in Nicaragua while he was Minister of External Affairs.

We think that the present arrangement is quite adequate as far as Canadian interests are concerned, and we also believe that as far as spending priorities go, ours should be to give aid directly to the people in Central America who are in need.

[*English*]

## YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is directed to the Minister of State for Youth who, last week, defended the elimination of Katimavik by saying that during her regional consultations throughout International Youth Year young Canadians indicated their support for the sacrifice of such programs in the name of deficit reduction. We have looked at those consultation papers, and there is no mention of deficit reduction. Would the Minister indicate to the House what consultation process she referred to and just which youth recommended the elimination of Katimavik?

[*Translation*]

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, the many young Canadians who want a promising future, not a nine-month future, who want full-time jobs with the skills required to take an active part in the economic life of this country, those are the young Canadians we consulted, that is what they told us this year, and that is one of the reasons why we made the hard decision announced some time ago.

INQUIRY IF GOVERNMENT WILL ANNOUNCE LESS COSTLY YOUTH PROGRAMS

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, perhaps the Minister wants to name three. She keeps suggesting that Katimavik is too costly. Would she tell the House whether there are other less costly youth programs lasting nine months?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, we created close to 80,000 jobs for young people over the past year. That is what matters to them, that is what they want. That is important to the Government and we intend to continue.

* * *

[*English*]

## EXTERNAL AFFAIRS

THE PHILIPPINES—AFTERMATH OF ELECTIONS—SAFETY OF CANADIAN CITIZENS

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Should either an insurrection or a coup follow the final announcement of the Philippines presidential election, what actions can the Canadian Government take to assist the 1,500 Canadians known to be in that potentially explosive country?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, let me make it clear, first, that we believe there is no reason for anyone to come to the sort of

conclusion which was part of the premise of the Hon. Member's question. Canadians are watching the electoral results in the Philippines and are trying to come to an assessment about the consequences afterward. I look forward to having the opportunity to consult with a Canadian Senator who is a member of the observer team. There is always—

**Ms. Copps:** Why didn't you send him yourself?

**Mr. Clark (Yellowhead):** There was—

**Ms. Copps:** You refused to send him down as an observer.

**Mr. Clark (Yellowhead):** I think I heard something, but it was only Hamilton East.

**Mr. Ouellet:** What a shame from a former Prime Minister.

**Mr. Speaker:** Order, please.

* * *

## YOUTH

### CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, in view of the fact that Katimavik is the responsibility of the Hon. Secretary of State, he might want to correct the confused reply of the Minister of State for Youth last week and explain to the House and the people of Canada why, without prior consultation with the Katimavik board and staff, he broke faith with thousands of young people who had already applied for the program by cancelling this award-winning program one full year in advance of the end of the contract.

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, my colleague's interest in Katimavik is commendable, but I would be more impressed if he were as convincing in deploring the fact that his Party responsible for the unemployment plight of young Canadians which has forced us to discontinue programs—

**Some Hon. Members:** Hear, hear!

**Mr. Bouchard:** Mr. Speaker, I wish Members opposite were as energetic in creating jobs for young people as they are in discrediting programs for 2,000 youths. My colleague the Minister of Employment and Immigration has invested in excess of $200 million to create jobs for youths. That is what we have done and what we will continue to do.

[*English*]

### REQUEST THAT MINISTER RECONSIDER

**Mr. Roland de Corneille (Eglinton-Lawrence):** Mr. Speaker, will the Minister, given the abysmal performance of the Minister of State for Youth, who last week clearly demonstrated her lack of understanding of the program, now reject her advice and agree to reconsider it at least, after receiving advice from people who are competent?

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, the decision concerning Katimavik is final. We thought we would be better advised to invest in job-creation programs, and that is what young Canadians want. After that we will see, we are now holding consultations. I appreciate the fact that the the Hon. Member for Montreal-Sainte-Marie supports our employment programs, and I simply want to say that we will make further studies. But again I would suggest that young people want us to spend money to create jobs, and that is what we are planning to do.

* * *

● (1450)

## HOUSING

### REQUEST THAT MINISTER MEET COMMON FRONT ON SOCIAL HOUSING

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have a question for the Minister of Labour, responsible for Housing.

The Minister often says he wants to consult with everybody about housing. Is he going to meet with the *Front commun sur le logement social*, which consists of 85 community organizations from across Quebec, and which has asked to meet with the Minister before he signs an agreement on subsidized housing programs with the Government of Quebec?

[*English*]

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, to my knowledge I haven't had that request, but I would certainly be interested in meeting with anyone involved in housing in Canada. During our consultation we met with some 21 national organizations, of which the Hon. Member is quite aware. I could name some of them: the National Anti-Poverty Organization, FRAPRU, the Native Council of Canada, the Co-Operative Housing Foundation of Canada, the CLC, the Canadian Home Builders Association and the Canadian Real Estate Association.

**Mr. Speaker:** Order. Supplementary question.

### TELEGRAM SENT BY ORGANIZATION

**Mr. Dan Heap (Spadina):** Since the Minister says he has not seen the telegram that was sent by them on January 15, will the Minister arrange to meet with them if I send him a copy of that telegram, before he signs an agreement with the Government of Quebec about social housing?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, I would not want to comment on a telegram I have not seen, but

I would be interested in seeing the telegram if the Member would like to forward it to me.

* * *

[*Translation*]

## INDUSTRY

### PROMISE MADE TO PEOPLE OF DESBIENS, P.Q.—GOVERNMENT POSITION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister, and I think he should answer it, because his credibility is at stake.

The Prime Minister will recall that in the summer of 1984, he gave his word to the people of Desbiens that he would settle the problems existing in that area.

In May 1985, not only did the Prime Minister give his word but he signed a letter to the people of Desbiens, giving them the assurance that he would continue to—

**Mr. Speaker:** Order. Please, does the Hon. Member have a question?

**Mr. Lapierre:** What does the Prime Minister intend to do to keep his promise and honour the letter he signed, now that the people of Desbiens are discouraged since they did not get the positive answer he promised them.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think the answer given by the Minister of State (Small Businesses) applies here. However, I would also like to point out a very important fact, and that is that since the election, 156,000 new jobs have been created in Quebec, which means they were created at thirteen times the rate the Liberals were creating jobs.

### POSITION OF PRIME MINISTER

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, these statistics are not doing the unemployment rate in Desbiens any good.

I may remind the Prime Minister, and in fact I would like to ask him about the attitude taken by his Minister, the Secretary of State, who is threatening—

[*English*]

**Mr. Speaker:** I am sorry. If the Hon. Member has started a question I cannot hear it because of the noise of his colleagues. May I hear the question, please?

**Mr. Tobin:** He asked a question, smarten up or—

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Out, out!



**Mr. Speaker:** Order, please. Does the Hon. Member have a supplementary question immediately, please?

[*Translation*]

**Mr. Lapierre:** Mr. Speaker, my supplementary is very simple: I want to ask the Prime Minister what he intends to do. At this very moment, absolutely nothing has been done. They announced a project that turned out to be a dud.

This is what I want to know: Does the Prime Minister intend to keep his word, yes or no?

**Right Hon. Brian Mulroney (Prime Minister):** Yes!

* * *

[*English*]

## RAILWAYS

### FUTURE OF PASSENGER SERVICES

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** I have a question directed to the Minister of Transport. I wonder if the Minister of Transport would agree that it would be a shame if the recent tragedy in Hinton were allowed to cast any kind of shadow over the future of passenger rail service in Canada, and whether he would take this opportunity to reaffirm the future of passenger rail by announcing today the date for the purchase of the new transcontinental equipment. We know the locomotives have already been purchased, but regarding the transcontinental coach equipment, when will that be announced?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I can indeed reconfirm this Government's commitment to a viable rail passenger service in this country. As I indicated yesterday, we will be introducing rail passenger legislation in the House in the next few days. As the Hon. Member has indicated, some locomotives have been ordered, others are being called for tender. With respect to the purchase of the new rolling stock there are still some engineering and other details that have to be worked out. I regret the delay, but it certainly is not a lack of good intentions on the part of the Government but, indeed, the logistics that we have to go through.

* * *

## VIA RAIL

### WINNIPEG MAINTENANCE SHOP

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, also with respect to the future of VIA Rail, I wonder if the Minister could tell the House, and particularly Winnipegers, whether or not the plans for the VIA Rail maintenance shop in Winnipeg are nearing completion, ie. are they nearing the state of being no longer deferred? I would like assurances from the Minister that what I have heard about the next shop being constructed in Vancouver isn't true and that—

**Mr. Speaker:** Order, order. This is a little long.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I can assure the Hon. Member that every step necessary will be taken to ensure that VIA will operate in a safe and reliable fashion in offering good service to Canadians from coast to coast.

* * *

## AIRPORTS

### REPORTED TRANSFER OF JET FLIGHTS FROM DORVAL TO MIRABEL

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is directed to the Minister of Transport. There is great concern in Montreal that the Government will transfer all commercial jet flights from Dorval to Mirabel, causing great inconvenience to the travelling public and seriously harming businesses that are related to the air travel business. Will the Minister make a commitment that no decision will be made in this matter until a committee of this House has had a chance to study all options in consultation with the public in Montreal?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I always thought the Hon. Member was an ardent supporter of Mirabel. I can assure him and other Members of the House that we will be meeting with the representatives of the area around Dorval. As the Hon. Member has indicated, it is a very serious matter and I can assure him it will be looked at in an equitable and balanced way.

### REQUEST FOR COMMITTEE REFERRAL

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** We are discussing parliamentary reform and the Minister knows that the great majority of Members from Montreal are on the opposition side and not on the government side. That is why I asked him if he would refer this matter to a parliamentary committee where all parties in the House can look at the options and discuss them with the businesses and the travelling public in Montreal. That is my question.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, while I do not want to minimize the importance of the issue, it might have been more appropriate to refer the whole question of Mirabel to a Standing Committee before it was built.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Government Members are now costing their own time. The Hon. Member for Athabasca.

## FISHERIES

### FRESHWATER NET SIZES—ROLE OF LOCAL AUTHORITIES

**Mr. Jack Shields (Athabasca):** Mr. Speaker, my question is directed to the Minister of Fisheries. The Minister will know that the present regulations at the federal level do not allow provincial authorities to set the mesh size or net size for freshwater fishing in provincial lakes. The Minister is working on this. When will the decision be made to allow the local authorities to set mesh size?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, in the context of discussions on the administration of the freshwater fishery arising out of our meetings in Halifax at the First Ministers' Conference, this is an important issue, a question of joint jurisdiction, and the delegation of such authority is at the provincial level. I will take the Hon. Members' suggestions as an important representation.

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## CROWN CORPORATIONS

### ADVICE ON PRIVATIZATION

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister has turned over control of an important segment of the Canadian economy to the Americans when he sold de Havilland to American interests. Now it has come to light that he is seeking his advice on privatization from American companies. Will the Prime Minister put a stop to hiring Americans to advise the Canadian Government on how to turn over the Canadian economy to the Americans?

**Right Hon. Brian Mulroney (Prime Minister):** The Hon. Member is outdoing his Leader he is wrong on both counts.

* * *

● (1500)

## NATIONAL RESEARCH COUNCIL

### GRANT GIVEN TO GRAND CANAL COMPANY

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, my question is for the Minister of Science and Technology. Is the Minister prepared to rescind the $30,000 grant that one of his regional officers gave to the Grand Canal Company the other day in view of the fact that the decision was apparently made without the Minister's knowledge or approval?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, I must assume that the Hon. Member knows that the National Research Council operates independently from the Ministry and at arm's length. I report on behalf of the Research Council to Parliament. I have no authority to direct the Research Council to retrieve that money, nor do I believe that the money was wasted.

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Monday, February 10, 1986, do not meet the requirements of the Standing Orders as to form.

* * *

## POINT OF ORDER

DISPLAYING OF OBJECTS

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I rise on a point of order. The Chair must admonish the House or individual Members from time to time. I would like to ask your advice, Sir, with all respect, as to when it has become a display for an Hon. Member, namely the Hon. Member for Yorkton Melville (Mr. Nystrom), to wave in the air a Xerox copy of a newspaper clipping unless he was displaying something that none of the rest of us saw?

**Mr. Speaker:** With equal and due respect, I advise the Hon. Member to read our rules and practices on this matter. It is not unusual for Hon. Members to have notes in their hands but it is clearly against the rules of the House to hold up any matter in any way for display.

**Mr. Benjamin:** Come on. I have a further point of order.

**Mr. Speaker:** The Hon. Member may wish to read the rules.

**Mr. Benjamin:** Mr. Speaker, in that event, Sir, on the same point of order—

**Mr. Speaker:** Order, please.

**Mr. Benjamin:** Then it would seem to me that the Chair will be required—

**Mr. Speaker:** Order, please. The Hon. Member asked me a question and that is my response. If the Hon. Member wishes to pursue it further, he should pursue it with me privately.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

PARLIAMENTARY ACTION AGAINST PORNOGRAPHY AND OBSCENITY

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, I have a petition signed by just over 250 citizens of my riding who want Parliament to act decisively on pornography and obscenity.

*Order Paper Questions*

[*Translation*]

POSSIBLE CLOSURE OF CN SHOPS—MONCTON

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is again my duty to table a number of petitions from people in Moncton, who have heard about hundreds of thousands of jobs being created. New Brunswick has seen none of this yet, but they would be delighted if they heard that jobs at the CN shops in Moncton will be protected.

[*English*]

POSTAL SERVICE

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, I have the honour to present today a petition signed by somewhat over half of the residents of the community of Big Trout Lake, Ontario, stating their dissatisfaction with postal service in their community and seeking a remedy thereto.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 481 will be answered today.

[*Text*]

DEATHS ATTRIBUTED TO TOBACCO RELATED DISEASES

Question No. 481—**Ms. McDonald:**

Since World War II, how many deaths in Canada were attributed to tobacco related diseases?

**Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services):** Statistics Canada reports:

Since tobacco usage is not reported as a cause of death on death certificates, Statistics Canada is not able to provide the number of deaths attributed to tobacco.

[*Translation*]

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

**Mr. Speaker:** The question unumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

**Mr. Gauthier:** Mr. Speaker, i rise on a point of order. Since the House adopted Bill C-255 yesterday, I would like to ask the Parliamentary Secretary if we could proceed with question

No. 386, dated May 31, 1985, which asks for information the House has approved and the Government was supposed to provide, and I am referring to the actuarial tables and everything that involves for future pension plans, so that we know where we are going and what the rates are. The Government approved the Bill yesterday, and so I think the Parliamentary Secretary should now make the requisite information available to the House.

[*English*]

**Mr. Lewis:** Mr. Speaker, the Hon. Member will know that we are presently debating a change to the Standing Orders which will cut down on the number of questions on the Order Paper and will allow for faster answers. We would hope to have the support of his Party in this very important manoeuvre.

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

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

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

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

**Mr. Nunziata:** Mr. Speaker, I rise on a point of order. Just prior to the lunch break at approximately 10 minutes to one, the Prime Minister (Mr. Mulroney) appeared in the House and made a speech which lasted about 10 minutes. As I understand it, on the basis of the unanimous consent which was given in the House, it was agreed that Hon. Members would be permitted to have a 10-minute question and comment period after every speaker. I am asking for the opportunity now to ask the Prime Minister questions, and if he is not here, to make comments on the remarks of the Prime Minister.

**Mr. Speaker:** Order, please. The Hon. Member will know that we have ruled on this matter before. In fact, the unanimous consent that was requested earlier did not apply to all Hon. Members. I think the Hon. Member may be confused. It only applied to the first three speakers who are not normally subject to that practice.

When a Member is not here after lunch break or upon resumption of a debate there is a difficulty but if the Hon. Member reads the Standing Order he will find that this clearly contemplates questions, comments and responses. It has therefore been the view of the Chair before that it is difficult to imagine how one could have responses if the Hon. Member is not here. Therefore, as a matter of practice and habit in the past, the question and comment period has not been allowed. That is the way it has been ruled by the Chair in the past.

**Mr. Nunziata:** Mr. Speaker, on the same point of order—

**Mr. Speaker:** The Hon. Member has put his point. I have found that he has no point.

**Mr. Nunziata:** I would ask the Chair to cite the rule.

**Mr. Speaker:** The Hon. Member would like me to cite the rule. It would be in order for the Hon. Member to cite the rule in raising his point of order. However—

**Ms. Copps:** Mr. Speaker—

**Mr. Speaker:** The Hon. Member for Hamilton East (Ms. Copps) knows that I am standing on a point of order raised by her colleague. It would be difficult for her to raise a point of order while I am responding to another Member.

May I refer the Hon. Member to Standing Order 36(1) which reads as follows:

Unless otherwise provided in these Standing Orders, when the Speaker is in the Chair, no Member, except the Prime Minister and the Leader of the Opposition, or a Minister moving a government order and the Member speaking in reply immediately after such Minister, shall speak for more than twenty minutes at a time in any debate. Following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

This matter has been ruled on many times. This is not a new ruling. The Chair has ruled before that it is not possible to put questions to an Hon. Member who is not here.

**Mr. Nunziata:** Mr. Speaker, I rise on a separate point of order. Today I received in my office a document entitled *Projected Order of Business* which referred to Government Order No. 81. At the bottom of Government Order No. 81, it says the following:

—all speeches are subject to a 10-minute question and comment period.

I would like to take this opportunity to comment on a speech made—

**Mr. Speaker:** Order, please. I told the Hon. Member exactly what our rulings and traditions have been. Therefore, shall I recognize the Hon. Member for Cochrane-Superior (Mr.

Penner) on debate or does the Hon. Member for Hamilton East (Ms. Copps) have a separate point of order? Debate.

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, parliamentary reform is certainly a noble concept to contemplate. It is one to which everyone rather readily gives all of the appropriate lip service. However, I have noticed that there was always a certain degree of surprise and even amazement when ideas for parliamentary reform have to be put into practice or implemented because it turns out that this means change. Today, it means changing some of our Standing Orders, the rules by which we conduct ourselves in this place from day to day.

• (1510)

One can certainly speak of parliamentary reform in most eloquent and, perhaps, poetic terms, but when it comes to changing the Standing Orders it is rather more prosaic, mundane and down-to-earth. It is surprising how quickly enthusiasm for parliamentary reform can be replaced by a certain measure of reluctance to proceed.

That reminds me of something which was said of a certain leader of the day. It was said of him that he loved people; it was individuals he could not stand. We love parliamentary reform, but we seem to have trouble with our Standing Orders and changing them. I want to say to the House that we badly need some changes.

The Canadian people certainly are not overly impressed by the way in which we conduct ourselves in this place and how we conduct what they consider to be the important business of our nation. Now that we have television they have witnessed or heard about some rather strange happenings in this place. For example, they have seen the storming of the Chair. There have been long bell-ringing incidents and questions on the Order Paper, inquiries from Hon. Members, which are not answered for years. There are petitions which are read, petitions containing the signatures of our constituents with respect to matters of concern, grievances. The constituents ask: "Whatever happened to that petition? What became of it?" We have no answer to that question expect to say that it went missing in action.

**Mr. McGrath:** Limbo.

**Mr. Penner:** That's right, limbo.

Then there are the Members of Parliament who do not occupy the front benches of the Government or Opposition and who often appear to the Canadian people to be mere spectators to all which is taking place, either cheering or jeering as the case may be.

It is certainly exhilarating to talk about reform. It is a kind of mountain-top experience, but we now have to get down into the valley of reality. We have to try to revise some of our Standing Orders. When we do that, the approach suddenly becomes not so high sounding. Rather, there is a good deal of suspicion and uncertainty. Questions are asked such as, what is in these rule changes which will aid the Opposition in doing what it is supposed to do? What is there in these rules which will further strengthen the hand of Government? Are there some hidden snares which we have missed and which are designed to trap political Parties, especially those in opposition?

Have you ever noticed, Mr. Speaker, that there seems to be a failure to ask other important questions such as, what is best for Parliament? How can we restore to this institution the type of respect and dignity which I believe it deserves? That was the approach taken by the committee headed by the Hon. Member for St. John's East (Mr. McGrath) who has been given praise for the outstanding work he has done for this House. When the members of the committee did their work they were not trying to pit opposition Parties against the governing Party but to do something for Parliament and something for the Members of Parliament. They wanted to find out how we can better enable Members of Parliament to serve their constituents and to work for the national good.

There is a danger in this House for members of political Parties to become too self-serving. I do not think there is anyone who will speak in this debate who is seriously seeking to destroy or undermine the partisan nature of this place. That is too silly to even contemplate. We know that the Government was elected to govern, and it had its supporters. It was elected to propose policies and programs of legislation to Parliament. The Opposition is here to ensure that the Government is accountable and to attempt to change the Government's course of direction when opposition Members or Parties consider that course of direction to be undesirable or disastrous. In that there is bound to be a clash. It is sometimes noisy and emotional. Sometimes it is not all that pleasant to observe. However, I tell Hon. Members that it is a lot better than fighting in the streets. We know that there can be excesses. There can be excesses in our partisanship. Therefore, our rules are designed to strike a fair and appropriate balance between the Government and the Opposition and among all political Parties.

In all of this there is one important aspect which may be forgotten, that is, the Member of Parliament. They want to exercise at least some degree of influence over public policy. They want to and are able to innovate and initiate. Those persons who are elected to this place need some room to live, more and have their being. That is what the McGrath Committee report was trying to achieve. Of course, nothing would help more than if we had some major attitudinal changes. However, leaving that aside, it cannot be brought about by any rule changes. Therefore, we must get on and do the best we can with our Standing Orders.

The Hon. Member for Papineau (Mr. Ouellet), who was the representative from our Party on the McGrath Committee, and I have considered carefully and seriously the entire package of changes to the Standing Orders. We have looked at them with care. The Hon. Member for Papineau will speak for himself on the specifics, but our general view is that there are more pluses than minuses in these proposed changes. It is our

view that this is a positive approach and a positive response to parliamentary reform.

**Some Hon. Members:** Hear, hear!

**Mr. Hnatyshyn:** I hope that is both the good news and the bad news.

**Mr. Penner:** I suppose the Government House Leader wonders whether the bad news is yet to come. Of course we will suggest some modest changes. However, over-all we think that it is a good package of revisions contained in the proposals which have come from the Government.

For example, I ask Hon. Members to consider Standing Order 1, with which probably few Members and many Canadian people are not aware. Up until now, in seeking precedents for our procedures we have been limited, or restricted, to those practices which have been established in the Parliament of the United Kingdom. This revision to Standing Order 1 will allow us to draw upon experience elsewhere—elsewhere in Canada and elsewhere in the Commonwealth where parliamentary institutions are alive and well and flourishing but are somewhat different. That is a positive change. It will help us all a great deal as we evolve. Parliaments must evolve. They cannot just stay the way they are. They have to undergo continuous change.

I would now like to speak about the issue of the bells. I am delighted to say that if we adopt the changes to the Standing Orders, as I am convinced we will, we will then solve the problem of the long bells. The long bells are of rather recent history in the Parliament of Canada and I think that problem came about as a result of many factors. Some day some one will write the history of the long bells, I suppose, but I believe there was excessive partisanship involved and some poor judgment from many different quarters. Now that is behind us, or should be very shortly. I believe that at the time the problem should have been nipped in the bud but it was not. It was allowed to become a blunt and rather crude instrument for expressing our position to something proposed by the Government. Worse than that, it made the Canadian Parliament something of a laughing stock, a joke. Imagine having bells ring for days on end and Members of Parliament not coming to their seats to divide on a question which had been put to it? Whoever heard of such a practice?

● (1520)

The provision for the ringing of bells had always existed so that Members of Parliament, under certain difficulties, bad weather or having to travel great distances, could get back for a vote. Sometimes there were reasons for the bells to ring for many hours but it had more to do with geography than with opposition to a particular proposal before the House.

Perhaps even worse than those items I have mentioned, the long bells became a precedent for others. I remember being in the province of Manitoba at a time when that Parliament was in the midst of a bell ringing crisis. The issue was the extension of linguistic rights to the Francophone minority of Manitoba and I arrived there for a parliamentary conference in the midst of the ringing of the bells.

We now have a proposal for up to a 30 minute bell, and it does not have to be that long. If there were some good reason why the division could not take place, if, for example, we had a minority Parliament and Members of Parliament were caught in a snowstorm in Toronto and could not arrive for the vote and there was some danger that a Bill or other measure would be lost, there is an allowance in the proposed Standing Orders for the division to take place the following day before six o'clock. That is a plus for Parliament and for Hon. Members of this House.

Reference has already been made to the power of the Speaker to name a Member without having to seek a motion of the House. I entirely agree with the Opposition House Leader that when a Speaker names a Member for creating disorder, in fact the decision has already been made and the placing of a motion before the House simply delays getting on with the business of the House. It should be in the power of the Speaker to name that person and that person should, having been named, leave the House of Commons for the remainder of that day.

This particular rule among our Standing Orders is a vestige or remnant from the days when the Speaker's rulings could be appealed. That is now no longer possible except in this one case where a Member is being named. So we accept that proposal.

I would, however, say to the House Leader that I believe, along with many of my colleagues, that if the same Member is named on a subsequent occasion in the same session, it is excessive to ask that Member to leave the Chamber for a period of up to five days. That in my view is, or could be, an excessive penalty, and I would like the House Leader to perhaps consider that particular point.

I know that some of my colleagues have not been happy with legislative committees. I take a different view. I believe that the introduction of the system of legislative committees has been a positive step for this House and for Members of Parliament. It really means that standing committees, which now have their own work schedule agreed to among the various Members of the Parties in the committee, will not have their work schedule interfered with by having a Bill introduced which they must deal with expeditiously. They will be able to carry on with their work schedule as they wish. The legislative committee can then focus its attention on a particular statute following second reading. It can insist that those public witnesses who appear before it come with specific matters related to the clauses in the Bill. I beleive that the chairmen, in co-operation with the clerk of those legislative committees, should be careful to instruct witnesses that they are not there to render broad and general briefs about the state of the nation. They are there to talk about that Bill. I believe that the chairman of the legislative committee should call the witness to order if he or she ranges widely over many subjects.

The concern of my colleagues has been that we are over-taxing the legislative committee system. There are too many. We

need a traffic control system. I am not going to dwell on that. Members on the Government side have made the same point. It is not something which needs to be put into our Standing Orders. It is a matter of some sort of scheduling system which can be worked out among the House Leaders.

I am also pleased with the Standing Order which states that parliamentary secretaries will no longer be members of standing committees. I believe that very frequently when standing committees look at a particular issue or problem to which they have agreed they will study for a particular period of time, that partisanship tends to subside and to be put into proper perspective and the issue or problem becomes paramount. These committees become what I would describe as "issue oriented". The parliamentary secretary certainly has a role in the legislative committee, because it is a Government Bill in most cases and he or she would want to be there to protect the position of the Government. However, I believe, we want to reduce the level of partisanship in the standing committee and have it involve itself more in important public policy issues. The parliamentary secretary would have less of a role there than he would in the legislative committees.

I would also like to say that it is a plus for committees to be able to review Order in Council appointments. We all recognize that in a parliamentary system—and this is not a congress but a parliament—that we do not have the power of a veto. I think it is a great step forward to have a committee examine an appointee for competence. That will help in a great way to discourage the more unsavoury and objectionable aspects of patronage.

I will simply conclude with two brief points. First, I am delighted that this is an experimental approach to changing our Standing Orders. We will see how it works. There are bound to be some problems and difficulties. There is now a Procedure and Organization Committee to which Members of Parliament can refer difficulties and problems as they go along. But having carried out the work of an important parliamentary reform committee and having implemented some of those recommendations and Standing Orders, once they are approved, no one in this House should believe our task is finished. The reform of Parliament has to be what is sometimes referred to as "an ongoing process". I think we have to continue to attempt to improve that which we are doing. We have to continue to examine our procedures, asking at all times those very basic questions, is it good for Parliament? Does it make Parliament a more effective instrument for serving the public's well-being? Can we represent our constituents better? Can we do a better job for this nation?

• (1530)

If we keep those ideals in mind when we get to the practical aspects such as amending our Standing Orders and changing the administrative arrangements, I believe that over a period of time we will have a Parliament in which Members can take a great deal more pride. As well, those who watch us will be able to say that Parliament is serving them well.



**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I do understand that an effort is being made to have as many members of the committee as possible comment on this report. Since I was not a member of the committee, I hope Members will accept that I have a serious interest in the issue of parliamentary reform. I support the fact that progress has been made in the discussions among the House Leaders of the three Parties and that some of the difficulties which were perceived when the matter was discussed with the caucuses have been resolved, allowing this piece of parliamentary reform to go forward.

I think the members of the McGrath committee should be congratulated for the work they have done. I hope that people across Canada recognize that this is part of a genuine effort by the House of Commons to move forward and to respond to the criticism of people who say that we are redundant, stuck in the mud, or cannot come to grips with the problems we will face in the future.

I was looking at the report of the Macdonald Commission today. It talks about the need for flexibility and the need to be more adaptable to change. I do not agree with a lot of its remedies, but I think the problem it describes is a very valid one. I think that the House of Commons, an institution of which I am a recent Member, but nonetheless for which I have a great deal of respect, must be able to adapt to change. I hope that this is the beginning of a process of change rather than the final episode.

In speaking to people in the country I find it difficult to explain what we do. This could be remedied by greater television coverage. It is difficult to explain to the public why only 30 or 40 Members of the House are here discussing this particular and important issue. Most of the other Members, I hope all of them, are in fact working right now in their constituencies, in committees, attending meetings with groups, doing work on behalf of their political Parties, which is part of their job, handling correspondence, and so on. Members are working even when they are not in the House of Commons, but that is often difficult to explain.

If the House is seen as degenerating into an overgrown kindergarten, as constantly bogging down because of the use of the rules to ring the bells and bring proceedings to a halt, or to engage in what the public views as procedural obfuscation, and, on the other hand, if the House or its committees are not seen as coming to grips substantively with important issues such as equality for women, the impact of technological change and the future of multicultural minorities, then we will become increasingly irrelevant and increasingly perceived as being unworthy of the many millions of dollars spent every year in order to maintain the Parliament of Canada.

I want to read one section from the proposed draft rules. I recognize that these may have changed a bit. It seems to me that this is one of the most important parts of the changes which are now taking place. This package contains some things which would enable the Government to speed up some proceedings of the House. It contains some measures which private Members want, such as the provision for Private

Members' Bills to be voted upon even without unanimous consent. The fact that the passage of the Private Members' Bill of the Hon. Member for York-Scarborough (Mr. McCrossan), which relates to reporting of public pension funds, was such a rare occurrence indicates that that private Members' procedure was bogging down. That matter was under anxious discussion over the course of the last few weeks.

According to the draft Standing Orders, the standing committees will have the following role and mandate: They will be empowered to study and report on all matters relating to the mandate, management, and operation of the Department or Departments of Government which are assigned to them from time to time by the House. In general, the committees shall be severally empowered to review and report on the statute law relating to the Department assigned to them, the program and policy objectives of the Department and its effectiveness in the implementation of same, the immediate, medium, and long-term expenditure plans and the effectiveness of implementation of same by the Department, and an analysis of the relative success of the Department as measured by the results obtained as compared with its stated objectives. It goes on to mention other matters relating to the mandate, management, organization, or operation of the Department as the committee deems fit.

That is a wide-ranging addition to the powers of the standing committees. My experience in the Ontario Legislature before I came to this House was that the Estimates procedure was sufficiently prolonged that it allowed the kind of study which is consigned to committees in these Standing Orders with regard to Estimates. Under federal procedures the Estimates process does not permit that. Often the Minister, the deputy minister, and the other senior officials of a Department may only appear before a committee for one or two sessions, for perhaps five or six hours. That is simply not enough time to study the role and mandate of a Department, its program and policy objectives, its relative success, its long-term expenditure plans, etc.

The limitation of Estimates consideration in this House to a short period from the tabling of Estimates around the beginning of March until the end of May, also puts a constraint on what committees can do. Members find themselves running from one committee to another in order to raise a few regional issues which they did not have a chance to raise in the House of Commons. I believe that with smaller committees and a broader mandate we have the potential for having more powerful committees, which is one of the purposes of the reform.

I want to appeal to the people here in the House in the hopes that having that appeal on the record will have some influence on the future. The spirit of these reforms must be respected. In the Committee on Regional Development we had a fracas over how deeply we would look into the sale of de Havilland. We know from such experiences that the spirit of giving relatively free powers of inquiry and investigation to standing committees will be thwarted if government Members use their majority to prevent initiatives which will come from the Opposition. There will have to be some give and some take. I do not pretend that everything the opposition Parties will want to do will be accepted, but there will have to be some acceptance of their initiatives. These initiatives must not be thwarted because a Parliamentary Secretary feels a bit uneasy, or the Minister does not like the committee poking around in what is going on in the Department or, God forbid, because a powerful deputy minister mutters between clenched teeth to get the committee off his back.

We are looking for ways of redressing the balance between a powerful executive and a powerful administration on the one hand, and a House of Commons which has had more and more difficulty in having its views enforced and in having a genuine influence on public policy. I have been around long enough to know that not every representation made by a committee, even one acting with unanimity, is going to be accepted by the Government or is going to have impact on the bureaucrats. However, many of those representations will have an impact, albeit delayed.

With regard to the spirit in which these reforms are going to be put forward, we must look at some of the practices of committees as well. When there is disagreement in a committee it should become a convention of the House to allow opposition Members more than a few lines in the committee report to express their point of view. There should be, *de facto,* a form of minority report which can be reflected in the report of the committee rather than Members having to communicate directly to the press. In order to work in the spirit in which these reforms came about, if difficulties are discerned in the next 11 months, the Government must not use its majority to stifle action to make changes where problems are perceived.

I would now like to take a few minutes to comment on one or two specific items. It is not clear whether standing committees will continue into the period of a new session or whether there will be a hiatus every January when a new session begins due to a rule which prevents committees from continuing because the Striking Committee will not have had a chance to meet.

• (1540)

I commend to Members the difficult experience we had with the Standing Committee on Regional Development which was seized with the matter of de Havilland before Christmas but then had to be rescued from oblivion by an agreement between the House Leaders at the eleventh hour on the final day before we rose for Christmas. If that had not occurred, the committee would not have been able to meet until the third or fourth week of January.

According to the old rules, beginning in January the committee did not exist until the Striking Committee recommended its coming into force, it had organized itself, chosen a chairman and finally got down to business. Without any assurance of being able to continue, we were unable to make arrangements for organizing witnesses prior to rising at Christmas, and that certainly contributed to some of the difficulty and confusion in the work of that committee.

If the rules do not address this situation I urge that they be changed so that next January or the beginning of the next session, the committees and their membership be prolonged until such point as the Striking Committee has recommended a new set of names and that report has been adopted by the House of Commons. That would ensure continuity for 365 days of the year.

I am pleased that legislative committees will not be required to have a minimum of 20 members. When one considers our other responsibilities, I hope that many legislative committees may be a lot smaller.

I believe that the requirements in the proposed Standing Orders that legislative committees be struck at the time of first reading will lead to confusion. Journalists will write that there is a proliferation of committees and that the traffic is too heavy. I believe two alternatives can be considered, if not now, then after a year's experience, in order to lighten the traffic of legislative committees.

First, we should agree that no more than a certain number of legislative committees should be working at one time. For example, perhaps the maximum number of legislative committees could be six. If there is a seventh or eighth piece of legislation before the House which has passed second reading, it should be put on hold until one of the six current inquiries has been concluded.

Second, I believe that the legislative committees should be struck at the time second reading is concluded rather than being struck after first reading. A 24-hour or 48-hour delay is all that is needed for the legislative committee to begin its work. If urgency is essential, there is no problem with the House Leaders or the Striking Committee informally deciding who is likely to be a member of the legislative committee when second reading is concluded. This would clear the Order Paper of lengthy lists of members of legislative committees that are not due to meet for many months, until the particular Bill that has been given first reading finally gets through second reading stage.

Third, on an experimental basis I think we should require the presence of Opposition Members for a quorum for a committee or, failing that, the consent of at least one opposition Member for a committee to work and act as though it has a quorum. For example, if no Opposition Member can be present for a meeting but agrees that the work of that committee can proceed where a quorum is required, I suggest that there should be written consent in the hands of the clerk at the beginning of a meeting.

I am concerned that section 78 will mean that committees will be open to misrepresentation with respect to their spending. These committees are faced with large amounts of fixed costs with respect to clerks and staff. As I mentioned in December, there is a cost of some $1,000 per staff person per meeting. Those are fixed costs rather than discretionary costs which the committee can control. While it is not in the Standing Orders, I suggest that this matter be considered in order that the committees be tagged with the discretionary costs that they have entailed and not with the fixed costs.

I want to reiterate my concern about the scheduling matters. I hope that smaller committees will mean a great deal more flexibility as to when they meet so that there are not artificial distinctions which force them to meet in the evenings when I believe most committee members would prefer that they work during the day. Furthermore, I believe it is in the interest of public scrutiny that the press have access to the work of committees during the day.

The television arrangements should be revised quickly in order to permit a radio feed to committees and to allow selected committees, which may be selected in consultation with House Leaders, a committee of chairmen or the liaison committee, to meet in a committee room that can accommodate television cameras to record their operations. Those televised meetings could then be broadcast over the parliamentary channel, perhaps when the House of Commons is not meeting.

I have some real concern about the handling of questions. It is proposed that a Member have a right to no more than four questions on the Order Paper at any one time. The Table Officers are being given the right to decide whether a lengthy question should be divided, which means that a Member who thinks he or she has 4 questions may have 10 or 15 questions, depending on the discretionary decision of the Table Officers.

Members usually ask for a response within 45 days, which effectively means that over the course of a year a Member will have a right to a maximum of 35 questions if the Government answers within 45 days. If those questions are relatively short because of a decision by the Table in the interest of getting replies from the Government, I suggest we have unreasonably interfered with the right of opposition Members in particular to use the parliamentary question as a means of eliciting information from the Government. While I am not suggesting that this right be unlimited, one might consider giving an allotment of questions to a caucus in addition to the four questions per Member so that the caucus can decide if it wants to give further questions to a Member who has depleted his or her allotted questions. In any event, I suggest that more flexibility is needed in this area.

I also question the requirement that all petitions should be in a form which is acceptable to the Table and that they be first considered by the Table. I believe we are far too restrictive about petitions. If people want to say in simple words that they petition the House of Commons, that is all that is required for a petition to be acceptable. I am not against a requirement of 25 signatures or a minimum number of signatures, but we should not inhibit the public's right to petition Parliament by restricting them to medieval, anachronistic or archaic wording.

I hope that my arguments are helpful. I recognize they are of minor importance, but what is of material and major substance is that we are making a determined step forward in an attempt to reform this place. I hope that determination continues not just for the life of this Parliament but for the life that all of us hope to spend in this Parliament in future decades.

**Mr. Speaker:** Are there any questions or comments?

*Standing Orders*

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Speaker:** Order. It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Etobicoke North (Mr. Pennock)—Canadian Broadcasting Corporation—Broadcasting of song lauding suicide; the Hon. Member for Drummond (Mr. Guilbault)—Textiles and Clothing—Commission's recommendations—Government position; the Hon. Member for Kenora-Rainy River (Mr. Parry)—Corporate Affairs—Marketing of photographic developing machines.

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## GOVERNMENT ORDERS

[*English*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

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

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from eleven o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

**Mr. Albert Cooper (Peace River):** Mr. Speaker, I am pleased to have an opportunity to participate in this debate today—one for which I have been waiting for some time—and to review the work that has been done in the past as well as an opportunity to move ahead with some of the most significant reforms that have faced the Parliament of Canada.

● (1550)

Let me first begin by commenting briefly on the comments made by the Hon. Member for Cochrane-Superior (Mr. Penner). I was very pleased to hear the very positive approach he took to the report and to the initiative with which we are dealing today.

I also want to thank my constituents for their patience in allowing me to work on this subject. When I first started working on parliamentary procedure some five years ago, they found it a little difficult. They could not see immediate results and often questioned me about why I was spending so much time and effort on a subject that did not seem too practical.

What we see today is a demonstration of our commitment to this subject and to Parliament. We see the potential of the House of Commons, the potential of Members of Parliament and the potential that all of us have if we are given in which to work and the right kind of environment in which we can put forward ideas and suggestions. Hopefully we can make a positive contribution to our country.

I want to pay a tribute, as others have done, to the Hon. Member for St. John's East (Mr. McGrath). As the Chairman of our special committee, there is no doubt he provided dynamic and aggressive leadership. I have to say that in my six years on the Hill it was a committee on which I have enjoyed serving more than any other committee. The work was very exciting. I enjoyed the debates and the strong, tough arguments that took place but not on a partisan basis. It was not at all uncommon to see the Hon. Member for Papineau (Mr. Ouellet) and I together against the Chairman or someone else together with me against the Chairman. It was a group of Members who were trying very hard to put the best interests of Parliament and of their country before their own. It was the most exciting and dynamic experience of which I have ever been a part. I appreciated working with the Hon. Member for Papineau who represented his Party on the committee. His contribution was a very good and lively one.

I want to mention also the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) who represented the New Democratic Party. The Prime Minister (Mr. Mulroney) referred to the Hon. Member this morning. I thought it was significant that he recognized the work that the Hon. Member contributed to the committee.

Let me thank the President of the Privy Council (Mr. Hnatyshyn). He had a tough go in the negotiations, but he stuck with us on the issue and, as a result, we have the debate today.

Last let me come to the Prime Minister. I sincerely believe that if it were not for his commitment to parliamentary and procedural reform, this debate would not be happening today. He stuck by us. He fought. He had tremendous courage throughout the debate and the discussions. I can remember the naysayer saying, when the report was first tabled, that the Prime Minister would never accept it, that he would never let it happen, that he would let it die.

But the Prime Minister did not let it die. He aggressively pursued the matter and encouraged the Hon. Member for St. John's East. He aggressively encouraged other members of the committee and Members of Parliament to pursue the issue and to get on with what he saw as a really important opportunity for parliamentarians.

The Prime Minister was willing, as he has admitted time and time again, to suffer some personal embarrassment to allow private Members or back-bench Members to stand up in

this House and make the kinds of motions and statements they want to make and to pursue legislation they want to see pursued. He feels that is the kind of Parliament we should have. I respect and admire his leadership on that issue.

I want to touch on some of the work that I particularly enjoyed and think is important. I do not mean in any way to diminish other parts of the report. I want to highlight the parts for which I have a particular fondness. The area of committee work is one. Since arriving on Parliament Hill, I have spent quite a bit of time in committees. I have found the committee work to be one of the most profitable areas for a Member to work in. So often we found ourselves frustrated by a system that was cumbersome and that made our work futile. Very often we did not feel we were accomplishing the kinds of things that we as Members of Parliament wanted to accomplish.

The first change this report recommends that I think is important is to give committees more freedom and scope to look into matters that concern them. They can also get more involved in the legislative and drafting process. That is significant. I know the time spent on that part of the committee review was spent in very serious discussion which had a lot of implications. We felt strongly that we wanted to see the committees in the Parliament of Canada play a much more dynamic and unique role in our institution.

Another element important to the committees was the ability to hire experts. Often, as committee members, we felt frustrated by the process. We did not feel that we were backed by adequate expert staff to deal with the experts we face on various issues. I am sure all of us at one time or another in committee have dealt with witnesses we did not feel qualified to question. As a result, some of our work has not perhaps been the kind of work we hoped would come forward. With this provision, Mr. Speaker, we will see some changes made to the committee process. The whole question of Order in Council appointments is significant. When we looked at this area we looked at what the Americans have done and how they have dealt with it. We felt strongly that in Canada we, as Members of Parliament, must have the right to look at the people who are receiving some of these very important positions, which affect the policy and the direction of our nation. Up to now these appointments have been made and this policy has been exercised with virtually no scrutiny by Parliament, with no questioning of competence, expertise or ability of the person called upon. With this change, we will see quite a difference in the type of appointments that come through.

Individuals who accept an appointment will know they may well face a scrutiny of their abilities and their talents. There will be more hesitation in accepting an appointment simply because of the salary, the status or whatever goes with a particular job. It is certainly our goal and my goal to see good quality people coming forward for jobs. People will be put under scrutiny, and we will have better people to fill these important roles.

Another area that affected the committees to a certain degree, certainly one committee of the House, was the whole business of reviewing regulations. Those have been a constant thorn in the side of Members of Parliament. Some Members have distinguished themselves over the years by looking into regulations. But they often faced frustration and futility. Now we will see some changes.

The committee wanted to see smaller committees. We wanted to see committees shrink in size. In today's bigger and better society, it seemed to be a little twist out of the ordinary, but my experience is that it is a good idea. The committee that drafted this report resulting in the motion we are dealing with today, was a small committee. One built very strong relationships with the people one worked with. This tends to break down partisan lines. We reinforced and encouraged each other to do better and more thorough work, even though in some cases it was a little uncomfortable. After the adjustment period through which all of us will have to go after the introduction of these new rules or new ideas, it will be one of the most significant changes. The net result will be that committee members will be trying hard to get on that particular committee and will be struggling to keep their membership. I think we will see better work as a result.

• (1600)

Another area which has been fairly topical today is that of written questions. It has been a constant frustration for Members of Parliament on all sides of the House to have to sit around and wait for an answer which may or may not ever come. It begins to feel like something one does to use up a little time and pass the day. None of us want to waste our time that way. I am pleased to see those changes coming forward.

I should like to refer to a situation in the last Parliament which struck me as being somewhat frustrating. One of our Members died and, after a period of time, there was no office or staff on the Hill to represent his constituents. As a result, neighbouring Members of Parliament tried to pick up the work. However, the truth of the matter was that constituents in a riding in Canada had no representation in the House of Commons for a considerable time. That has happened in the past, and I think it must cause all of us as Members of Parliament some concern. I am pleased to see that we are extending the staff provisions for six months so that constituents will have a chance to come to an office and talk about their concerns. No one should be in a position of having nowhere to go or having to know someone else to deal with. Although it is a very small reform in some ways, it will mean a significant difference to a number of people if such circumstances arise again.

Mr. Speaker, you have been given much needed power in terms of the disciplining of Members. I am sure the Speaker will find that power to be difficult to use at times and will be somewhat uncomfortable. However, the truth of the matter is that we feel very strongly that the Speaker, in order to establish authority in the House of Commons, has to be able to do something without relying on someone else to pass a motion or an amendment. Throughout history Speakers have been left in rather uncomfortable positions at times, and we certainly do

not want to see a repeat of that. This is why we went ahead with the provision. It will be a difficult situation. References were made earlier this morning to some of the implications and some of the dangers. Members of Parliament elect the Speaker because we have confidence in the individual. This means we will also have confidence in his or her ability to use that new power.

Another area which has been much talked about over the last little while is the whole area of confidence. It was one area with which we as a committee found it difficult to come to grips. I am sure most Hon. Members know that we ended up having a discussion about it but not making a direct recommendation in the report in that particular area. We want to see the whole concept of confidence being removed except in extreme cases such as the Budget and particular Bills or laws which are important to the Government of the day. We wanted to see an ability on the part of Members of Parliament to vote according to their consciences and on behalf of their constituents from time to time. We wanted to see that practice develop a little. Of course it is the kind of thing which will be an uncomfortable transition for Members of Parliament. We can change the rules, but to change attitudes is another story. There has been a very strong hesitancy on the part of Hon. Members over the last little while to vote against their Parties, and for very obvious reasons. The minute Members do that, they are targeted in the press as mavericks or as being at odds with their Party or with the leadership of their Party. As a result, Members who may have felt very strongly about a particular issue were not prepared to take those kinds of risks. In order for this to come about, there will have to be a change in the attitude of each of us in this institution. There will have to be a change as well in the attitude of the Government or of the Cabinet of the day. In addition, there will have to be a change in the attitude of the press to ensure that it does not set up the individual as some kind of martyr or maverick who is about to take on his Party and fight his leadership. If we really want to see the free vote come to Parliament, it can only come when it is accepted as a legitimate role and responsibility of a Member of Parliament in certain circumstances.

I should like to talk for a couple of minutes about a subject of which I am very fond, that is, the whole area of Private Members' Business. When I was elected to the House, I felt strongly that I could do some positive things or take some positive action, not simply sit back and respond to the legislation placed before me or react to the debate which someone else put on the table. I wanted to be able to play some kind of role or to take some kind of leadership in the issue. With these new private Members' provisions, for the first time we as Members of Parliament have a real opportunity to do that. The first thing we will do is to have our Bill selected in the draw. Then we take the motion or Bill we want debated before a committee of our peers, Members of Parliament. Then we argue why our particular Bill should come to a vote. I love the dynamics of that. I love the opportunity for Members of Parliament to appear in front of a group of back-benchers, such as the individual who is making the presentation, and say that the issue is an important one and why they think it should go forward. The decision will be made by our peers, the very people with whom we work in this institution, the very people who are faced with many of the same problems and frustrations. I see it as a very dynamic opportunity. It will change our attitude toward the House of Commons and our attitude toward the kinds of things we want to accomplish.

It was made clear this morning that it puts tremendous responsibility upon the members of the committee. The members who will be making the decisions will be faced with some very tough ones. They will have to decide the criteria upon which they want to make a decision. The decision cannot be based upon personal attitude or upon personal ideas about a particular Bill. They will have to look at more than that.

I see that my time is running out, but I should like to refer to the idea that I can now have a Bill come to a vote in the House of Commons. I am not faced with standing and making a speech, only to know that no one is listening, no one cares and no action will be taken on it. I feel that for once there will be an opportunity to make a contribution, to put something forward and to see it come to some sort of resolution. This does not guarantee that I will win, but it gives me a chance to see something I have done come to a vote. As a result, Members of Parliament will now have a much more direct influence upon what goes on. They will be able to provide some leadership. They will be able to test some of their important ideas. They will be able to do a number of significant things.

I should like to touch quickly upon something that I mentioned earlier. It has been said that one can reform the asylum but that it is tough to change the inmates. That is what we are faced with. We can make the kinds of changes to the institution we want, but until those reforms really become a part of what we are doing, we have a real problem on our hands. There is a change in responsibilities.

The first change will affect Members of Parliament. If we do not make those changes in attitude and use our new freedom and influence, there is no point in changing the Standing Orders. Second, the Government or the Cabinet has to respect the input and ideas of individual Members of Parliament, because it may find that those individuals with new influence and power can suddenly put pressure upon the Government. I think it will change the dynamics of the way in which Parliament works. Third, as I mentioned briefly before, the press itself will have to change the way it looks at Members of Parliament working in the House.

• (1610)

The most important thing that I can say is that this is a significant day for Parliament. We are seeing changes that are profound and that will change this institution and the way we think about ourselves and about our role as Members of Parliament. I am looking forward to passing this motion and stepping into the new period, the transition and the test time, to have the kind of Parliament that I think all of us hope for, dream for and work for.

**Ms. Copps:** The Hon. Member talks about attitudes being the tool which will bring the new changes that he foresees in Parliament. I wonder if he could elucidate for us what he sees the role of Cabinet to be in this particular new system. If you look at some of the recommendations in the original McGrath Report, for example, on the issue of Order in Council appointments, you will find that the commission suggested that Order in Council appointments would be subject, not only to review, but also to a decision-making process through Members of parliament, that is, if Members themselves did not agree with the specific appointment they would have the power to overturn that appointment.

I could be wrong and perhaps the Chairman could elucidate this further for me, but in the current Bill that is before us we have the power of review, however, there is no power to overturn a Cabinet decision. Frankly, I think that if we believe that this particular document is going to lead to a parliamentary reform, in essence we are buying a pig in a poke, because we do live in a parliamentary system. The Cabinet, the executive of the asylum, remains the same. The ordinary inmate may in fact be more democratized in the process, but as long as we have a Cabinet that is the bottom line, and a Cabinet that is the chief decision-making corpus of the asylum, then the heart, the soul and the guts of the asylum remain untouched. Maybe I am a little more cynical than others, but I think that, as long as we are governed by the parliamentary process and governed by the Cabinet process, this notion of attributing more power to private Members is, indeed, an illusory notion. I would hate to think that we would be making all of our efforts in parliamentary reform with the illusory notion that more power is being given to the private Member. I think that more power to the Private Member will not accrue from this particular Bill because we are still stymied by the role and the authority vested in Cabinet, and specifically in the Prime Minister's Office. I wonder how this Bill addresses those specific concerns?

**Mr. Cooper:** Mr. Speaker, I would like to try to address the Hon. Member's comments for a moment, if I can. First of all, I want to start where she left off. She said that she does not see this particular motion changing the dynamics or the role of a private Member of Parliament. I can say that, after having worked on this report, having spent five or six years looking at what happens here, I think we are facing more significant changes to the role of a private Member of Parliament than we have ever seen in the Canadian House of Commons.

Now, if we talk about the committees' role, for example, the advantages that the committees have; the expanded power, the expanded ability to look into subject areas, the expanded ability to hire expert staff, the expanded ability to go ahead with the kind of work that I think is important, those are the kinds of things that really will change the dynamics of Members of Parliament in this institution, that is, to go back to the specifics that the Hon. Member referred to, the veto power of a committee in dealing with Order in Council appointments. I should point out that, as I recall it, in the original report there were some 64 appointments that would be subject to veto. Now those have been changed. A colleague from her own Party, I think it was the Hon. Member for Cochrane-Superior (Mr. Penner) talked about this particular subject at length. One of the comments he made—and I think it is a very relevant one—is that we are not in a Congressional system where you have the difference between the executive versus the Congress, and as a result the executive can make the appointment, but we have the opportunity to review it. The question that I put to the Member is this: If the Cabinet comes forward with a recommendation for an appointment but then that particular individual receives a highly critical and negative report from the committee, then I think it would have the same impact and the same power as a veto itself. Even though we could have gone to that extent—and we did talk about it in our original report, but there were some dangers to that, as was mentioned by her colleague from Cochrane-Superior—in fact, with this kind of an opportunity to come forward with a negative report or a critical examination of an individual, we are taking a very dramatic step forward, and certainly a step that I know very, very few people on the street expected to see taken. So we have made significant progress. This is a dramatic change. We are going to have time to test it, we are going to have time to see how it works, but it is certainly a step in the right direction, and I am sure the Member herself would not deny that.

**Mr. Nunziata:** Mr. Speaker, I would like to put a question to the Hon. Member. I have a press report here that quotes the Prime Minister (Mr. Mulroney). It reads as follows:

> It's true that he makes fine speeches and I really like him. His media relationships are more distant, more sporadic. He doesn't have to face the House of Commons every day. It's an almost ideal situation.

The person quoted is the Right Hon. Prime Minister, and of course he is referring to President Ronald Reagan. It would suggest to me that the Prime Minister does not hold our system in high esteem. I would like to ask the Member who spoke for the Government about certain comments made by the Prime Minister during his speech just before the lunch hour. As he knows, the Prime Minister made a very rare appearance in the House to make a speech. He appeared at ten to one, knowing, of course, that the House would adjourn at one o'clock, and then did not reappear at three o'clock in order to give Government Members and other private Members an opportunity to question him.

I would like to ask the Member if the Prime Minister is truly serious about enhancing the role of the private Member, and if he is really sincere about parliamentary reform, why would he say that the President of the United States has an almost ideal situation because he does not have to face the House of Commons every day? Why would he not come back to the House in order to answer questions from private Members? Would you not agree with me that his actions lead one to question his credibility seriously?

**Mr. Cooper:** Mr. Speaker, I am really glad that the Member has asked me this question because it really gives me an opportunity once again to talk about the role of the Prime Minister in the reform package that is before us today. If this

Member had taken the time and looked back—he may well have done that—on the history of the reform of the Parliament of Canada, he will know that it is very rare for a Prime Minister to make a commitment and to take the time and have the energy to bring about real reform. This particular Prime Minister has never hesitated, from the day that the motion came forward in this House, to establish the McGrath task force. He has continued steadfastly to make commitments and statements in public about the importance of reform. He has pushed it and prodded it and kept it going until we ended up debating the motion here today. I do not remember the last time that I saw a Prime Minister come in and take part in a debate in the House of Commons without being the lead speaker. In other words, the Prime Minister came in here today, sat in his place and spoke as another Member of Parliament very much concerned about the whole process of parliamentary procedural reform. He talked about the importance and the dynamic need for Members of Parliament, private Members of Parliament, back-bench Members of Parliament, to take part in what is going on.

There is an old expression which says that actions speak louder than words. The Member has been around here long enough to know that from time to time quotations that appear in newspapers, on the radio or on television, are not necessarily in context, are not necessarily accurate. The thing that really counts, and it counts to every Member that is in this House of Commons, is not so much what we say but the actions. The Prime Minister, more than any other parliamentarian, has demonstrated his desire and his fight for real reform in Canada.

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** I want to start by saying that I do not believe that everything in the package of rule changes before us is reform, and consequently to oppose some of these items is not to oppose reform. I would say about two-thirds of the package of rule changes is good, and I would describe it as reform, and I am ready to support it. However, some major proposals in the package were not even recommended by the special committee of which the Hon. Member who just spoke was a member.

• (1620)

As the Hon. Member and others have said, we can make all the changes in the rules that we like, but if the attitude of the Members with respect to those rules does not change, we will not have much meaningful reform. If the attitude of the Government with respect to the role of Parliament does not change and if the attitude of government back-benchers and opposition Members does not change, we are not going to see very much reform despite the technical changes to the rules that have been proposed today.

We know that the Prime Minister (Mr. Mulroney) and some of the Ministers very often make great rhetorical statements about this or that, but they end up doing exactly the opposite. It was very surprising to read in the newspaper this morning that the Prime Minister said yesterday that, in his opinion, the President of the United States is in the ideal situation because he does not have to go to Parliament. The Prime Minister came to the House today to make a speech in this debate to try to counteract the negative statement he made yesterday, but it indicated to me that he really does not know what this is all about. He is for parliamentary reform, but when very real situations arise in which parliamentary reform should be applied, it is not being applied.

We did not see parliamentary reform applied with respect to the closure of the Gulf refinery in the East of Montreal. We wanted to have that issue examined by a parliamentary committee, but that did not happen. As a matter of fact, the decision was made by one Minister, almost in contradiction with several other Ministers and Members of Parliament from Montreal who were very closely related to the problem at hand, and there was no examination by Parliament. We did not even see the documents that were prepared by the Department of Consumer and Corporate Affairs touching on that issue, documents which Members of Parliament needed to discuss the matter fully. The same thing happened with de Havilland. We had to push and fight with the Government to get that matter examined by a parliamentary committee. Finally the Government agreed to it, but then it went off and made the decision even before the parliamentary committee had a chance to report.

Just today I asked the Minister of Transport (Mr. Mazankowski) if he would make no decision with respect to the transfer of commercial jet flights to Mirabel until a committee of the House has had a chance to examine all the options and to consult with the public in Montreal on those options. He would not make such a commitment. The Minister said that the Government, in its wisdom, would do what it had to do and would make a decision. With those kinds of answers to specific questions, one wonders what is really meant by the Government talking about parliamentary reform. As I said, a lot depends on the attitude of all Members on the Government side and on the Opposition side.

I indicated previously that I thought that about two-thirds of the package was good. I think the proposals with respect to petitions are good. In the past, when we presented petitions on behalf of our constituents, we never knew if the Government was going to answer them. Our constituents often asked us what had happened to the petitions we presented in Parliament with respect to family allowances, de Havilland or other issues. The new rule change will oblige the Government to give us some kind of reply.

I also like the proposals with respect to the Private Members' Business. I think it is very good that Private Members' Business will be given more attention and that six Bills will be allowed to proceed to a vote. However, I do have some reservations about which I put questions this morning to the Hon. House Leader. We will be testing this procedure over a number of months. We will have to wait to see how the new standing committee on Private Members' Business chooses the six Bills that will come to a vote. We will want to see if it chooses only those Bills which will cause no problem for the Government or have no great issues associated with them or if

the Government will choose all Government-sponsored Bills or only Bills regarding one subject matter. I am willing to give that a chance. On the whole, I think the proposals for private Members' Business are good ones.

I think that the proposals for written questions are good ones and I think that the proposal to limit the bells is a good proposal. I would like to remind the House that the abuse of the bells was not started by this Opposition Party but by the Party now in government—

**Mr. Holtmann:** Oh, wait a minute!

**Mr. Allmand:** I was here, my dear friend. While we may have repeated it, we never repeated it to the extent it was used when it was first started. I was here when those bells rang night and day for almost two weeks. That was an abuse and I am glad to see that the rules will be changed to bring that abuse to an end. There has to be another way to oppose the Government when it is hell bent on destruction and on doing something the Opposition thinks is wrong other than ringing the bells forever.

I also agree with the proposal that allows the Speaker to suspend a Member for a day when the Speaker names him for misbehaviour without the requirement for a vote of the House. I do not think that a vote of the House should be necessary. We abolished appeals on Speaker's rulings a few years ago, and I think it is logical that we abolish the vote on suspending Members for a day when the Speaker names them. On the other hand, although that is quite a step forward, I do not agree that we should be allowed to suspend a Member for up to five days for a second infraction. Perhaps there should be a stiffer penalty for a second infraction, but I am not willing to jump that far in one set of amendments. Let us see how the new rule works. If it works well, then at the end of the trial period we could consider something for those who misbehave more than once in a Session.

Those are some of the good things about the proposals. Now I will mention some of the proposals that I do not believe to be reform. Up until today, I have not been convinced and I am still not convinced, having listened to the debate, that legislative committees spell reform. No one has been able to convince me that by having another layer of committees called legislative committees, we have reformed the House. I would like to relate to the House the experience I had with a legislative committee in the last month.

The legislative committee dealing with Bill C-62, the Bill for employment equity, was composed of 20 Members of Parliament. There were two from the Liberal Party, two from the NDP and 16 from the government Party. During the hearing of witnesses, there were usually between five and six government Members and two or three opposition Members present. There was a core of Government Members and opposition spokesmen who were present for the hearing of witnesses.

Once we began the clause-by-clause voting on the Bill, almost the entire committee was present. However, a large number of Government Members who had never heard witnesses and did not know what the Bill was about sat in and simply voted against amendments put forward by Opposition Members without any consideration of what was said during the hearing of evidence and without any consideration of what our arguments were. As a matter of fact, during the clause-by-clause voting on that Bill, only three Government Members, the Parliamentary Secretary, the Chairman of the standing committee and one other Member, were *au courant* with the Bill and the issues. As well, there were two members of the NDP and two members of the Liberal Party who had gone through the whole process. There were as many abuses in that legislative committee as there were in the standing committees a number of years ago when the Party in power simply changed the members present at every meeting and shoved them in simply to vote for the Government's clauses without any regard to the evidence as none or very few of them had heard that evidence.

That was my experience with a legislative committee. I do not consider that to be reform. I consider that to be reactionary and a step backward from what we were doing a number of years ago. People have said that Members of the House of Commons will be fighting to get on these new standing committees, that they will be small and that they will be dealing with issues. To me, the principal work of the House is legislation. I will want to be on the legislative committees. I will not spend my time on standing committees studying some obscure issue. If there are legislative committees sitting, it will be important for me to sit on those committees. That is where the action will be. To lay a complete new layer of committees on top of the existing layer of standing committees is a mistake. It has not been demonstrated that this is reform. It is something based on the supposition that a certain number of Members on a standing committee will be studying some important questions relating to, for example, employment, and there will be another set of Members examining a Bill put forward by the Minister of Employment and Immigration on employment equity, let us say. It is proposed that there be two completely different sets of Members dealing with the issue and that they will be able to work at the same time. However, that is not possible in a House which has just 262 Members. It might be possible in Great Britain where there are over 600 Members and where the number of legislative committees is limited to five at any one time. It will not be possible in our House of Commons. Not only have the opposition Parties with their small number of Members found it difficult to man standing committees and legislative committees, but even the Government with its large membership has found it difficult. As a matter of fact, the Government keeps rotating them around without really knowing what is going on, as I just pointed out with respect to the legislative committee on Bill C-62 which deals with employment equity.

• (1630)

We have seen the system working for a few months now. I do not think it has worked well. However, we are now going ahead in a somewhat more permanent way, although it is still not completely permanent. I am willing to bet that it will not work well unless a limit is placed on the number of legislative

committees which can work at any one time, as is the case in Great Britain. There, pieces of legislation have to queue up to to go to one of these legislative committees. That, of course, slows down the process, but there are only a limited number of Members here to study all these issues and all these Bills. Legislation just cannot be proliferated. It cannot be expected that it will be given close attention by Members of Parliament and by community groups which want to comment on legislation which is before a committee. We cannot expect all that to happen with just 262 Members of Parliament. When we take out the members of the Government who sit in Cabinet, and there are about 30, the Chief Government Whip and the Leaders of the Opposition Parties, we are left with a limited number of Members who must work in these committees. As a matter of fact, I met with a member of the Government this past week who told me that he comes to Ottawa only one day a week. He comes on his duty day and spends the other four days of the week in his riding. This is what he admitted to me. He said: "Why should I come to Ottawa? I am not going to sit in those committees and never say anything or do anything. I get more done in my constituency". I really do not know about that situation. We are elected to be legislators. One hopes that if we were to have real reform, then people such as that would have a role to play.

I would now like to deal with the new rule with respect to examining Order in Council appointments in committee. When the Prime Minister first made his promise on the matter during the election campaign I thought he was proposing something similar to the American system. However, what has been put to us for consideration is that we consider the appointment after the fact, after it has been made. I am wondering what this will amount to. After all, the person will have been appointed already as, let us say, Chairman of the National Parole Board or President of Air Canada, and we will then call that person to appear before the committee and examine him. I think what we will find out is that Government Members will defend the appointment no matter what. Likely, members of the Opposition will attack the person if he or she does not have the proper qualifications. However, if the appointee has the qualifications, then the time of the committee will not be wasted by calling that person before it. What can members of the committee do? Make a report that the appointment was not a good one? Will Government Members really do that the closer we get to elections? I doubt it. I do not consider that much of a reform either.

I would now like to deal with the proposal in regard to the declaration of interest by members of Parliament, and especially the requirement to list trips which we take abroad. I am quite willing to list all the trips that I take, not only those sponsored by non-parliamentary associations and by my political Party but all of them. In putting forward this proposal I do not know why the Government has not made it necessary to include all trips which are taken by Government Members with their Ministers to conferences such as those held by the OECD, the ILO or all sorts of other ones which are held around the world. We frequently see planes flying off with two or three Government Members. Now and then a member of the Opposition will be taken along, but that is a rare occurrence. Why not make it a requirement to declare all these trips? By the way, this proposal did not come out of the special committee chaired by the Hon. Member for St. John's East (Mr. McGrath). I believe it must have come out of the office of the Government House Leader, or somewhere else.

It was proposed in committee that there be more votes which would not be considered votes of confidence. That means that the House could vote on certain matters and defeat a clause in a Government Bill, or even defeat a Government Bill, without putting the Government in jeopardy and without having the Government resign because of the defeat. If the rules were changed in that respect, then it would be more likely that Members would express themselves as they really believe the issue dictates and not simply as their Whips want them to. There is nothing in the package of proposals that is before us on that issue.

It is said that the new standing committees will be free, that they will conduct in-depth studies and issue reports in which will be put forward what the committees really believe should be done. I have my doubts in this respect. If those reports are made to the House and are subject to a motion for concurrence, then Members can always move concurrence in the report of a standing committee, for example on employment and immigration, and I can move concurrence in the report of the Standing Committee on Health, Welfare and Social Affairs, but the majority of Members on those committees will not feel free to make reports which are contrary to Government policy, despite what they have heard from witnesses in committee. If this is the case then there will be no free vote; or a vote on such reports would involve confidence in the Government when concurrence is moved and voted upon. We will be watching this matter during the trial period to see if there is any movement in that direction.

Finally, I was disappointed to see that there is no provision for televising the proceedings of committees. I think this would help the work of committees and give them more importance. If the proceedings were televised, then some of the focus would be taken off the House, especially Oral Question Period.

To conclude, as far as I am concerned the opinions of Members of Parliament with respect to rule changes are not just a matter of party policy. It is something that affects every individual Member of Parliament. I think the rules should be such that they allow Members to dissent from their Parties and still have some provision in the rules for them in doing that. To push my thinking a bit further, I do not think we should make any rules today which would not provide well in a minority Parliament. In the 20 years in which I have been here there have been, I believe, four minority Parliaments. In the first one there were four Parties in opposition and it took only two of those Parties to join together to defeat the Government. On another occasion there were three Parties in opposition, and in another Parliament there were two. When we formulate our rules we must do so in such a way that all those people who are elected will have a fair and equitable chance to

participate in debate and to raise their side of the issue. In my opinion that is the real goal of reform.

I think the purpose of Parliament should be to discuss the important issues of the country at length. There should be an opportunity for all sides of the question to be put forward, and then we should vote. We should not debate the matter forever, although it should not be rammed through. There should be an opportunity for debate and an opportunity for all sides of the issue to be made public. In formulating the rules in this respect I do not think we can focus on just the Government Party and on the Official Opposition, or the fact that those two Parties are run completely by either the Prime Minister or the Leader of the Opposition. There has to be room for the individual Member to express himself in opposition to his Party when he wants to do so. That is Parliament. We are all elected in our constituencies by electors who elect us to Parliament for specific reasons.

● (1640)

I agree with about two thirds of what is in this package. There are some important proposals with which I do not agree. I would hope that the Government House Leader and Government Members would reconsider some of the points they have put before us. If they really do believe in parliamentary reform, they should certainly not ram this package through. It should be subject to a wider range of opinions. Our House Leader has been involved in consultations, as well as other House Leaders, but I think this is something that needs more consideration.

**Mr. Speaker:** Are there questions or comments? The Hon. Member for Hamilton East (Ms. Copps) and then the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

**Mr. Blaikie:** I rise on a point of order. With all due respect, Mr. Speaker, I think if you read the rules with respect to the time for questions or comments, you will see that it is incumbent on the Chair to recognize a member of a Party other than that of the Member who just spoke, if such Members are rising, which I am doing.

**Mr. Speaker:** I appreciate the Hon. Member's point. It is not in the rules that way, but it has sometimes been our practice.

**Mr. Blaikie:** It is in the rules.

**Mr. Speaker:** No, it is not. What I have been doing today is making no assumptions about Party on the assumption that we were talking about matters of parliamentary reform and that Hon. Members would want me to do that.

However, since earlier two questions were put by the Hon. Member for Hamilton East and the Hon. Member for York South-Weston (Mr. Nunziata), I am sure the Hon. Member for Hamilton East is prepared to wait and allow the first question to be put by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

**Mr. Blaikie:** I just wanted to say one thing very briefly, Mr. Speaker. I was glad that the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) concluded his speech by speaking about the kind of Parliament he would like to see, because if I had to do the very dangerous thing of singling out any Member of Parliament who, I believe, over the years has embodied the kind of Member of Parliament of whom we want to see more as a result of this reform, then it would be the Hon. Member for Notre-Dame-de-Grâce-Lachine East. As a government Member, he was known on many occasions to have expressed an opinion different from that of his Party and to have voted differently from his Caucus. He has acted in this Parliament with the kind of integrity and independence of judgment of which we would like to see more in this place.

**Mr. Nunziata:** That is what the Liberal Party is all about.

**Mr. Blaikie:** Well, that is another matter. What I would like to say is that I hope the Hon. Member could see his way clear to supporting the package, with that in mind.

With respect to the point he raises about legislative committees, I hope that very soon someone from the Government side will rise and say that this matter of putting a limit on the number of legislative committees which can sit at any time is a legitimate issue. It is not a big deal. It is something we can handle by mutual agreement. For God's sake, let someone get up and say that that can be done so that this is no longer an issue.

I think the Hon. Member should also admit for the record that he has not liked the idea of legislative committees from the beginning, and this is part of the problem. It is not something new that has come up as a result of our experience with it. I think he did not like them in principle, to begin with. But I hope the Hon. Member will give them a chance under the ideal conditions, that is, under the conditions which the committee had in mind. We have not really tried them under those conditions. We have tried them in rather anomalous conditions. I hope the Hon. Member would give them a chance to work as we conceive them; then if his criticisms persist, so be it.

**Mr. Allmand:** Mr. Speaker, we are willing to give them another chance to prove themselves. I hope, as the Hon. Member suggested, that someone will get up to say that no more than five legislative committees will sit at the same time because I think that is what they have in Britain.

**Mr. Blaikie:** Eight in Britain.

**Mr. Allmand:** Is it eight in Britain? Well, they have over 600 Members.

**Mr. Ouellet:** No, no, six.

**Mr. Blaikie:** Well, they have eight slots.

**Mr. Allmand:** Five or six would be reasonable here. Let me say that the reason I opposed them in principle at the beginning was that I felt that if we develop a number of Members

who become expert in transport, external affairs, defence, employment or the environment, then why should we then decide to send a piece of legislation dealing with that very same subject to another group of Members who are not experts and have not studied those issues? The answer I have received so far is that those people on the standing committee can then all go over and sit on the legislative committee. If that is the case, I wonder then why have the two sets of committees?

**Mr. Blaikie:** We will need more experts, Warren. You will have to distribute the expertise. You can't be the only expert forever.

**Mr. Allmand:** However, I am willing to give it a chance.

**Ms. Copps:** Mr. Speaker, I, too, would like to speak in a non-partisan way, and I echo the comments made by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). I must say, however, that I was in committee with another member of the New Democratic Party, the Hon. Member for Churchill (Mr. Murphy), who said that as far as he was concerned, he did not intend to participate in committees with very few members because he thought it was a waste of his time. He did not see that the job would get done in small numbers. So I believe there is probably a fair degree of concern in all Parties as to how the new committee structure is going to work with 28 potential committees operating.

I would like to ask a couple of specific questions about rule changes as they relate to two issues which are obviously of concern to every Hon. Member. First, with respect to the issue of naming of Members, in the Standing Order we have in front of us, or the *projet de loi*, it is suggested that the Speaker be given the power to name a Member without necessarily calling a vote on the first occasion. On the second occasion, he can eject a person who is named for one week. I would like to ask the Hon. Member whether he agrees with that proposal since that was not the intention of the McGrath committee?

The second question, I think, relates to private Members' rights with respect to Standing Order 22. Under the current system, all Hon. Members are allowed 90 seconds for a statement under Standing Order 22. It is suggested that that be reduced to 60 seconds, with the intention of hearing more Hon. Members. However, it seems to me that if we are talking about the rights of private Members, and if we are concerned about giving more private Members an opportunity to speak, then we should abandon the current system of having a sort of perceived quota for each Party. For example, in the first 15 minutes of Question Period, approximately six statements under Standing Orders are made by the Government Party, three statements are made by the Liberal Party and two are made by the New Democratic Party. It seems to me that if we are really abandoning the notion of party policy, the statements under Standing Order 22 should be accorded on the basis of the people who are there and their own involvement and interests. I think if you will look at the record, Mr. Speaker, you will find that it has been members of the Liberal Party who have consistently stood up in large numbers on statements under Standing Order 22. Unfortunately, it is the same Members of the Government Party who again and again rise on those statements. I wonder if the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) could comment on the possibility of throwing aside party lines when it comes to the issue of Standing Order 22 if the time for the statement is going to be reduced to only 60 seconds?

**Mr. Allmand:** Mr. Speaker, I must say that I think that one minute is too short for statements under Standing Order 22. I would prefer 90 seconds. What I think will happen when we limit Hon. Members to 60 seconds is that all of their statements will be written and there will be no spontaneous statements spoken extemporaneously from one's seat because the Hon. Member will be fearful of being cut off before he gets his complete thought on the record. Everyone will write these statements down and more and more people will read their Standing Order 22. I think that is unfortunate. I agree with the principle of getting more statements under Standing Order 22 in, but I do not think it is a good idea to have them limited to one minute.

With respect to naming, I said in my remarks that I believe the Speaker should have the right to expel an Hon. Member when he names him or her without a vote of the House. However, I hesitate to agree with the new development of allowing the Speaker to expel an Hon. Member for up to five days on the second offence in a session. I would like to see us experiment for a trial period with this new procedure of the Speaker suspending a Member who is named for one day without a vote. If it works, then we can consider going to a tougher penalty on a second or third offence. I think we are going too far too fast without really knowing how it is going to turn out at this time, so I do not like the five-day provision at all.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** Order. The period provided for questions and comments has now expired. The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault).

**Mrs. Lise Bourgault (Argenteuil-Papineau):** Mr. Speaker, if I could just comment briefly before I start my speech? I am sure that as far as the proposals by the Hon. Member for Hamilton East (Ms. Copps), are concerned, the same could apply to Question Period, so it could be half and half. On this side of the House, we would have more time for putting questions to the Government if I follow the Hon. Member's—

• (1650)

Mr. Speaker, I am indeed delighted to be taking part in the debate on the proposed amendments to the Standing Orders, something we have been waiting for since September. Since I sat on the Special Committee on Parliamentary Reform, I am delighted to see that the Government has decided to support the Committee's recommendations.

Mr. Speaker, I must say that if anyone deserves the credit for today's debate and the fact that we are about to see a new Parliament, a new face with of course a change in attitude, the Prime Minister does. You know, when the boss says no, it is hard to change anything in a business. And the House of Commons is like a business. There is a boss, and the boss is the Prime Minister. I am sure he will not hold it against me if I reveal a caucus secret today, but the fact is that on several occasions in the Conservative caucus the Prime Minister did raise the issue of parliamentary reform. It is almost unheard of. This Prime Minister will rank high in the history of Canadian Prime Ministers because very seldom have we heard about a Prime Minister deciding just like that to transfer certain powers to Members of Parliament. I would suggest he deserves a round of applause from all of us.

**Some Hon. Members:** Hear, hear!

**Mrs. Bourgault:** Mr. Speaker, I must say as well that the committee staff have worked closely with the committee members. I think those people deserve congratulations, because they are the ones who did all the research—including the deputy clerk—and followed the committee, and I can say that without them the committee would not have been able to do the outstanding job it did. I take this opportunity to thank and congratulate them. I am sure they are pleased today to see the Government going ahead with parliamentary reform.

Of course, I have to mention my committee colleagues. And then, Mr. Speaker, the staff have been very patient with me, for as a recently-elected Member every procedural question was something new to me. They were a great help. To them and to all my colleagues I express my appreciation and, I might as well confess, I have become an addict of parliamentary procedure. The chairman of our committee, the Hon. Member for St. John's East (Mr. McGrath), kept us working very hard, but it was quite interesting. As I said before, I extend personal thanks to the Hon. Member for Papineau (Mr. Ouellet) who acted as my translator and was of great help to me. Mr. Speaker, I must admit that I am slightly upset over the official response of the Leader of the Opposition. We are talking about parliamentary reform, and the committee was responsible for finding ways to change the Standing Orders just so private Members would play a greater role. Indeed, we are now debating changes to the Standing Orders of the House of Commons because the special committee was given instructions by the Prime Minister to extend the powers of private Members.

I am somewhat disappointed to see that the Leader of the Opposition missed a good opportunity to say at last that it was not because he was on the Opposition side that he had necessarily to be against the Government, and perhaps the reverse is true. I suggest that we all have a sort of conscience to develop on this level. I must say that the Hon. Member for Cochrane-Superior (Mr. Penner) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) have in part contributed to lessen the impact made resulting from the reply given by the Leader of the Opposition. Mr. Speaker, his reply was, I felt, a little to partisan-oriented. The more so because for the first time the committee had heard the three party leaders as witnesses, and they were all in favour of these proposals. That is why I was rather disappointed with the answer given today by the Leader of the Opposition.

I am sure that the Hon. Member for Papineau (Mr. Ouellet) will arrange everything when he rises in the House tomorrow morning.

Mr. Speaker, it is a fact that my Argenteuil-Papineau constituents who watch only the Oral Question Periods, were quite disappointed recently with the lack of décorum. As a matter of fact, they said to me: It is the same as before. How is it that there are so many confrontations in the House of Commons? You just cannot . . . Well, that's the Parliamentary system. As the Prime Minister was saying, we are not going to change the Oral Question Period and the very biased approach of the various parties.

Personally, I told them that it is the part which presumably the House has to play, and that a lot of work is being done outside the Oral Question Period. But it is very frustrating to try to convince our constituents that we are working very hard, that there is more to parliament than the Oral Question Period. I had to tell them: "Personally, I sit on the Standing Committee on Agriculture and on the Committee of Transport, and I have all sorts of work and research to do in connection with that". In the past, when our constituents could not see us during the Oral Question Period, they felt that we were doing nothing in Parliament.

I feel, therefore, that the proposals to enhance the parts individual Members have to play will greatly justify the use of our time here.

Mr. Speaker, I suggest that you will also be satisfied with the latitude you will enjoy from now on in procedural matters. You will therefore be able to set your own precedents and we shall not always be forced to refer to rulings made in the British House of Commons.

I think that, under the new Standing Order 1, Mr. Speaker, you will have the opportunity to give a Canadian character to this House and make typically Canadian rulings. In my opinion, this is long overdue.

As our servant, since, as you are always saying, you are the humble servant of this House, you will have increased powers under the new rules, and from now on, your authority will be recognized by the Members of this House. I am certain that you know what I mean, Mr. Speaker, by the word "authority", and the fact that you will now be the boss of the House of Commons, its true boss . . .

**An Hon. Member:** The Daddy!

**Mrs. Bourgault:** Yes, the Daddy.

Mr. Speaker, as a Government backbencher, I am also very pleased with the emphasis which will now be placed on Private Members' Business.

In French, we say "*simple député*", while we say "private member" in English. In my opinion, it is not quite the same. The term "*simple député*" does not really translate the notion of "private member". I simply want to point out in passing, Mr. Speaker, that we work for weeks trying to write a motion and have it debated and trying to convince the Government and our colleagues to support our views.

Mr. Speaker, when the Leader of the House proposed a special debate on parliamentary reform some two months ago before presenting these amendments today, I took part in the debate and said that I was very curious about what happens to all the bills and motions moved by private members when, as we say in parliamentary language, they simply die on the Order Paper between 5 and 6 o'clock. The process is quite frustrating.

Mr. Speaker, I think that I am good at selling my ideas. I am interested in the role of voluntary work in our society and I have already proposed two motions in the House on this issue. I can tell you that, under the new rules, I shall rely on my personal staff and my selling ability to convince my colleagues of the Special Committee on Private Members' Business to accept my idea. If it is not accepted, I shall say, too bad, I cannot think that, just because I have introduced a bill, it is the best and is certain to be adopted. We have to be realistic. However, I shall still have the feeling that my bill can go further than with a one-hour debate and that it might have a chance of being referred to the committee for further study. This is something interesting which will benefit the Members of this House. I think that it will also benefit the Government, which will perhaps be able—

I see that you are looking at me, Mr. Speaker; has my time expired? Do I still have between five and ten minutes left?

**The Acting Speaker (Mr. Paproski):** I am sorry, but—

[*English*]

The Hon. Member will have 10 minutes left for debate when the matter is next before the House.

It being five o'clock, the House will now proceed to the consideration of Private Members, Business.

• (1700)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

### FITNESS AND AMATEUR SPORT

ADVISABILITY OF AWARDING EDUCATIONAL BURSARIES TO ATHLETES

**Mr. Jack Shields (Athabasca)** moved:

That, in the opinion of this House, the Government should consider the advisability of awarding educational bursaries to members of teams who represent Canada at the amateur level in international competitions.

He said: Mr. Speaker, let me give some background before I deal with the motion before the House. I want to make clear at the outset that there are athletic assistance programs operating in Canada which use a system of A, B and C carded athletes. Carded athletes can depend on a certain amount of financial assistance to continue their university education.

The reason for my motion arises from my travels throughout my riding last summer. I went to a baseball tournament in Lac la Biche last summer at which a team representing Canada was made up of young athletes from across the country. I discovered that this team was hosting an international meet to be held in Edmonton. They were hosting teams from such countries as Korea, Japan, teams from the college circuit in the United States, Cuba and Mexico. It was truly an international meet. I discovered to my amazement that a number of athletes representing Canada would be unable to return to university that September because they were spending the summer representing Canada in international amateur competition. Most of these young athletes were university students who worked during the summer in order to pay for their university tuition. They gave up their summer to represent Canada in this international competition that they were hosting in Edmonton.

In 1961, the Fitness and Amateur Sport Act was passed to promote, encourage and develop fitness and amateur sport in Canada. There are two program directorates that function chiefly through the provision of financial assistance to national sport and fitness oriented organizations in Canada. The first is Fitness Canada. It initiates and supports research programs and the development of instructional and promotional materials designed to increase public awareness of benefits of fitness. In 1984-85, a total of 86 national associations, special agencies and programs and 18 universities were allocated $7.7 million in federal funding in support of fitness related projects.

The second directorate is Sport Canada which provides funding and services to national sport bodies, amateur athletes, university researchers and sport scientists as well as other members of the sport community. It has an annual budget of some $50 million and is the major supplier of funds for Canadian sport.

Sport Canada funds and works closely with the 85 national sport organizations in Canada, which include the national sport governing bodies responsible for specific sports, arm's-

length agencies such as the Coaching Association of Canada, multi-sport agencies such as the Canadian Inter-university Athletic Union, and specialized agencies such as the Sport Medicine Council of Canada. Its focus is on high-performance sport and contributions to the preparation of Canada's athletes for major international competition. Sport Canada also has an important commitment to the development of a strong domestic sports system which provides general opportunities for Canadians to participate in competitive sport.

Contributions are made to all recognized national sport organizations. These NSOs are eligible to receive core funding assistance in the areas of association management, technical development and high performance sport.

In 1984-85, Sport Canada distributed a total of $35.5 million in financial contributions among its various client associations. National sport organizations are voluntary organizations that are responsible for the development of their respective sport disciplines within Canada and for the preparation of high performance athletes and teams representing Canada in international competition. These are broken down into three groups, and this is where I believe Canada is falling behind. The first group is 27 sports on the 1988 Olympic Summer Games calendar. Those athletes involved in those sports who have A, B, or C carded athlete status are eligible for funds to help maintain the standard of living and continue their education while preparing for that sport. The second group includes 10 winter sports that will be featured at the Calgary Games.

Finally, there are 21 non-olympic disciplines. These include football, curling, free-style skiing, softball, baseball, raquetball, rugby, Canada five-pin and Canada ten-pin bowling, white water canoeing, karate, cricket, water skiing, squash, ringette, golf, lacrosse, parachuting, four-wall handball and soaring. Disabled sports are also included in this group.

Athletes participating in these sports are not recognized as athletes for A, B or C card purposes. One can only apply for this status when specifically recommended and can only be eligible for carded status after consideration by a review committee. In most cases these athletes are not eligible for carded athlete status whether or not they represent Canada in an international competition.

For example, those young amateur baseball players who hosted an international tournament in Edmonton last summer were not eligible for any assistance over and above their travelling expenses, accommodation and some pin money. Some of them had to give up a year of university in order to work and earn the money they would have earned during the summer they represented Canada on a national team.

In 1984-85, over $13 million was provided in core funding for the summer olympic sports. The 10 winter olympic sports received approximately $5 million in "best ever" programs and an additional $4 million in core contributions. Recent additions to the olympic sports group include rhythmic gymnastics and synchronized swimming which were added to the 1984 Olympics. Prior to that, can you imagine, Mr. Speaker, the young ladies who participated in the synchro swimming, and the young ladies and young men who participated in rhythmic gymnastics were not supported in any way by their Government other than through the amateur sports councils until those sports were recognized. We know there were a lot of international meets, particularly in synchronized swimming. These young ladies had to spend all of their extra time and their summer months preparing for those meets. They had to have financial support from their families or they could not participate, and that is a shame.

● (1710)

I have tried to add up all the non-olympic sports where young Canadians would be involved in international competition and did not receive funding to continue with school. At the most we are talking about 210 young athletes. If a $5,000 bursary were awarded to each one of those athletes who made a team and who gave up the normal period in the summer when he or she could earn money to go to university, say $5,000, you are talking about less than $200,000 in total to satisfy a need which I think we have overlooked in the sports area.

I shall not talk any longer because I hope my colleagues will see fit to allow this motion to go to committee for further study. I implore Members to think about it for a moment. It is not a costly item but it is one that would serve a real purpose to encourage young people not only to participate in amateur sports but also to signal to them that we do appreciate their taking time off during the summer to represent Canada in international meets.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I am happy to be able to participate in this debate, although I had not intended to speak on this important issue. I do agree with the Hon. Member who put the motion that this is an issue that should be discussed before a committee.

I think there are a number of young athletes who are prevented from participating at the international level or from pursuing scholastic endeavours as a result of the current discriminatory nature which permits funding only of those sports recognized as olympic designated sports. I think about roller skating. One of the world champions in roller skating came from my own community of Hamilton.

I have some concerns about the specific wording of the motion which reads:

> That, in the opinion of this House, the Government should consider the advisability of awarding educational bursaries to members of teams who represent Canada at the amateur level in international competitions.

I would like to see this issue dealt with in greater detail in committee because I think there is a slight danger in introducing the notion of educational bursaries into the question of funding at an international level, which suggests athletes and students are necessarily synonymous. That is not always the case in international competition. There may be a number of young athletes who of their own choice or for other reasons have not decided to pursue post-secondary education and who are out in the workforce in the normal way.

This motion while it would obviously respond to the needs of students pursuing athletic endeavours on the side would not respond adequately to those people who are pursuing an athletic endeavour in holding down a full-time job at the same time.

My second concern deals with the notion of introducing a kind of bursary system at the post-secondary level which is directed to those who participate in sports. I think we have seen in the United States very adequate evidence to show that often the quality of education or the quality of scholarship decreases as the level of participation in sports increases. This is not always the case and we have many fine athletes who have been able to combine academia and athletics. We also have a situation where athletes are encouraged to go to university. They get degrees in basket weaving and other creative endeavours at the university or post-secondary level in the United States, all the while using that particular bursary as a vehicle to pursue a sports endeavour.

I think it is pretty clear that in Canada, because we have tended to stay away from specific sports targeted bursaries for post-secondary education, we have been able to avoid the trap into which many universities and colleges in the United States have fallen. I think particularly of the college football system in the U.S. In a number of colleges and universities, coaches in particular have so abused the process that some of them have actually been forced out of their particular conferences and divisions. They have abused the process to the point where bursaries led to pay offs and to other under-the-table apportionments to encourage the various football players to go to a specific university.

If you are talking college football, Mr. Speaker, in the United States it is a very serious business indeed. Often the question of scholarship falls by the wayside. That is why I have some concerns about a motion that would tie the question of international competition to the issue of educational bursaries.

Certainly the Member has raised a very valid point about the financial prohibition that is, in essence, placed on those athletes who want to compete internationally, but I think it would be more effective if the Member dealt with that as a specific issue.

The notion of introducing educational bursaries for athletes at a time when transfer payments that the federal Government directs toward provincial Governments across the country are seeing a reduced number of dollars being put into them for the purpose of post-secondary education, would make it pretty difficult for those same universities to then swallow a program where we were directing larger sums of money toward bursaries for specifically designated athletes. That is why I think we should keep the question of athletics and scholarships, two questions, separate and apart.

I believe the merit of the motion presented by the Hon. Member for Athabasca (Mr. Shields), which is essentially to provide some kind of a vehicle for international competition, is valid. It does merit further consideration in a committee setting.

I would, however, reinforce my concern about specifically tying educational bursaries to athletic records. I think that in Canada we have been lucky not to have fallen into the kind of trap of absolute non-academia that we have seen in the United States. We would not like to see our colleges and universities here swamped with so-called scholars who have no business being there. That is the possible *sequitor* that would result from the adoption of a motion where educational bursaries would be presented to members of teams who represent Canada at amateur level in international competitions. It may inversely force athletes to go back to school when really they have no business or should not or choose not to be there simply because they want to have the funding to be able to carry on their athletic endeavours.

Rather than tying the two together the question is funding for athletes. What we should be looking at rather is a motion that would permit those athletes currently operating in non-olympic designated sports at the international level, which includes roller skating and a number of sports cited by the Hon. Member, to have access to the same level or similar levels of government funding for international competition as are currently available to our olympic participants.

I know there are a number of sports that are trying and that have tried for a number of years to be recognized as olympic sports. Obviously participants in these very valid and effective sports are being cut off from Government funding because they have not been included in the rostrum of accepted and recognized olympic sports.

While I support the spirit of the motion, I do have some reservations. I would be very happy to see the matter go into committee.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I welcome the opportunity to enter the debate. I agree with the Hon. Members who have spoken before me that this matter should be considered in committee. The Hon. Member has brought before us an important matter which has to do with young people who have an opportunity to represent Canada internationally in sports competition. As a result of a commitment to their sport, such young people dedicate their summers to training and competition and therefore lose the opportunity to earn money for their tuition or for room and board in the fall. I think this matter deserves attention and a response. It makes a great deal of sense that this Private Member's Motion goes to committee where it can be examined in detail. Young Canadians who demonstrate that kind of commitment to sport should receive recognition and support from their government bodies.

• (1720)

However, I do have some questions with regard to the motion, even though I feel it should be examined and studied in committee. We already have some assistance programs for athletes such as the Athletic Assistance Program. One of the limits of such programs is that they focus upon olympic sports only. Any re-examination of the question of financial support for people involved in international competition on behalf of

Canada must raise the question as to why the support is focused on olympic sports only. Why can we not broaden it to include non-olympic sports such as baseball, softball, lacrosse and others? Why discriminate against those who compete in sports which are not part of the Olympic Games? Those questions need to be addressed at committee.

Also we should look at why the funding or support should be limited to students only. What about young people who compete in athletic events and happen not to be students? Do they not deserve the same kind of support for their commitment and endeavour? I think we should look at that as well. In addition, if we were to consider some additional financial support for students or other people in respect of their efforts to represent Canada abroad, any funding for such endeavours should be from new funds. Rather than taking away funds from existing sports programs for amateur sports or fitness, which are skimpy enough as they are, and spreading them thinner, it would be important, if we are to undertake new initiatives, to look at new funding being allocated for new purposes.

I support the motion going to committee for study. I think the Hon. Member has raised a legitimate question. He asked what support we were willing to offer to young people who represent us abroad. Of course that needs to be studied, and there are other questions which need to be answered in the process.

[*Translation*]

Mr. Speaker, the motion now before us deals with an important issue. Sir, are we ready to help our young students who represent Canada in international competitions? These young people who take part in international competitions miss an opportunity during summer to earn money to pay for their tuition in the fall. Is there something we can do to help those young people and acknowledge their involvement in the world of sports?

Mr. Speaker, this is an important issue, and I want to support a thorough examination of that issue at Committee stage.

But there are questions we want to ask. There are programs already in place to support sport activities. However, existing financial help is focused on Olympic sports. Why not add other sports, is non-olympic sports, while we are looking at financial assistance programs for athletes who compete internationally? Why is our help limited to students only? Why not also help those young who are not student?

Finally, Mr. Speaker, if the motion is referred to Committee for its recommendations to be considered, do we have any assurance that the money that will be earmarked for that purpose will be new money, because existing programs need more funding to reach the goals of concern to us in today's program. When another goal is added to programs, funding must also be increased.

Mr. Speaker, this is a good motion in my view, and it is an excellent idea to refer the problem to Committee for more thorough consideration.

**Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, it is obvious that this Government believes in the promotion of excellence in Canadian amateur sport. During fiscal year 1984-85, Fitness and Amateur Sport Canada invested well over $65 million in the promotion of fitness for Canadians and the efforts of our amateur athletes. Sports Canada administers most of those funds, that is $50 million, with a view to supporting our best athletes in individual and team sports, at the national and international level.

[*English*]

Sport Canada receives its mandate from the Fitness and Amateur Sport Act of 1961. Let me refer to that Act wherein it is indicated that it is to promote, encourage and develop fitness and amateur sport in Canada. In the 25 years since the enactment of that Act, sport and fitness have become an integral part of the Canadian way of life. No longer need we fear that proverbial 60-year old Swede. I am sure that all of us saw joggers working up a sweat today during their lunch hour along the Rideau Canal and up here on the Hill. Canadians have become more conscious of fitness and of the importance of a balanced diet. Certainly fewer of us smoke than was the case 25 years ago.

[*Translation*]

Mr. Speaker, in passing, I would like to mention the Department's major contribution towards improving the general level of fitness in this country. We have all heard about "Participaction", and when I look around, I think we all need to get out and get some exercise. However, there are two points I would like to bring to your attention: first of all, the remarkable contribution of our amateur athletes to international sport; and second, the way they are supported in their endeavour by Sport Canada. As we see it, the two go together: individual effort and achievements at the amateur level must have our support if they are to be successful.

However, as is the case in all financing programs, a choice must be made, and we must decide how to support amateur sport in a way that is satisfactory to Canadians. What criteria are we to use? What kind of priorities must be established so that we can manoeuver within the budgetary restrictions we must live with today?

I have said this before and I repeat: Sport Canada's aim is above all to promote excellence in amateur sport. We all believe that Canadians want to help our amateur athletes achieve the highest possible performance levels. And we will always remember with pride our participation in the 1984 Olympic Games!

• (1730)

[*English*]

Who can forget the thrill of seeing Gaétan Boucher, Canada's greatest Winter Olympian at Sarajevo, with his powerful, gliding stride and gold medal winning speed on the speed skating oval? There was Alex Baumann, at the Los Angeles Summer Games, with two swimming golds in world record time; Linda Thom of Ottawa, winning the first gold medal for Canada at Los Angeles in shooting; Lori Fung of Montreal, coming from behind to win the all round rhythmic gymnastics gold; Alwyn Morris and Hugh Fisher with the gold in the two-man kayak event; and the magnificent effort of our rowers in beating the Americans in the men's eight with cox event; and so many others: 44 medals in all, 10 of them gold. Canada's best olympic showing ever.

[*Translation*]

I would like to take this opportunity, Mr. Speaker, to announce that one of my fellow citizens who is now in Tignes, France, won the most points for acrobatic skiing in the last few days. I am referring to Lloyd Langlois from Magog, in my riding, who is with two of his fellow Quebecers from Beauport Lake, the Laroche brothers. I am expecting more news from France, and even if they do not win the championship, I think I will be as proud as ever of what they achieved during the last few days.

Our international class athletes have worked very hard to reach this level of excellence and they have achieved remarkable results, for instance, at the Commonwealth Games, and also at various other world championships. These young people deserve our unqualified admiration for their good work and dedication to their sport. We must not forget that they often have to compete with representatives from other countries who are heavily subsidized in various ways by their governments.

Sport Canada also recognizes the importance of financial assistance, which should be given to our international-class amateur athletes on a firm and continuing basis, with sound long-term planning. That is how we will be able to maintain the performance of Canadian athletes at international levels. The results themselves are the best testimony to the soundness of this approach. In recent years, Canada has been gradually improving its international performance, which reached its peak at the 1984 Olympic Games.

[*English*]

If we are to maintain and improve on these achievements, we must spend our sports dollars on continuing to develop such excellence. We therefore must support excellence in our young, promising athletes as well as our international athletes at their peak.

[*Translation*]

To develop this high degree of excellence among our young athletes, Sport Canada subsidizes and is working very closely with 85 sports organizations, and it also provides special subsidies to Canadian amateur athletes under the Athlete Assistance Program.

[*English*]

Which sports qualify? To qualify for funding, a sport must meet the following criteria: First, it must hold a world championship or a world level competition at least every two years. Second, it must have a year round training program for each athlete or team. Third, it must have a monitoring and evaluation program for each athlete, with monthly reporting to Sports Canada. Fourth, it must have a formal selection process for national teams with published rules and an appeal process. Finally, in the international sports category, its national team or individual athletes must compete in at least two international competitions with at least 20 participating countries each year.

[*Translation*]

Through the Athletic Assistance Program we now offer financial aid to levels A, B and C athletes. We now have about 140 A-level athletes, which means they rank among the world's eight best in their sports. One hundred and thirty other athletes are at level B, therefore among the sixteen best athletes worldwide. The other 540 under the AAP are at level C, which designates international class athletes likely to qualify for levels A or B. Monthly assistance to athletes amounts to $650 at level A, $560 at level B and $450 at level C.

[*English*]

This is, of course, another level of competition beyond the A, B and C levels. It consists of a group of athletes whose numbers are impossible to estimate accurately. Included in this number are the thousands of aspiring hockey players in this country, as well as the athletes who participate in the Canada Summer and Winter Games, Canada's major events for developmental sports. All of them have a demonstrated interest in seeking, and have a good chance of reaching higher levels of achievement in their chosen sport.

[*Translation*]

Total financial assistance through Sports Canada is subject to current budgetary cutbacks and restrictions.

At the same time it would not be very wise to give our world class athletes just enough to cover their accommodation expenses. They should also get additional equipment if they are to represent us and compete successfully in international sports events.

International recognition does not come cheap, particularly in the case of sports teams. There are a number of expenses such as training for athletes, travels to take part in international competitions and events, the costs of accommodation, place tickets, hotels and the like. In addition, coaches must be paid and, in many cases, hired because international level training is a full-time job. To that must be added expenses for medical and scientific services such as physicians, physiotherapists, dieticians, and certain medical and related services.

All that is quite expensive! Still this kind of assistance is a must for our athletes and it is one of the reasons why Sports Canada has recently gained international recognition.

[*English*]

Sport Canada currently spends roughly 10 per cent of its annual budget, or about $4 million, through the AAP. The support services outlined above cost many millions more. The AAP has been very effective and in itself is, we feel, another factor in our international success. Let us not forget, however, the main factor. Living expenses and top quality back-up are not enough.

The dogged motivation, the determination to succeed, have to be credited to the athletes themselves. It is their dedication, their individual sacrifice, their many hours of hard work, that ultimately achieve international results. Excellence is not just a matter of a year or two or slapdash training. It is the result of many hours on the practice field from a very early age. Only in this way can bodies be honed to the highest levels of achievement.

• (1740)

We are not dealing only with bodies and it is an important principle that we also provide for the development of the minds of these young people. All of our elite student athletes are given free tuition at any recognized Canadian educational institution under the AAP. Sport Canada makes sure that our athletes prepare for a lifelong career because life does not stop after athletics. This provision of the Athlete Assistance Plan can serve to introduce another important aspect of the Sport Canada program, the close working relationship with the Canadian Inter-University Athletic Union or the CIAU.

[*Translation*]

The Canadian Interuniversity Athletic Union—CIAU—is the main university sports organization in Canada and includes most Canadian universities. National university competitions in twelve sports are organized each year for the 45 CIAU-member universities: track and field, basketball, football, gymnastics, hockey, lawn hockey, wrestling, swimming, diving, soccer and volleyball. Co-operation between Sports Canada and CIAU enables accredited athletes to train while attending university. Sports Canada and CIAU co-operation also makes it possible for the student-athlete to meet the standards of the program and have access to the best in terms of coaches, training and support services. Canada has chosen to achieve athletic excellence by stessing peak performance of both body and mind.

Now, Mr. Speaker, what is the situation concerning bursaries for athletes attending Canadian universities? Several universities have indicated that they are in favour of these programs. It is unfair that Canadian athletes should be tempted into going to universities South of the border where they often find better facilities and better conditions as far as scholarships are concerned. Why do they decide to attend universities outside their own country? It is getting increasingly clear that they do so because they are being offered better scholarships. I need only mention our young hockey players who by the hundreds are being awarded scholarships in American universities every year.

Mr. Speaker, I should like to emphasize two points. First of all, within the limits of available funds, we feel that the Athlete Assistance Program is the best way to provide Canadian athletes with an education in a Canadian surrounding and make it possible, if they so desire, to develop as athletes on the Canadian Sports scene. We feel also, just as universities do, that any bursary program the end result of which would be to jeopardize the scholarly achievement of athletes is unacceptable for Canadians. Universities are also very concerned about upholding the value of their degrees. It is not desirable to put together a comprehensive educational bursary program based on academic success of the students without guarantees that these bursaries will go to students whose legitimacy is attested by the Canadian Interuniversity Athletic Union.

[*English*]

We are all only too well aware of the abuses that have taken place in the United States. We do not want to follow that example. We therefore intend to continue our excellent working relationship with the CIAU and will continue to support our athletes through the AAP, co-operation with that organization.

Sport Canada seeks to encourage a balance between athletics and scholarly activity in the lives of our athletes. There must be a place for both academic and athletic excellence in their development. Sport at one end of the scale must carry as much weight as a subsequent career at the other end because, as we have already stated, life after athletics goes on. This is how we help our athletes prepare for both of these aspects of their lives. This is the Canadian way.

[*Translation*]

We have already referred to the total cost of these programs, as well as the limited availability of our funds. However, there is another source of financial support which amateur sports in Canada could tap, namely, the private sector.

[*English*]

We have had a good deal of success in our efforts to involve private companies in a partnership with amateur sport. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has made this one of his priorities. Recently, he announced the creation of an organization to attract corporate support.

[*Translation*]

Perhaps I could deal now with some sports which are not convered by our programs, but you are signalling that the time allotted to me has expired, Mr. Speaker.

In conclusion, let me remind the House of our athletes' numerous achievements on the international sport scene. From figure skating to swimming and cycling, our athletes have demonstrated tremendous talents. However, without the assistance provided by Sports Canada in very close cooperation with

national and private sports organizations, many of our athletes could not have achieved their potential and we could not share today with hundreds of our young athletes the pride and emotion of their performance.

We are eagerly preparing for the Winter Olympic Games in Calgary in 1988 as well as the Summer Olympic Games in Seoul where, I am sure, our athletes will collect a great many medals.

Mr. Speaker, we will do better than ever.

[*English*]

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to rise to comment briefly on the motion put by our hon. friend to have the appropriate committee study the entire question of offering scholastic bursaries to amateur athletes. I believe the discussion merits looking into further. There is no one in the Chamber who would dispute the fact that when we talk about the sporting world and athletes, we find quite often that the unrecognized and valiant heroes in the community are amateur athletes. There are many Rockys in the country who perhaps do not have the training, resources and proper coaching that require the moral and financial support that we as a nation can offer.

Of course, there are pros and cons with respect to tying athletic programs to our educational institutions. That is why, rather than talk this motion out or simply ignore it, we should meet it head on and have a good solid debate so that we may hear from the two schools of thought on this matter and perhaps reach a consensus.

Back in 1980, representatives of various Canadian athletic associations initially approved the entire concept of a bursary for athletics and then rejected the idea of athletic scholarships. In 1981, the Ontario University Athletics Association and the Ontario Women's Inter-Collegiate Association announced a boycott of all national championships involving institutions offering first-party scholarships.

There has been an ongoing debate regarding whether or not we should offer scholarships to amateur athletes. There are those, arguing in favour of it, who claim that athletic awards are an acceptable and desirable practice when funded by Governments, corporations and schools. There are those who say that the primary objective of athletic awards is simply to upgrade the standard of competition. There are those who say that unless we begin to counter what is being offered in the United States, we will lose the cream of the crop of our athletes. They point to the fact that there are over 1,000 Canadian amateur athletes training in or attending universities in the United States at this moment.

On the other side of the ledger, there are those who claim that if we get into the areas the American universities and college systems have entered, then we will also have a litany of abuses including an over-emphasis on athletics at the expense of academic excellence, falsification of student records, federal investigations into fixings of games and so on. They believe that the recruiting of athletes and their subsidization are two totally independent concepts. They also point to the numerous scandals in the United States where athletes are suing universities for failing to provide a reasonable education after their athletic careers have been long terminated. There is also a fear that universities can become sports factories, if you will, with athletes entering university programs only with a professional sports career in mind and coaches basing success on the number of athletes chosen for the professional ranks.

● (1750)

There are obviously two schools of thought on the issue. There is no one in this House who disagrees with the fact that we should be financially and morally sponsoring our amateur athletes, no matter in what field of endeavour they participate. The real question is: How do we financially aid and support these athletes? Should they be tied down to our educational institutions?

I feel it is fitting that this debate be looked at by parliamentarians. We realize that the athletic associations of Ontario and Quebec, for instance, are opposed to tying athletic performance to university scholarships. Eastern Canada and western Canada have also had a difference of opinion on the matter for their various reasons. Therefore, if there exists a divergence of opinion across the land, then what better place is there than the Parliament of Canada, which is representative of all regions, to focus on the issue? It is not only a federal issue, since we all realize that education falls within the parameters of the provincial Governments. I think the debate should start here. I think that the athletes, the coaches, the sponsors and the numerous volunteers involved in amateur athletics would certainly welcome the opportunity to come before the appropriate committee of this House and present their evidence both for and against.

We should also take a look at the status of amateur athletes right now. There are those who say that athletic performance should not be tied to academics. Yet, they seem prepared to put sporting, especially in the amateur ranks, in the hands of tobacco companies or beer companies. Of course, there are those who say that that is in conflict with the whole issue of training and health associated with sporting activities. So there is a divergence of opinion with respect to amateur sports.

It is high time for us to take a look at the issue in a very real way. We should applaud the Hon. Member for Athabasca (Mr. Shields) who moved this motion. I do not think it should be defeated. I do not think it should be talked out or ignored. That would be the easy way out of an issue which should receive the attention of the House, and through this House the attention of sporting communities in the country. Let them in concert with Parliament set a direction, a vision, for amateur athletics. Let us not lose the momentum which this motion gives us. If it can perhaps trigger and instigate a debate, then perhaps once and for all the matter can be laid to rest. Let us be courageous and respectable enough to take a look at the issue in the context in which it should be looked at. With those remarks I resume my seat and look forward to seeing the motion referred to committee.

**Mr. Moe Mantha (Nipissing):** Mr. Speaker, I am delighted to speak to this motion. I wish to commend the Hon. Member for Athabasca (Mr. Shields) for his interest in Canada's amateur athletes. As he is well aware, I have an athletic background, just as Your Honour has an athletic background. I remind Hon. Members that you were a good Football player playing on the Edmonton football team in the early days. I played hockey for years. As Hon. Members know I have a son who plays hockey for Pittsburg. I own a golf course where that recreational sport golf can be played. I have to get that plug in.

**An Hon. Member:** Is this a free commercial?

**Mr. Mantha:** I also have another young lad who played hockey for Cornwall. I have two girls who skate, play golf and are participants in the world of sport.

The motion which has been introduced today gives us a welcome opportunity to discuss the state of amateur sport in our country. As we meet here today amateur athletes across Canada are preparing for competitions. A relative few are fortunate enough—perhaps I should say skilled and dedicated enough—to be preparing for the 1988 Olympics. Most sports are seasonal, but training for them is not. It is a year-round commitment, the likes of which few non-athletes can appreciate. It gives me pause to think that olympic athletes can condition themselves to peak physically and mentally at four-year intervals. Personally, I have difficulty planning more than a couple of weeks in advance.

**Mr. Keeper:** We can see that!

**Mr. Mantha:** As Hon. Members know, the 1988 Winter Olympic Games will be hosted by Calgary and the Summer Olympic Games will be held in Seoul, South Korea. We are all looking forward to these Olympics, especially after the tremendous results Canadian athletes posted in the 1984 Games in Sarajevo and Los Angeles. Of course, Gaetan Boucher stole the limelight with two gold medals and a bronze. In so doing he established himself as this country's greatest ever winter olympian, not to mention a national hero. While Mr. Boucher was excelling through sheer power and speed on the ice, Brian Orser was winning acclaim for élan and grace. His silver medal surpassed all previous Canadian olympic performances in men's figures skating.

Our successes at Sarajaevo merely set the stage for the Summer Games in Los Angeles. That is where Canada came of athletic age, taking an incredible 44 medals: 10 gold, 18 silver and 16 bronze—our best results ever. Los Angeles seems to hold some kind of magic for Canada. Our previous best medals total, 15, also came in that California city, but 52 years earlier in the 1932 Olympics.

Some household names emerged from the 1984 Summer Games. There was Linda Thom, whose exciting opening day win in the pistol shooting competition started things rolling. Then there was Sylvie Bernier whose ten straight perfect dives earned her Canada's first ever gold medal in diving. Swimmer Alex Baumann took two gold medals. I might add that he lives in the riding next door to mine in the City of Sudbury. A gold medal, a silver and a bronze went to the amazing Anne Ottenbrite. Victor Davis shattered his own world record to win the gold medal in the men's 220-metre breaststroke. Cyclist Steve Bauer took a silver medal, as did boxers Willy DeWitt and Shawn O'Sullivan. The two fighters are continuing, and one is from the riding of my colleague, the Hon. Member for York East (Mr. Redway). Ben Johnson won the bronze medal in the 100-metre dash; and the women's relay team took the silver in the 4 by 400 relay race.

The list goes on and on. I cannot begin to do justice to all the medal winners. Suffice it to say that their names are in the record books and that they have given Canadians a lasting sense of pride. The credit for these successes must clearly go to the athletes. However, I think all Canadians can take some satisfaction in knowing that our amateur athletic development programs are paying off handsomely.

Canada has made steady progress on the international amateur scene since the introduction of the Fitness and Amateur Sport Act in 1961. There is no reason to believe that we will not continue to march forward in the years ahead.

• (1800)

**The Acting Speaker (Mr. Paproski):** The hour provided for the consideration of Private Members' Business has now expired.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### CANADIAN BROADCASTING CORPORATION—BROADCASTING OF SONG LAUDING SUICIDE

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, on three separate occasions last month I rose in the House to express my concern over the irresponsibility of the CBC in continuing to broadcast the song "What It's Like to be Dead", in which children expound the virtues of death. When I requested that the Minister of Communications (Mr. Masse) intervene to ensure that this song would not be broadcast again, I was reminded of the constraining provisions in the Broadcasting Act which grant ultimate responsibility for program selection and content to the broadcaster.

I do recognize the need for an arm's length policy and support it. However, as a representative of the people, I feel that the CBC is ultimately responsible to Parliament and to the taxpayers of Canada. Without the taxpayer, there would be no CBC.

I suggest to Mr. Juneau, President of the CBC, that his officials must be more responsible in their choice of program-

ming. The song "What It's Like to be Dead" transcends the limits of acceptable broadcasting. Although I appreciate the satirical nature of the Frantics, I know that most Canadians believe that suicide, especially teenage suicide, is no joke nor a laughing matter. The fact that the issue of teenage suicide is satirized at all tells me that we as a society do not comprehend the gravity and scope of this modern social problem.

Do we hear comedy troupes satirize wife beating or child sexual abuse on prime time radio? These are issues which Canadians have come to accept as being serious, serious enough that Governments and social agencies have effectively implemented programs to deal with the problem. I believe that the issue of teenage suicide should be treated in a similar fashion and not as a subject of tasteless humour. When I first started investigating the issue of teenage suicide, I was unaware of the size of the problem and its far-reaching effects on the families and friends of the victims. I decided to investigate speeches in *Hansard* of past Parliaments. I found to my amazement there has been no substantive debate on this issue since 1970s. As Parliamentarians, can we not let teenage suicide become the taboo of the 1980s, relegating it to the closet and pretending it doesn't exist. It does exist and it is a problem.

Let us consider some of the alarming statistics. Teenage suicide is up 400 per cent since 1970. Suicide is the leading cause of death among teenagers in Canada. More Canadians take their own life than die from either diabetes or sclerosis of the liver. Canadians are more likely to commit suicide than Americans. Research shows that of the people who commit suicide only 5 per cent have a history of mental illness. The Quebec Suicide Prevention Centre estimates that the suicide rate could be 10 per cent to 15 per cent higher when "doubtful" accidents are taken into account.

Literature on suicide too often focuses on the symptoms and statistics without mentioning the thoughts and feelings of young people who are locked into depression, who are devastated by the loss of a girlfriend or boyfriend, or peer or school pressures. The vast majority of suicidal teenagers feel that their parents and their elders do not understand or appreciate them. Adults tend to view teenage problems as little problems which will go away. It has been said that acne, sexual behaviour, school grades and career choices make it tough enough to be a teenager. On top of that there is a whole new set of pressures facing kids today at the next fragile stage of their lives.

• (1805)

The question remains if there is a problem, what do we do about it? Dr. Dianne Soyer-Solush of the Toronto East General made the following recommendations in a recent report on suicide in Canada: First, to introduce suicide prevention programs in public schools, as is presently done in three American states; second, that courses on suicide and suicide prevention be a mandatory part of physicians' training; third, that national standards be established for crisis centres across Canada. The time has come that we recognize the problem of teenage suicide and deal with it.

Mr. Juneau states, with regard to my complaint: "We would certainly never broadcast material which did constitute such an invitation because all of us recognize that teenage suicide is a terrible thing". I only wish he believed that statement. If he believes it, why would he, in a recent letter to me, condone broadcasting of this song without at least seeking some professional advise or, as I did? As a Government we must be committed, not only to inform people about this problem, but to set aside scarce resources from our Budget to ensure that our actions are effective.

In closing, I support the arms-length principle but, because of it, broadcasters must be more responsible in screening the content of their programming. Radio and TV are powerful mediums. They can alter people's attitudes and perceptions on this and many other issues. The public airwaves should be used responsibly for the good of the people.

**Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, the Hon. Member for Etobicoke North (Mr. Pennock) has raised a sensitive issue and we are all, I am sure, appreciative of his concern over the broadcast of the song "Neat to be Dead" on the CBC.

However, I would like to reiterate what the Minister of Communications (Mr. Masse) emphasized previously in the House, that is, that broadcasters themselves are responsible for program selection and content subject to the general rules and regulations of the CRTC. Consequently, responsibility for CBC programming matters lies entirely with the CBC's management and board of directors. The Minister of Communications has no direct power of intervention in such matters.

Neither I nor the Minister, and I am sure no Hon. Members, would wish to set the potentially dangerous precedent of restricting the CBC's right to programming autonomy by becoming directly involved in this particular programming matter, as sensitive as it is. Moreover, the Minister assured the House that he would inform both the CBC and the CRTC of the concern about the song "Neat to be Dead" which was expressed in the House. I was pleased to hear that Mr. Juneau responded, although the response was not entirely satisfactory.

I learned, Mr. Speaker, during a recent visit of Finnish parliamentarians to Parliament Hill that one of the regulations within the Finnish broadcasting system prohibits programming which might be injurious to mental health. I do not know whether that sort of regulation would be useful, or whether the CRTC would want to address it. On the other hand, I heard the Hon. Member say that only 5 per cent of those who commit suicide are believed to be suffering from mental illness.

The Hon. Member has certainly underscored the sensitivity of the topic matter and the Minister appreciates his concern. However, Mr. Speaker, I would like us to keep in mind the democratic principle of freedom of expression. The Charter of Rights guarantees freedom of expression for Canadians and the Broadcasting Act itself states clearly: " . . . the right to freedom of expression and the right of persons to receive

programs, subject only to generally applicable statutes and regulations, is unquestioned".

• (1810)

[*Translation*]

Mr. Speaker, having been myself in broadcasting, I can tell this House that decision-making on programming is often a difficult process which involves trying to offer programs which will be as attractive, exciting, dramatic or humourous as the public demands or finds acceptable. It is not always easy to ensure that a specific program will offend no one. If a program makes part of the audience uneasy or is found to be in bad taste, it is certainly not what the broadcasters wanted. After all, Mr. Speaker, whether they are public or private, broadcasters must answer the questions of their audience.

Mr. Speaker, all broadcasters, and I speak from experience, treat their programming responsibilities with respect and with an eye to the future. I am not speaking only about the programs themselves, but also about public reactions to these programs. I believe that the CBC is seriously considering the issue raised by the Hon. Member and that, in so doing, it is taking its responsibilties very seriously.

## TEXTILES AND CLOTHING—COMMISSION'S RECOMMENDATIONS—GOVERNMENT POSITION

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, I am rising today to discuss a question asked on January 20 during the Question Period to the Minister of Regional Industrial Expansion (Mr. Stevens).

My question relates to the report of the Textiles and Clothing Commission and the various comments which I have read or heard recently. I also want to make a few points in this regard.

Over one year ago, on January 30, 1985, I informed the House that the crisis in the textile and clothing industry had continued and worsened for then years because of the massive imports from low-wage semi-industrialized Pacific rim countries.

In its last report published in late December, the Commission states that, during the period from 1972 to 1982, 31,977 jobs were lost in Canada.

Most of these jobs were in Quebec. The Commission also blamed the Liberal Government for not having implemented its recommendations.

On page 84 of its report, the Commission says that the Liberals ignored its recommendation that existing agreements and quotas be extended until the end of 1990.

A new Federal textile policy should contain reference to the fact that imports are not to increase by 13 per cent a year, as in the last four years, when the market increases only by 1.5 per cent a year, and it should be modelled on clause 3 of the Multifibre Agreement, as is the policy of the European Economic Community to regulate imports.

I also take the liberty of suggesting to the Minister that he should include leather garments in the next agreements, as suggested by the report, and that any unused quotas should be eliminated.

Mr. Speaker, you will know that according to a Quebec Government study, in Quebec only, 30,000 jobs would be lost in the textile and clothing industries, were free to arranged with the United States.

It must also be emphasized that the textile and clothing industries are interrelated, because the clothing industry accounts for 40 per cent of the textile industry's market.

Incidentally, CIRB's Chairman, Mr. Tsai, mentioned last week in the Board's fourth and most recent annual report that it will have committed $267 million during its mandate.

The Industrial and Commercial Development Program is the second feature of CIRB's mandate, and its goal is to consolidate and diversify the economies of areas that are strongly dependent on the textile, clothing and footwear industries. The subsidized companies will invest a total of $358.4 million, including $97.1 million in contributions from the Industrial and Commercial Development Program. CIRB's contributions that have been approved since the inception of the program should help create 4,834 direct jobs, 672 of which would be in Drummondville.

Also, in 1984-85, restructuring plans for 100 businesses have been approved representing $134.1 million in investments with $39.4 million in financial help from the CIRB.

The textile industry is doing its share in the area of modernization, with respect to technology as well as management and creativity. Let me remind you that over the last decade, upwards of $2 billion have been invested with the purpose in mind. The industry is asking that the multifiber arrangement be implemented with more firmness and closer monitoring. This objective, coupled with a wiser use of macro-economic policies, will enable the private sector to plan and invest with confidence.

In my constituency, people are striving to find solutions for improving productivity in the textile industry genrally. Indeed, constituents of mine have take the initiative of requesting a feasibility study for a center for applied research in textiles. Also, constituents of mine are now doing that survey with a sampling of 200 industries. It must be hoped that such a project well not be doomed by improper decisions, as was the case under the previous administration.

Further more, I would like the Minister to consider imposing an overall quota on imports from all countries, under section XIX of the GATT.

Should there be further plant shutdowns, think of the cost of retraining those workers under the Labour Adjustment Ben-

efits Program. It should be said that subsidies are given to grain, milk and red meat producers because those products are considered necessities of life. Then, we could very well subsidize clothing which is also a necessity.

Finally, Mr. Speaker, I would humbly submit to the Minister a proposal to include in the long term plan he was referring to on November 29, 1984, one aspect that the inquiry failed to mention, namely a labelling policy that might inform consumers as to the nature of the product and the origin of the garmen they are purchasing.

● (1815)

**Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion):** Mr. Speaker, this evening I would like to answer a question by the Hon. Member for Drummond (Mr. Guilbault) concerning the implementation of recommendations made by the Textile and Clothing Board.

Mr. Speaker, first of all I can assure my hon. friend that the Government is fully aware of the importance of the textile and clothing industry for the Canadian economy, and especially for the economy of the provinces of Quebec, Ontario, Manitoba and Nova Scotia. In fact, one or both of these sectors are represented to some extent in all our provinces. Textile and clothing ranks second in Canada in the manufacturing sector, after food and beverages, and provides direct employment for 172,000 workers, while shipping products estimated at more than $10.5 billion. Quebec alone has over 96,000 workers in this sector. The clothing industry is concentrated in Montreal, where it represents 24 per cent of all manufacturing jobs. Many other Quebec communities, including the riding of Drummond, depend to a large extent on the textile and clothing industry. The clothing sector is also of considerable importance for Winnipeg, where it represents 17 per cent of all jobs in the manufacturing sector.

Considering the very substantial contribution of the textile and clothing sector to our national and regional economies, the Government has committed itself to maintaining a viable textile and clothing industry in Canada. To do so, the Ministers responsible have met several times with representatives from both industries to discuss the negative impact of the sudden rise in clothing imports from countries with low production costs that occurred in 1983 and 1984.

In addition the Textile and Clothing Board was asked to carry out an exhaustive investigation in the situation of those two industries, and it eventually made public the report mentioned by the Hon. Member.

The main conclusion of the TCB report is that imports from countries where wages are low or where industries are government-supported are causing serious damage to Canadian producers and that the situation can only get worse in the future. This situation can be explained by the fact that the clothing industry is labour-intensive and that our workers are much better paid than those of Asia, South America and Africa.

The main recommendations of the report are aimed at improving Canada's import restriction system within the multifibre agreement to which our country is signatory. As my colleague pointed out, this agreement is due to expire at the end of July this year. But we expect it will be renewed. It provides for negotiations between importing and exporting countries to arrive at bilateral textile and clothing agreements with which both parties can live. The TCB also repeated an earlier recommendation urging the Government to freeze import levels by implementing worldwide quotas under Section XIX of GATT so as to prevent further damage—

**The Acting Speaker (Mr. Paproski):** Order, please. I regret to interrupt the Parliamentary Secretary, but her time has expired. The Hon. Member for Kenora-Rainy River (Mr. Parry).

● (1820)

[*English*]

## CORPORATE AFFAIRS—MARKETING OF PHOTOGRAPHIC DEVELOPING MACHINES

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, on a point of order, if the Parliamentary Secretary is able to finish in 30 seconds, she can do so.

**The Acting Speaker (Mr. Paproski):** There are no points of order at this time. I have already indicated that I regretted to inform the Parliamentary Secretary that her time had expired.

**Mr. Parry:** Thank you for setting me straight, Mr. Speaker. I always appreciate your guidance.

It is a sad duty for me to raise in this forum the question of the developing machines marketed by the now notorious Key Independent Systems in Canada. It arises out of my question in the House on November 29, 1985, concerning the Department of Consumer and Corporate Affairs, although the Minister was not present at the time and I had given advance notice of my question. The answer which I received from the President of the Privy Council (Mr. Hnatyshyn) was that the Minister would get back to me with a response. Indeed that happened, but not in any way which I could deem satisfactory or not in any way which shed any light on this very sorry story of the swatch which the company had cut through independent businesses in Canada and the damage which has been done, not only to its own reputation but to individual entrepreneurs in several parts of the country.

The response which I received from the Minister just five days later indicated that the matter was under examination and that it would be inappropriate to comment further. At this time it is very appropriate to comment further because it is now the second anniversary of the information, as I understand it, being laid which led to the initiation of the investigation by the Department of Consumer and Corporate Affairs of the operation of Key Independent Systems and its financial part-

ners in the retailing of these machines, namely, the financial subsidiary of *Société générale*, one of the largest banks in France. Perhaps unfortunately for some of my own theories it is now effectively under the control of the French Government.

The history has been a long, sorry one, and that is why I feel it is incumbent upon the Parliamentary Secretary to let the House know, as we are all eagerly awaiting it, the action which the Minister of Consumer and Corporate Affairs (Mr. Côté) has taken and will be taking.

It appears that as a result of the non-performance of these machines, which were marketed with guarantees and with promises of performance that were glowing and which have now turned out to be extravagant and even false, approximately 40 businessmen in Canada have gone bankrupt. I think that it is sad, a tragedy which is deserving of Government examination, and certainly deserving of government intervention. Indeed, the aggrieved owners and former owners of these machines have formed an association. They have an executive director. That is surely an indication of the damage that was done. It was stated in a letter from the Solicitor General (Mr. Beatty), that KIS advertised that a company developing 30 rolls of film a day would reap $100,000 a year in profits. A London, Ontario company which averaged 29 rolls a day is now bankrupt. I could go on, although I do not want to use up the time that way. There are several similar examples of people who did their utmost to keep these machines working, replacing defective parts with higher grade materials, following all the service recommendations and instituting additional preventive and restorative maintenance of their own, but who still could not get anything like the performance out of these machines that Key Independent Systems was promising.

• (1825)

There are further marketing scandals related to that company. It has apparently been marketing a key-cutting machine in Ontario, which Ontario Hydro has not approved for connection to the provincial electric utility. It has apparently been bringing in used machines from the United States for sale in Canada as if they were new. We know that the financing contracts were sold instantly by the company to Société générale, the finance subsidiary. It appears from the statements by the Ontario KIS owners association that—through what means we do not know—somehow this company has been replacing its Canadian personnel with personnel imported from France. That is something that the Government, although it does not fall within the purview of the responsibility of this particular Ministry, should be concerned about.

The lending practices of this financial subsidiary should be investigated. Apparently there was some guaranteed agreement between the finance subsidiary and the parent, Société générale and the KIS company in France, that forced the financing company to finance these machines, thus effectively interposing a third party—who presumably acted in good faith though not with the best of judgment—into the deal between KIS systems and the Canadian independent businessmen who were still using those machines. What is even stranger and even more worthy of attention by the Government is that once the original investigation had started, it was found that there was nothing in the legislation that could be used to stop either the financing or the sales practices of this particular company. Those are the questions I would like to put to the Parliamentary Secretary, and those are the questions to which many small-businessmen and women deserve answers.

**Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, in the absence of my colleague, the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm), I have been asked to respond on his behalf to the Hon. Member for Kenora-Rainy River (Mr. Parry) and to the concerns expressed by other Hon. Members regarding this matter.

KIS Minute Canada sold a number of photo-developing machines to business people across Canada which were purported to be capable of processing a certain number of films in a given time. Many of these businesses were dissatisfied with the equipment sold to them and have indicated to the Department of Consumer and Corporate Affairs, and to the media, that poor service for the equipment and machinery malfunctions prevented them from achieving the capacity of the equipment claimed by the company. Many of these purchasers have formed KIS owner associations and are actively pursuing redress through civil litigation and other means. The company maintains that the equipment can produce at its rated capacity and has identified KIS owners who are satisfied with the equipment.

The Department is also aware of complaints by KIS owners alleging that there was improper use of testimonials by the company, and that sales representatives of the company have misrepresented the earning potential of the machines. The Director of Investigation and Research under the Combines Investigation Act is examining these allegations in relation to the misleading advertising provisions of the Act. As you know, the confidentiality provisions of the statute prevent the disclosure of information related to the consideration of such matters. Accordingly, it would be inappropriate for me to comment on the nature or progress of the director's examination. However, I can indicate that at the conclusion of any inquiry, the director may refer the matter under Section 15(1) of the Act to the Attorney General of Canada (Mr. Crosbie). It is he who determines whether or not charges should be laid.

• (1830)

The Hon. Member should bear in mind, however, that if a prosecution were to ensue, it would take place before the criminal courts. Consequently, each element of an offence would have to be established beyond a reasonable doubt. This requirement can place a difficult burden on the conduct of inquiries.

I can also state that Departmental officials have met with some of the complainants to review their concerns. I can assure the House that the matter is receiving a careful and complete examination of all the facts available. Should charges be laid

against KIS Minute Canada or its principals, the Minister will be pleased to inform Hon. Members.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until 2 o'clock tomorrow afternoon, pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

# HOUSE OF COMMONS

**Wednesday, February 12, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### SHIPBUILDING

GOVERNMENT ACTION URGED

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I rise again with regard to an issue that I have raised before on the floor of the House of Commons under Standing Order 22 as well as in Question Period. I am urging the Government of Canada to take some positive action with regard to the Canadian shipbuilding industry.

Members ought to know that on August 2, 1984, the Atlantic Progressive Conservative caucus met and discussed the issue of shipbuilding. At that time they promised: "A top priority of the Progressive Conservative Government will be to create a more viable and prosperous shipbuilding industry".

That was on August 2, 1984. Since that time nothing has taken place with regard to the shipbuilding industry in this country. All we have had is the Minister of Regional Industrial Expansion (Mr. Stevens) give various platitudes, but again no action. The Minister of Transport (Mr. Mazankowski) talks on the one hand about jobs he wishes to create when he in fact is secretly dealing behind the scenes with individuals to buy ships offshore, depriving Canadians of jobs in our shipbuilding industry across the country.

I find the actions of the Government to be totally irresponsible. A major sector of our economy is the shipbuilding industry. I cannot understand why the Prime Minister (Mr. Mulroney), the Minister of Regional Industrial Expansion, and the Minister of Transport cannot proceed with some action in this matter.

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

* * *

### EXTERNAL AFFAIRS

THE PHILIPPINES—DOUBT ABOUT OUTCOME OF PRESIDENTIAL SYSTEM

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, it is a week since the Philippine elections took place, and the National Movement for Free Elections, which is an independent citizens body of a half million volunteers, has declared Corazon Aquino the winner. Cardinal Sin said that this movement is doing its best to restore freedom to the Philippines, yet the Government Commission on Elections has Marcos ahead. However, the Commission is Marcos-controlled.

• (1405)

The Legislature which is doing the final count is Marcos' controlled. Whom are we to believe? U.S. observers have told President Reagan that they must be wary of Marcos' claims to victory.

Now is the time to speak out for freedom in the Philippines. It is incumbent upon the Canadian Government to put pressure on our friends, the Americans, to send a very strong message to Marcos that he must respect the results of free elections in the Philippines.

* * *

### ENERGY

USE OF TAX REVENUE

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, at the moment it seems that the price of gasoline is on the minds of many B.C. residents. My constituency of Fraser Valley East is no exception.

Recently the *Valley Times* newspaper handed me petitions from over 4,000 residents. All of these Fraser Valley East residents are concerned about the cost of gasoline in Canada in comparison with the United States. They think that our tourism industry would be strengthened if both the federal and provincial levels of Government lowered their rates of taxation on gasoline.

All of the petitions unanimously endorsed the suggestion that both levels of Government should find alternate sources of revenue. Unfortunately, none of the petitioners nor the various constituents to whom I have spoken have put forward any suggestions on what other sources of revenue are available to the Government. It seems that it is very easy to tell the Government it should or should not follow a particular course of action, but it is far more difficult to suggest alternatives.

For example, I doubt if the majority of Canadians would be enthusiastic with someone suggesting that their incomes should be taxed at a greater level in exchange for everyone being able to purchase cheaper gasoline. No matter what kind of taxation is levied, the Government needs as much revenue as possible in order to pay off our massive deficit.

I have the distinct impression that the average Canadian does not realize the effect which the budgetary deficit is

having on the treasury of the Government of Canada. Over one-third of the federal Government's income is used to pay for the interest charges on the national debt. This is the predicament we inherited from the previous Government. We are now desperately trying to correct it.

* * *

## FISHERIES

REPATRIATION OF COD FISHING QUOTA FOR NEWFOUNDLAND FISH PLANTS

**Mr. Morrissey Johnson (Bonavista-Trinity-Conception):** Mr. Speaker, I would like to shed some light on erroneous statements made by the Hon. Member for Hamilton East (Ms. Copps) with respect to cod fishing in Newfoundland.

For many years succeeding Liberal Ministers of Fisheries gave away 3,700 tonnes of northern cod to the Spanish fleet in spite of its over-fishing record. Now that the quota has been repatriated, the Minister of Fisheries and Oceans (Mr. Siddon) has decided to allocate it to where the need is greatest, namely, 2,000 tonnes to the Harbour Grace Plant, and 1,700 tonnes proportionally split among FPI, National Sea, and the Independent Offshore Group.

Special consideration of Harbour Grace was justified because of the employment potential for a large part of the Trinity-Conception area. Existing assets of the Harbour Grace plant had been inadequate to interest a buyer acceptable to the receivers, so the plant was in danger of not being re-opened.

This special allocation, Mr. Speaker, was not unique. The Hon. Pierre deBane did the same thing for the closed Georgetown plant in PEI in 1983 or 1984. We have even kept that allocation available, but no one has come forward who is prepared to re-open the Georgetown plant.

The previous Liberal Government kept Atlantic Canadian fish plants open through multi-million-dollar bail-outs with taxpayers' money. Our Government has demonstrated in Harbour Grace that by judiciously allocating the resource and creating an hospitable climate for foreign investment we can encourage the expansion of opportunities for Canadians.

* * *

## UNEMPLOYMENT INSURANCE

EFFECT OF REGULATION CHANGE ON ARMED FORCES PERSONNEL

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, I wish to address the recent ruling by the Minister of Employment and Immigration (Miss MacDonald) to have pension income included when making application for unemployment insurance benefits.

This ruling clearly discriminates against Armed Forces members who have served for 20 years or more and are still actively looking for work but collecting a pension. These people are still making contributions to the unemployment insurance fund. The Minister should consider waiving this rule completely for Armed Forces personnel or, at the very least, increasing the amount allowable per week before deductions commence on unemployment insurance benefits.

This ruling also discriminates against those individuals who have opted for early retirement and to make way for younger employees. They would collect unemployment insurance as a cushion for one year. There are many individuals who take advantage of early retirement after putting in 40 years and more. Many of them were told that as long as their claims were in before the new regulation came into effect, they would be exempt. Of course they soon realized on January 5 that this was not the case.

• (1410)

This misleading information coming from the Minister's own Department led people to believe that if they took early retirement, before January 1, 1986, they would be exempt from having their pension benefits included when making application for unemployment insurance. It is simply not fair that these people should suffer when they acted in good faith on information obtained from the Government.

* * *

## DISASTERS

HINTON RAILWAY ACCIDENT—CONDEMNATION OF MEDIA REPORTS ON POSSIBLE CAUSE

**Mr. Les Benjamin (Regina West):** Mr. Speaker, the tragedy of the railway accident near Hinton, Alberta, should be sensational enough for the media in their drive to be first with the news, for increased circulation, and advertising revenues. However, when the media continue to report for days afterwards speculations and opinions, unsupported by any verified evidence, as to the cause of such a tragedy, then it becomes a trial by media.

News reports are encouraging conclusions in advance of evidence, by way of innuendo, inference, supposition and unsupported opinion as to the cause of the accident. The public statements made by individuals with some responsibility in the matter come out as self-serving and, to be blunt, as protecting their own rear ends. The statements are then wildly reported by the media when the media have neither the time nor capacity to investigate and report upon the validity of such statements, or issue disclaimers.

It is now time for the media to cease such unprofessional reporting of speculation in search of drama. It is time for the Minister of Transport (Mr. Mazankowski) to tell officials of CN, his Department and agencies to shut up and save their opinions and evidence for the judicial inquiry. It is time for all of us to wait for the evidence, findings, conclusions, and final recommendations of the inquiry, without bringing even more distress upon mourning families and an already sad population.

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

* * *

[*Translation*]

## THE ECONOMY

GOVERNMENT'S PERFORMANCE

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, I would like to put on record this Government's excellent performance since September 4, 1984. Since the election, 585,000 new jobs have been created in this country. Inflation has been maintained at the 4 per cent level for a year and a half, and prices have never been so stable since 1971. Consumer confidence is reaching near-record highs. The retail trade has cashed in on its best Holiday season in years. Oil and gas drilling operations have increased by 25 per cent over last year. Furthermore, the value of manufacturing orders have risen by 14.9 per cent, thanks largely to increases in the producing industries such as the manufacturing and building sectors. Total production has increased by 4.9 per cent over the last year, and by 6.1 per cent since the election. The chartered banks' prime rate is three-quarters of one per cent lower than on election day. The value of building permits has increased by 26 per cent during the first 11 months of 1985, generating $3.7 billion in additional income for the construction industry.

Such is this Government's record, Mr. Speaker, for the benefit of all Canadians.

* * *

[*English*]

## EMPLOYMENT

ATLANTIC CANADA—CREATION OF JOBS SINCE 1984

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, yesterday I described for Hon. Members of the House the progress being made by the Government in reversing the economic decline which characterized Cape Breton and eastern Nova Scotia over the last number of decades. Today I want to compliment the Minister of Regional Industrial Expansion (Mr. Stevens) for his success in addressing the unemployment problems of Cape Breton, eastern Nova Scotia, and Canada's other regions.

Let us look at more facts. Mr. Speaker, did you know, for example, that more jobs have been created in 16 months in Atlantic Canada than were created in total between 1980 and 1984?

In Newfoundland, 6,000 jobs have been created in 16 months, compared with 2,000 in 55 months under the previous Government. The Progressive Conservative Government is creating jobs in Quebec at a rate 13 times faster than the Liberal rate. Since September, 1984, 239,000 jobs have been



created in Ontario and 90,000 jobs have been created in the Prairies.

In Alberta, the unemployment rate has fallen from 12 per cent to 8.5 per cent. In British Columbia, 51,000 jobs have been created. That is a record to be proud of. We are delivering in a big way on our promise of economic renewal, and we will take even more seats.

* * *

• (1415)

[*Translation*]

## INDUSTRY

DESBIENS PLANT—ELECTION PROMISE

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Yesterday, Mr. Speaker, we had the visit of employee representatives from the Desbiens plant in the Roberval riding. I must say that when they left, these people were quite disappointed with the attitude of their elected representative and the Minister of State responsible for Small Businesses (Mr. Bissonnette) who, instead of showing interest in the reopening of this plant, found nothing better to tell them than to find new buyers. As though the employees themselves, in such an isolated area, could find buyers, when it is the duty of the elected member of Roberval and the Minister to do his job and defend the interest of his constituents.

In view of the fact that the Prime Minister has confirmed that he would indeed fulfill the promise made in that riding, the people would like to know whether the Prime Minister will keep his word for once and help these people go back to work.

* * *

[*English*]

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM ITALY

**Mr. Speaker:** May I draw the attention of Hon. Members to the presence in our gallery today of Mr. Romeo Ricciuti, Member of Parliament of the Labour Committee of the Parliament of Italy and leading a parliamentary delegation from that country.

**Some Hon. Members:** Hear, hear!

*Oral Questions*

# ORAL QUESTION PERIOD

[*English*]

## UNEMPLOYMENT INSURANCE

### CALCULATION OF PENSIONS AS INCOME

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Prime Minister. Last month the Minister of Employment and Immigration implemented a very callous decision to disqualify from full unemployment insurance anyone who receives a pension. I want to ask the Prime Minister to overrule the Minister of Employment and Immigration and restore equity to the system. It has been a very callous, unfair decision involving hundreds of thousands of Canadians.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, my colleague, the Minister of Employment and Immigration, and I have both responded to that identical question two or three times last week, as well as a number of times in previous weeks.

**Mr. Deans:** Not very well.

**Mr. Wilson (Etobicoke Centre):** I will repeat the answer to the question, but I think the Hon. Member could look at *Hansard* and find the answer there. The simple answer is that this proposal was put in the November 8 statement. It has been referred subsequently to the Forget Commission. We are awaiting a report of the commission and we will make our decision following that.

### CALL FOR REVOCATION OF DECISION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Minister and his colleague have made the decision before the Forget Commission has had a chance to report. I direct my question again to the Prime Minister. The Deputy Prime Minister and the Secretary of State for External Affairs have written the Minister of Employment and Immigration to protest the heartless nature of this decision. In that circumstance, will the Prime Minister restore some unanimity to his Cabinet, and also restore some justice to the system, by revoking that decision of the Minister of Employment and Immigration?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me clarify what the Hon. Member said in the preamble to his second question. I said, quite clearly, that this was introduced in the November 8 statement. Subsequent to the November 8 statement the Forget Commission was appointed, and once appointed we referred this matter to the Forget Commission. The Forget Commission has been established—if the Hon. Members want to listen to the answer to the question I would welcome their attention. The Forget Commission has been established to review a wide range of matters in the unemployment insurance system, one of which being this particular matter.

[*Translation*]

### REQUEST THAT DECISION AFFECTING UNEMPLOYMENT INSURANCE BENEFITS BE REVOKED

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the decision was already in effect before the Forget Commission's report, and I repeat that once more, the Government has betrayed Canadians. There are people in this country who have been paying unemployment insurance premiums for 30 or 40 years and who cannot receive their benefits now because they have to retire sooner than they expected. Are the Minister of Finance and the Prime Minister going to revoke this cruel and unnecessary decision?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I indicated that this problem—

[*English*]

This matter has been referred to the Forget Commission, as I have indicated, and we will await the report from the Forget Commission prior to making a decision on this.

**Mr. Deans:** Well, you made the decision.

● (1420)

### EFFECT ON ARMED FORCES PERSONNEL

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, my question is for the Prime Minister. We learned this morning that the Minister of National Defence and the Secretary of State for External Affairs both wrote to the Minister of Employment and Immigration protesting this cut in unemployment insurance benefits for Armed Services personnel who take early retirement. Since the Prime Minister is ultimately responsible for all policies of the Government, and as this is a cabinet decision, why is he persisting in this unfair and callous decision when he has appointed the Forget Commission to study unemployment insurance? Why does he not settle the problem between his Ministers, withdraw the issue and refer it immediately to the Forget Commission? Only he can answer this question, not the Minister of Finance.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member who has been in this place for many, many years—

**Mr. Turner (Vancouver Quadra):** And for many more years.

**Mr. Wilson (Etobicoke Centre):** I think he is showing how many years he has been in this place. What we have understood from the comments made by the Hon. Member as well as other Hon. Members is that there are a great many very complex issues and problems that are related to the unemployment insurance system. The Hon. Member has referred to one of them, but he knows that there is a wide range of problems that must be dealt with. That is the reason the Government established a Royal Commission for the first time in many years to look at the unemployment insurance system. We will deal with these matters in an objective way, based on full and

complete analysis, rather than adopting the Hon. Member's shooting-from-the-hip approach on one particular issue. He knew that he identified only a very small part of the issue when he raised the question.

CABINET POLICY

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, it is not acceptable that the Minister of Finance should answer this question. There has been a dispute between Ministers and only the Prime Minister can answer for his entire Cabinet.

We know that the Prime Minister idealizes the President of the United States and would rather have his system, but he has to answer this question. Will he withdraw these policies criticized by two of his Ministers and the former Minister of National Defence and refer them to the Forget Commission which the Government appointed? Will he answer the question rather than the Minister of Finance?

**Some Hon. Members:** No guts.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there were a number of questions regarding the subject of my portfolio yesterday that the Right Hon. Prime Minister answered so I think it is only fair that I should respond to some of the questions that are being put today. The Hon. Member is referring to some speculative reports in newspapers and—

**Mr. Turner (Vancouver Quadra):** We got the letters. Come on!

**Mr. Wilson (Etobicoke Centre):** I would ask the Hon. Member to consider, based on his experience and the knowledge that he has as a Minister in the previous Government, that there are a number of problems with the unemployment insurance system. He knows that well from his own experience. That is why we have appointed the Forget Commission and we are going to wait for the Forget Commission to return to us a range of recommendations on a range of issues—

**Mr. Speaker:** Order, please.

SITUATION OF RETIRED FORCES PERSONNEL

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is directed to the Prime Minister. I know the Prime Minister prides himself on being fair and just, and I do not say this facetiously. We have in our possession the letters from both the Secretary of State for External Affairs and the Minister of National Defence to the Minister of Employment and Immigration regarding the situation in which servicemen find themselves, which is that after 30 years of service it is compulsory that they retire. Does the Prime Minister think it is fair that these folks who are being denied unemployment insurance benefits should wait beyond the fall of 1986 for the Forget Commission to report, and be denied unemployment insurance while the Government waits for the report and then determines whether it wants to legislate, or not?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, since this subject matter falls under my responsibility, perhaps I might be permitted to answer. As the Minister of Employment and Immigration has replied to the House to precisely the same question on several different occasions, she has received representations from a great many individuals and organizations in respect to this matter. There is more than just this problem with the Unemployment Insurance Commission so the matter has been referred quite properly to the Forget Commission for its adjudication and advice to the Government, advice we look forward to receiving and acting upon in the near future.

• (1425)

I do not know why it is necessary for Hon. Members to keep repeating, repeating, and repeating the same question—

**Mr. Orlikow:** Because those people have been cut back, that is why.

**Mr. Andre:** —in view of the fact that it is out of order according to Citation 359 of *Beauchesne*.

**Mr. Deans:** Why are you criticizing the Speaker?

**Mr. Speaker:** Order.

**Mr. Deans:** Why are you attacking the Speaker?

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I take it the Hon. Minister is presenting his candidacy for Speaker. The Hon. Member for Nickel Belt (Mr. Rodriguez), supplementary question.

**Mr. Rodriguez:** Mr. Speaker, since that Minister is in charge of fairness it is no wonder that we are all in trouble.

**Some Hon. Members:** Hear, hear!

NOVA SCOTIA ANNUITANT

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I wish to ask the Prime Minister specifically: What do you say, Mr. Prime Minister, to Mr. Edward Gale of Lower Sackville, Nova Scotia, who at 47 was released after 30 years in the Armed Forces and is not receiving his unemployment insurance benefits because he is receiving an annuity from the Armed Forces of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker—

**Some Hon. Members:** Oops!

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** They are right, they flushed me out. I was so terrified I did not dare answer the question of the Hon. Member for Notre-Dame-de-Grâce-Lachine East. He scares the hell out of everybody around here.

**Mr. Allmand:** Come into NDG and say that, smart guy!

**Mr. Mulroney:** I think the hon. gentleman knows full well that the case will be responded to, as my colleagues have indicated, with fairness, particularly in regard to those who have served their country.

**Mr. Rodriguez:** Supplementary, Mr. Speaker!

**Some Hon. Members:** Hear, hear!

**Mr. Rodriguez:** It's my birthday, Mr. Speaker.

**Mr. Hnatyshyn:** Nine out of ten for acting!

**Mr. Speaker:** I have a distinct feeling there were caucus meetings this morning.

Supplementary question, the Hon. Member for Nickel Belt.

**Some Hon. Members:** Hear, hear!

PRIME MINISTER'S POSITION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Prime Minister. Does he think that it is right and just that these people who are being denied unemployment insurance benefits because of serving their country in the Armed Forces of Canada should have to wait until the report of the Forget Commission—which has been given an extension—and while the Government decides whether or not it will legislate, before they are eligible to receive unemployment insurance?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker—

**Mr. Allmand:** He thinks it's a laughing matter!

**Mr. Mulroney:** —we have inherited a very corrosive social situation from the Liberals—

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** —brought about by a colossal deficit initiated by the Right Hon. Leader of the Opposition when he was Minister of Finance, with which we are trying to deal.

**Mr. Rodriguez:** But you don't pay anything for this.

**Mr. Mulroney:** Calm down, calm down.

**Mr. Ouellet:** Who is the Speaker here?

**Mr. Mulroney:** In the process of dealing with it, we will deal with it in fairness on behalf of all Canadians. We will respond to the inquiry of my hon. friend in that same spirit of fairness.

**Some Hon. Members:** Hear, hear!

SITUATION OF FORMER BRITISH COLUMBIA BANK EMPLOYEE

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I hope for the sake of the workers—literally thousands of them, men and women—in the Armed Forces and in the regular labour force, and for those people who have been terminated from benefits, the Prime Minister will stop misleading the House—

**Some Hon. Members:** Order!

**Ms. Copps:** —by saying that the matter has been referred to the commission.

Does the Prime Minister think it is fair that a secretary with the Bank of British Columbia, who worked there for 36 years and who was terminated at the age of 54 so that she could be replaced by a 24-year-old, cannot collect unemployment insurance benefits even though she has paid into the plan for 36 years?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member has raised a particular example. I am sure she has not given us all the information as to why this person is not able to collect unemployment insurance.

**Ms. Copps:** Your policies!

**Some Hon. Members:** Shush!

• (1430)

**Mr. Wilson (Etobicoke Centre):** Possibly if the Hon. Member had some patience and didn't want to take advantage of the situation she raised for political reasons, she would like to discuss it at a later date and we would give her an answer in a reasoned and objective way.

**Ms. Copps:** The reason this woman was terminated from benefits was as a direct result of the economic statement of the Minister of Finance in November, and he should know the effect his policies are having on thousands of Canadians.

SITUATION OF HAMILTON STEEL WORKER

**Ms. Sheila Copps (Hamilton East):** If the Minister of Finance does not believe the case of this particular woman, will he believe the case of another worker who in fact worked for the Armed Forces for two decades and again is denied benefits? Will he believe the steel worker in Hamilton who came before the Forget Commission—

**Mr. Speaker:** Order, please.

**Mr. Rossi:** Who do you believe?

**Mr. Speaker:** The Hon. Minister may choose to answer that question if he wishes.

**Mr. Nystrom:** Who does Brian believe? Brian believes Ronald Reagan.

## EXTERNAL AFFAIRS

### CIA BRAINWASHING EXPERIMENTS—TESTIMONY OF CANADIAN PUBLIC SERVANT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question on human rights for the Prime Minister. He knows that for over a year I have been writing to him and the Secretary of State for External Affairs urging Canadian Government support for the nine Canadians who, unfortunately, were victims of CIA brainwashing experiments in Montreal. Last October I warned how sad it would be if one of these victims should die before justice was done. Regrettably, with the sad death of Florence Langleben, that has now occurred.

Could the Prime Minister tell the House why the Government refuses to have the Canadian public servant, Mr. John Hadwen, testify in the U.S. proceedings when such testimony is deemed to be crucial in defence of the Canadians?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we are willing to allow Mr. Hadwen to be available in that regard.

**Mr. Benjamin:** That's news.

**Mr. Mulroney:** My hon. friend is quite right when he indicates that he has raised this matter repeatedly. Pursuant to some of his interventions, I have spoken with the Secretary of State for External Affairs who is himself very personally committed to a resolution of this matter and he has raised it on three separate occasions with Secretary Shultz in an attempt to obtain a resolution.

### REQUEST THAT PRIME MINISTER INTERVENE ON BEHALF OF VICTIMS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I am pleased that the Prime Minister has now intervened. I simply point out that when I requested the Secretary of State for External Affairs in the last 10 days to have this Canadian public servant testify, he refused to do so at that time. Instead, he offered written testimony which, of course, is legally useless.

Since the lawyers representing the Canadians in the U.S. proceedings have written to the Secretary of State for External Affairs three times last fall and received no reply to two of those letters and only a partial reply to the third, will the Prime Minister himself now directly intervene in these important proceedings by ensuring that all letters which have been sent to the Secretary of State for External Affairs in defence of these Canadians are responded to promptly?

**Right Hon. Brian Mulroney (Prime Minister):** I will be happy to, Mr. Speaker. I should say, however, that I am personally aware of the personal, continuing, and abiding interest of the Secretary of State for External Affairs in the resolution of these matters. He is absent today but I will, of course, bring the representation to his attention immediately.



I can tell my hon. friend that when these matters are ultimately resolved—in a manner favourable to Canadian citizens, it is to be hoped—no one will be happier than the Secretary of State for External Affairs.

* * *

[*Translation*]

## THE ECONOMY

### INTEREST RATES—STATEMENT BY GOVERNOR OF BANK OF CANADA—GOVERNMENT POSITION—IMPACT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, on January 13 of this year, the Minister of Finance stated in the House that it was not this Government's policy to increase interest rates in order to protect the dollar. Following this irresponsible statement, the dollar fell two cents within a few days, thus obliging the Government to borrow $2.5 billion on the international market.

Yesterday, the Governor of the Bank of Canada said that interest rates would remain high as long as was necessary.

First of all, could the Minister of Finance inform the House today whether, contrary to what he said on January 13, he agrees with the Governor of the Bank of Canada? Second, what impact will interest rate policy announced by the Governor of the Bank of Canada have on the budget deficit?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, what the Governor of the Bank of Canada also said is that the alternative to not doing what we did in the markets last week would have led to higher rates. I would say to the Hon. Member that those higher rates would have stayed around on a much more permanent basis than I believe the rates we have to date. That is the nature of the type of action we took in the exchange markets and the interest rate markets last week. It was a package approach to a problem which had to be dealt with, and dealt with in a firm way.

We felt that that was the essential way to go in order to dampen the degree of speculation that was there and to get back to a degree of stability. It is very important for this country to continue to achieve our tremendous success of the past year in getting—

**Mr. Speaker:** Order, please. This is becoming a speech.

[*Translation*]

### POLICY ANNOUNCED BY BANK OF CANADA GOVERNOR—MINISTER'S POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, the Minister is saying the exact opposite of what he told the House on January 13. Today I would like to ask the Minister,—and I wish he would give me a clear answer—does he agree with the policy announced yesterday in committee by the

Governor of the Bank of Canada, a policy that has been widely reported in the press?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if the Hon. Member would stick around the House more, he would be here at the time when I am making these statements.

**Mr. Deans:** That's not fair.

**Mr. Garneau:** Answer my question.

**Mr. Nunziata:** Cheap shot, Mike.

**Mr. Wilson (Etobicoke Centre):** I made a statement in the House last Thursday in which I indicated quite clearly that the actions which were taken by the Governor of the Bank of Canada were fully supported by this Government, and I still stand by that statement.

* * *

## YOUTH

### CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is directed to the Prime Minister, if I could get his attention. The Prime Minister will know, I am sure, that Katimavik creates a thousand jobs in addition to the 2,000 opportunities for youth to develop skills and education. Every dollar the Government puts in generates $2.43 worth of productivity. Why is the Government cutting this program?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it was a value judgment. Indeed I am sure the Program did have a noble motive when it was first brought about, but in the very difficult economic climate in which we find ourselves it was the value judgment of this Government that the $20 million could be better spent in securing more employment for more young people in Canada.

### CREATION OF JOBS

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, does the Prime Minister realize that for the 3,000 people per year who benefit from the program, the actual cost to the Government runs at only $6,800 per year? We cannot buy better than that. It generates $60 million worth of community projects over four years.

**Some Hon. Members:** Oh, come on.

**Mr. Deans:** How can we possibly produce more for less?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, first I should point out that it is not 3,000 people who benefit from it, it is 2,000.

**Mr. Deans:** No, it's 1,000 employees and 2,000 youths.

**Mr. Mulroney:** We are talking about creating jobs for young people.

**Mr. Deans:** Three thousand.

**Mr. Mulroney:** I think that is the same objective my hon. friend has. That is why, for example, youth unemployment, with which we were all very concerned during the election campaign, has come down 2.8 per cent since this Government was sworn into office. One of the reasons we were able to do it was because we made the tough choices—

**Mr. Blaikie:** Because they are getting older.

**Mr. Mulroney:** —of getting rid of some programs which had some value in the past but which no longer respond to the changes. I point out to my hon. friend—because it is of interest to him in particular—an interesting statistic. Of the number of jobs created in the 55 months under the previous Liberal Government—

**Mr. Deans:** Oh, no.

**Mr. Mulroney:** No, it is important—83 per cent were part-time, and of the 583,000 jobs created under this Government, 83 per cent are full-time.

* * *

## ENERGY

### PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Today we learned that the price of gasoline at the pumps in the United States has dropped dramatically. A survey of three American cities shows that consumers are paying 37 cents, Canadian, a litre. It is obvious that Americans are feeling the benefit of falling crude oil prices. Will the Minister tell us just when Canadians will feel a similar price drop? When can we expect a benefit from falling world oil prices in a substantial way?

• (1440)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am surprised to see the Liberal critic rise on this question. I thought he was going to congratulate this Government for going to Newfoundland yesterday and announcing $34 million worth of development projects aimed at training young Newfoundlanders for work in the offshore.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** In response to his question about gasoline prices, I have answered that many times in the House. Canadians will receive the benefit of falling world prices as the inventory which was purchased before Christmas at very high

prices is processed, refined, loaded, shipped, stored, transported, and finally arrives at the gas pump.

REQUEST FOR MINISTERIAL ACTION

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, the U.S. is feeling the benefit of lower prices now. Nova Scotia, the only province where oil companies must make application to a tribunal to increase prices, refused to increase prices. When is the Minister going to do something substantial to reduce gasoline prices in Canada? When is she going to stop waffling and get on with what she should be doing?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I again remind the Member that it was this Government which deregulated oil prices so consumers would benefit from declining prices. It was his Party which increased gasoline prices 80 per cent under a regulated system which they imposed on consumers.

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## CANADA POST CORPORATION

REQUEST FOR ASSURANCE AGAINST STRIKE

**Mr. Jim Jepson (London East):** Mr. Speaker, small businesses across Canada have been concerned recently about the threat of a postal strike. In the absence of the Minister responsible for Canada Post can the president of the Treasury Board reassure this House that small businesses, indeed all Canadians, do not have to fear the possibility of a strike interrupting their activity and the economic recovery they are now enjoying?

[*Translation*]

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, there is now a verbal agreement between management and union representatives. This agreement, which seems fair and satisfactory for both parties, is still subject to ratification by the union. I can assure my hon. colleague that the negotiations are still going on.

* * *

[*English*]

## UNEMPLOYMENT INSURANCE

PENSION INCOME OF RETIRED ARMED FORCES PERSONNEL

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In answer to my colleague from Nickel Belt a few minutes ago he said we should wait for the Forget Commission which will not report until the fall. As he knows, a worker needs 20 weeks of insured earnings in the previous 52 weeks before they qualify for unemployment insurance. In light of this, will the Prime Minister err on the side of retired Armed Forces personnel and withdraw the regulations concerning pension income being regarded as earned income for unemployment insurance purposes?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think this is the same question that we have had probably eight times so far in this Question Period. The answer is still the same, and I would refer the Hon. Member to *Hansard* for previous Question Periods if the answers are not good enough in this Question Period.

**Mr. Speaker:** Order. I will recognize the Hon. Member for a supplementary but preferably not exactly the same question again.

SITUATION OF BRITISH COLUMBIA PENSIONER

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I am afraid the Minister of Finance did not understand, but I will accept your advice. What can he then say to Mr. Leonard Luoma of Royston, British Columbia, who, because of the change in regulations, will lose some $381 a month? He is retired from the Armed Forces and that represents one-third of his family income for seven months of the year.

**Mr. Speaker:** I think the Hon. Member knows that is effectively the same subject and the same question.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The only reason for saying what I am saying is that there are lots of Members who have lots of questions. I presume it makes sense to get as many in on as many subjects as possible. The Hon. Member for Montreal-Saint-Marie.

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

NEW REGULATIONS CONCERNING PAYMENT OF BENEFITS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a question for the Right Hon. Prime Minister.

I would like to explain to him that, like in so many other ridings, in my constituency, a 61 year old woman has accepted early retirement so that a young worker would not be laid off.

Can the Prime Minister tell us why his Government has changed the rules of the game in mid-course and prevented such people from receiving unemployment insurance benefits?

[*English*]

**Mr. Speaker:** Order, please. I will grant the Hon. Member a supplementary but that is the same question as has already been asked several times.

**Some Hon. Members:** No!

**Mr. Speaker:** Order, please. I have a long list of people who want to ask questions. Does the Hon. Member have a question on a different subject?

[*Translation*]

MAINTENANCE OF ACQUIRED RIGHTS—PRIME MINISTER'S POSITION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, as a supplementary, since the Prime Minister has asked you not to let him reply—

My supplementary is to the Prime Minister: Can you tell me why you did not maintain the entitlement of those who took an early retirement before the date of the announcement?

[*English*]

**Mr. Speaker:** The Hon. Member for Cape Breton Highlands-Canso.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**Mr. Nunziata:** He has the right to ask a question.

**Some Hon. Members:** Quiet!

**Mr. Speaker:** I am sorry, it sounded to me like the same question. Order, please. To me it sounded like the same question. I will check the "blues" and, if I was wrong, I will come back later on. The Hon. Member for Cape Breton Highlands-Canso.

* * *

## FISHERIES

SEAL HERDS THREAT TO ATLANTIC FISHERY

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. As he knows, the growing harp and grey seal population off Atlantic Canada represents a serious threat to the continued viability of the Atlantic fishery. Can the Minister tell us when we can expect a decision on how we are going to deal with this growing seal population?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the grey seal population off the Atlantic coast has increased by approximately 50 per cent over the past six years. This not only threatens the level of cod stocks through the direct devouring of those stocks by the seals, it also causes damage to fishermen's nets and gear. As well, the parasitic infestation alleged to be caused by an excessive grey seal population is of concern to the fishermen. I am waiting upon the report of Judge Malouf of the Royal Commission on Seals and Sealing. I will then submit appropriate recommendations to Cabinet to deal with this problem.

[*Translation*]

## SOCIAL SECURITY

CHILD CARE SERVICES—GOVERNMENT AID—GOVERNMENT'S POSITION

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I wish to direct my question to the Right Hon. the Prime Minister.

It has to do with day care and his 1984 promise to provide financial assistance for day care services.

Particularly with respect to the $300 million claimed by groups working in that field, will the Prime Minister honour his promise and give immediate financial assistance to such services throughout Canada?

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Prime Minister made a commitment during the campaign, and under his instruction and leadership that commitment has been fulfilled to the point that the task force on child care has been appointed. The Hon. Member will recall that we had an exchange yesterday in committee on this same point. The Government looks forward to receiving recommendations from the task force, and I think it is important that we do not pre-empt those recommendations which Members in her own Party, I am sure, want to make to that task force.

GROUPS' REQUEST FOR FUNDS

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my supplementary concerns the promises the Prime Minister made. Will these promises of direct aid be kept? It is needed now, not in the future. Will he tell us what "priority", and "immediate", and "taking leadership in giving federal funds" mean if they do not mean infusion of funds now which the groups are asking for in the coming Budget?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the task force has a very clear mandate, and the Hon. Member's references have been accepted by all Parties in this House. The question of how we are going to put together a good child care system is exactly what the task force has been charged with determining. I asked the Hon. Member yesterday to have an open mind on these matters and not be restricted by her own thinking and the views her Party has put forward. The Prime Minister has given leadership, it is a priority of the Government, and we will proceed as we said yesterday we would.

## FISHERIES

### TERMINATION OF FISHING VESSEL ASSISTANCE PROGRAM

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Fisheries. Late Friday afternoon last the Minister announced the termination of the Fishing Vessel Assistance Program under what he acknowledged was pressure from the U.S. International Trade Commission. Can the Minister tell us which of the other programs identified by that Commission as irritants does he intend to terminate to satisfy both the U.S. administration and the desires of Canada's free trade negotiator?

● (1450)

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, if the Hon. Member will check the record I think he would find that he asked almost an identical question two days ago. In fact I did not in any way indicate that the decision to terminate the Fishing Vessel Assistance Program was directly attributable to the United States counterval initiative.

In fact the decision was taken subsequent to a thorough review of that program and in the context of this Government's desire to continue to create more new jobs in Newfoundland and Atlantic Canada, as has been our record in the past 16 months.

**Mr. Tobin:** As we say at home, Mr. Speaker: "You would want the face of a robber's horse to make that statement". His own press release contains a reference to satisfying a U.S. irritant.

### DEPARTMENTAL REORGANIZATION INQUIRY

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, will the Minister confirm that tomorrow he plans to announce by way of a press release, rather than a ministerial statement in this Chamber, the reorganization of the Department of Fisheries, including additional staff and program cuts?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, if the accuracy of the Hon. Member's suggestion he has just made is as valid as the other assertions he made in the House, he will prove to be sorely disappointed.

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## FINANCE

### TAX AVOIDANCE BY LIMITED PARTNERSHIPS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance. He will be aware that during the Tax Probe '86 hearings the abuse of the limited partnership provision of the Income Tax Act is being identified as the best new method of tax avoidance.



Is he aware that this abuse is taking place across the country and does he plan to end it either before or in his Budget?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe the record of this Government in closing areas of tax abuse is well known. This wide range of areas includes the original limitation of rulings, unlimited partnerships, SRTCs, carve-outs, income splitting which helps upper-income Canadians and the financing of yachts and motels. We have acted very quickly to deal with these problems as they have arisen.

We have very clearly set out our policy with respect to the question of minimum tax, and that minimum tax will be implemented shortly and will be effective for all of this year. We have acted promptly in all of these areas.

I am interested in the comments by the Hon. Member. If he wishes to elaborate on those, as he knows it is a very complex area and I will be glad to sit down with him.

### EVALUATION OF TAX EXPENDITURE PROGRAMS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, the limited partnership abuse is likely to cost the Government of Canada many hundreds of millions of dollars, like so many other provisions. Does the Minister of Finance not think it is time that a process be introduced so that every tax expenditure program is evaluated to ensure that the people of Canada are getting good value for their money?

**Hon. Michael Wilson (Minister of Finance):** First, Mr. Speaker, the ministerial task force under the chairmanship of the Deputy Prime Minister has been doing that to a large extent during the course of the past 16 months. Furthermore, last summer we released the book that set out very clearly the cost of tax expenditures that are in place now. We are reviewing these on an ongoing basis. I have indicated to the Hon. Member on a number of occasions that I welcome the suggestions that he and his Party would like to make.

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## GOVERNMENT EXPENDITURES

### FREEZE ON HIRING AND DISCRETIONARY EXPENSES

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, my question is directed to the President of the Treasury Board. Will he explain to the House the implications of his recent announcement of a freeze on hiring and discretionary expenses in the federal Government?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, I believe all Members are well aware that toward year-end there is always a bulge in federal spending. If we look back over the years, we see that in the last month of the year rather than the normal expenditure flow of $8 billion to $9 billion there is a bulge of an extra $5 billion or $6 billion.

It is in the spirit of good management of public funds that we have decided to impose the freeze to ensure that public

funds are well spent to avoid as much as possible the recurrence of that bulge.

**Some Hon. Members:** Hear, hear!

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[*Translation*]

## TRANSPORT

POSSIBLE CLOSING OF MARINE INDUSTRIES RAIL DIVISION—GOVERNMENT POSITION

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is for the Minister of Transport. Is the Minister aware of the fact that, after Bombardier, after CSF Foundries, and after Canadian Steel Wheel, another Quebec plant, Marine Industries, has just announced that, as a result of the Canadian Government's inertia with respect to new contracts in that field, it will have to close its railway car division and throw some 1,000 workers out on the street? What does the Minister intend to do about it?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am sure the Hon. Member has heard the statements made by the Right Hon. Prime Minister indicating the number of jobs that have been created in Canada, and indeed in Quebec and the Province of Montreal—

**Mr. Nystrom:** The province?

**Mr. Mazankowski:** The city of Montreal.

**An Hon. Member:** You had it right the first time.

**Mr. Mazankowski:** Indeed, Mr. Speaker, the Government is vitally concerned about jobs in the city of Montreal, particularly the East End of Montreal.

[*Translation*]

REQUEST FOR CLARIFICATION OF VIA RAIL REQUIREMENTS

**Hon. André Ouellet (Papineau):** A supplementary, Mr. Speaker. Those figures do not solve the problem of Sorel workers. How can the Minister explain the fact that, after 15 months under Conservative administration, VIA Rail still needs 50 locomotives and 200-odd new passenger cars and yet is still waiting for Government authorization to buy the new equipment it needs, and that the only 20 locomotives which have been ordered have yet to be delivered?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, locomotives have been ordered and other lcomotives are being tendered. A consortium has been established between the UTDC and Bombardier for the building of the rolling stock and we hope to be in a position to make an annoucement very soon with respect to the acquisition of the rolling stock. That should be most helpful to the Hon. Member.

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## ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING VISIT TO UNITED STATES

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, my question is directed to the Prime Minister. It concerns reports that the Prime Minister has decided not to seek an invitation to address the United States Congress. Will he say whether that is the case and, if so, would he reconsider that decision, given the fact that many people in Canada were looking forward to the Prime Minister using the opportunity to address the United States Congress on important environmental issues such as acid rain?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my itinerary is still being planned. If I decline, it will only be for reasons of modesty.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** That will be the first time.

**Mr. Deans:** In other words, you are going.

POLLUTION OF NIAGARA RIVER

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I encourage the Prime Minister not to do anything unusual by being modest. Will the Prime Minister include on the agenda for discussions with the President not just the question of acid rain but the other serious environmental problem of the pollution of the Niagara River? Would he put that on the table with the President?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will be delighted to make sure that acid rain is on the agenda, as it has been since I began meeting with President Reagan, and that the other environmental issues are discussed as well. Furthermore, I will bring along to the President the affectionate regards of the Hon. Member for Winnipeg-Birds Hill.

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## SOCIAL SECURITY

PRIME MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, earlier this afternoon the Prime Minister referred to "the corrosive social policies of previous Liberal administrations". I believe those were his words. Those happen to be the same policies that the Prime Minister adopted when he

became Leader of his Party and used during the election under the heading of "sacred trust".

Has he finally revealed his true colours and is this the philosophy that will be revealed in next week's Budget?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the only time old age pensions were cut in the history of this country was when the Liberals introduced 6 and 5. That is the only time that the elderly were deprived of their due.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Right in front of us, wearing the red tie, is the father of the Canadian deficit. He took a surplus and transformed it into a deficit that now crushes Canadians. We are taking that burden off the backs of Canadians and creating new jobs all around.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** The spontaneous vocabulary of the Prime Minister earlier this afternoon revealed the true man and the true colours of his Party.

UNEMPLOYMENT INSURANCE INQUIRY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, will the Prime Minister intervene to resolve the split between the Minister of National Defence, Secretary of State for External Affairs and the Minister of Employment and Immigration, and come down on the side of Canadians who are being cut off from unemployment insurance? Will he do that?

• (1500)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will intervene as soon as the Right Hon. Member gives me the secret of resolving his problems with the Member from Shawinigan.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** Order, please. I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, February 11, 1986, meet the requirements of the Standing Orders as to form.

Order, please. Members who wish to have a conversation in the back, please have it somewhere else.

The petition presented by the Hon. Member for Kenora-Rainy River (Mr. Parry) does not meet the requirements of the Standing Orders as to form.

*Point of Order—Mr. Gray (Windsor West)*

## POINT OF ORDER

QUESTION PERIOD—REPETITION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I rise on a point of order. During the Question Period you told certain Members that their questions could not be allowed because they were the same as questions that had been asked previously in the same Question Period.

I want to say, Mr. Speaker, that there are many precedents during your speakership when successive questions on the same subject, and in just about the same, if not, identical words, have been allowed by you.

I will give you an example when an entire Question Period and every single question asked by the Official Opposition and the other opposition Party has been on the same subject, namely the deindexing of the old age pension by the Conservatives.

I want to say that if you do not revert to the practice that you yourself have allowed on many occasions since becoming Speaker, you will make it impossible for members of the Opposition to maintain a sustained inquiry into a subject of importance to them.

**Some Hon. Members:** Hear, hear!

**Mr. Gray (Windsor West):** I might add, Mr. Speaker, the subjects in question are of importance, not only to Hon. Members but to the Canadian people.

**Mr. Gormley:** Prove it.

**Mr. Gray (Windsor West):** I say to you, Mr. Speaker, that the approach you have been following in the past where you have allowed Members to decide for themselves what subjects they consider important is one that I say, with the utmost respect, you should follow. After all, you are not telling members of the Government that they cannot repeat over and over again the same answer, even when they do.

**Some Hon. Members:** Hear, hear!

**Mr. Gray (Windsor West):** You are not telling Government Ministers that, even when they give the same answer to a question that has nothing to do with the question.

A basic principle of the concept of the speakership is that the Chair must be impartial, and must be seen to be impartial.

If you do not revert to the practice you have adopted and followed in allowing questions throughout the Question Period on the same subject and in the same words you, yourself, Mr. Speaker, will inadvertently, I am sure, be doing a disservice to that essential principle.

**Some Hon. Members:** Hear, hear!

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, it is always very difficult to comment on events in the Question Period without appearing to be reflecting on the role of the Speaker. I recognize that. I do, however, want to indicate that

I share certain of the concerns that were expressed. I am sure that they will be taken in the mood in which they are intended to be taken.

It is necessary, and we concur in the view expressed by the Speaker in the past, that questions should be shorter than they had been previously and preambles should be virtually non-existent in the supplementary question.

We have tried, and I think it is fair to say also that the Official Opposition has tried, to live by that request of the Speaker.

It is, however, as was said by my hon. colleague, extremely difficult to develop and sustain a political attack if one cannot repeat, if not exactly, certainly in the substance, questions that are deemed by the Opposition Parties to be of importance.

I would ask simply that in exercising your discretion, which you must do always, that you bear in mind that the rules of the House are not intended to straighjacket the Members. Rather they are intended to permit a free flow of opinion and the opportunity for questioning with regard to the Government's performance. I ask that we do, in fact, attempt—not to go back exactly where we were before, I think that might be wrong—to exercise caution in any changes that we make during the Question Period.

I would have spoken to this matter during the debate a little later but, since it was raised now, I think it is probably important that we all be on the record at the same time.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I just want to add a few words with respect to the comments raised by the opposition House Leaders.

I know Your Honour is now receiving representations from all Members with respect to the whole question of the rules of Question Period. I think this is a worthwhile re-examination of this very important part of our parliamentary day.

The Hon. Member for Windsor West (Mr. Gray) has made a representation with respect to the whole question of repetitive questions. I am sure he would acknowledge that repetition for the sake of repetition or histrionic effect is not desirable.

We want to make sure that there is an understandable and consistent set of rules which everybody understands and which are fair to all Members of the House, both Opposition and Government Members. The point being, Sir, that the rules contained in Beauchesne are quite specific with respect to the parameters—

**Mr. Gray (Windsor West):** There are no rules in *Beauchesne*. They are views of previous Speakers. Stick to the facts.

**Mr. Hnatyshyn:** My colleague, the Opposition House Leader says there are no rules—

**Mr. Gray (Windsor West):** Stick to the facts.

**Mr. Hnatyshyn:** I had the courtesy of listening to what my colleague had to say, notwithstanding the fact that I did not agree with everything he said. I at least heard him out. I think that courtesy should be extended to all members of this House.

What we want to do, Mr. Speaker, is make sure that questions are germane to national issues and that there is an opportunity for as many Members as possible to participate in Question Period. There is great merit in you having a chance to review the representations you receive from Members, both from the Opposition and from the Government side. I think, Sir, if you see your way clear to addressing that issue, either before we rise for the mid-term recess or shortly thereafter, we will all benefit.

**Mr. Speaker:** That is exactly what I plan to do. I had hoped to be able to do it this week, but I have received some other representations that I want to consider. I, therefore, plan to say something to the House on the first day back, on Monday, after the recess.

I take the point of the Hon. Member for Windsor West (Mr. Gray). It has been a difficulty for me from the beginning as to what one does when citations from Beauchesne are continually quoted by various Ministers. It became our practice in the last House not to apply the absolute hard and fast Beauchesne rule about not allowing a repetition of a question. That is true.

At some point, as I have tried to say in the past, and this is certainly the way I think, when the answer has reached the point where a Minister is saying: "I have answered that question three or four times and that is the answer I am going to give," that simply going on with the same question and the same answer makes it difficult for other Members who want to get their questions on.

**An Hon. Member:** What other Members?

**Mr. Speaker:** That is what I think. I will be glad to consider it again.

If the Hon. Member for Windsor West is asking me on behalf of his Party to consider the position that all members of the Opposition who are each entitled under our practices now to three questions should be able to put exactly the same question 25 times, if that is the argument he is making—

**Mr. Andre:** It is called badgering the witness.

**Mr. Speaker:** I do not think that is the argument he is trying to make to me. I am sure it is not. I think even he recognizes that somewhere in the middle is the desire to let Members do what they want to do which, as the Hon. Member for Hamilton Mountain (Mr. Deans), said, may be tactically to repeat a question, and at the same time to respect the right of other Members to get their questions on the same day. It seems to me that is the balance the Chair has to find.

• (1510)

**Mr. Gray (Windsor West):** Mr. Speaker, I should like to make a point by way of clarification. I say with the utmost respect that if a Member asks the same question as another Member, he is not preventing anyone from asking a question. Because of the informal principles under which we operate here, the distribution of questions would be exactly the same.

All that is happening is that he asks a question which he thinks is important for himself and for the people of Canada. I make this comment with the utmost respect, and I say further that what is in Beauchesne under the so-called citations is simply the views of previous Speakers; they are not binding rulings.

**Mr. Speaker:** For my clarification, is the Hon. Member for Windsor West saying that I should rule that if every single member of the Opposition simply wants to get up on the same day and ask exactly the same question, word for word, it should be allowed? Is that the representation the Hon. Member is making?

**Mr. Nunziata:** Of course not.

**Mr. Speaker:** I need to know precisely what representation I am to consider.

**Mr. Gauthier:** Mr. Speaker, may I just intervene for a moment? Why should you rule on our questions? That is what you just asked.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order. Because the Chair is obligated under the rule to decide whether questions are admissible; that is its obligation.

**Mr. Gauthier:** Mr. Speaker, why should you rule as to whether opposition MP "A" or "B" has a repetitive question? It is up to him to decide whether or not he wants to put the question and the way he puts the question, and you will have to receive the question as acceptable within the rules of the House. I do not think it is up to you to decide whether or not it is repetitive, any more than you editorialize the answers.

**Mr. Speaker:** My practice, if the a Minister makes an answer which is simply a repetition of a previous answer, is to cut him off sooner and sooner. That is what I practice.

May I simply say to the Hon. Member that he has to cope with the fact that we have rules and traditions. One of the rules, which the Hon. Member for Windsor West says does not exist, is a codified version which says that to repeat a question is out of order. We have not applied it strickly, but I therefore repeat—and maybe the Hon. Member wants to discuss it in private, and I need to know the answer—that if Opposition Members used the Question Period to put the same question and to get the same answer every single time, is the Hon. Member saying that that would be a reasonable use of Questions Period in the view of the Official Opposition?

**Mr. Gray (Windsor West):** Mr. Speaker, I want to say that is a decision to be made by the individual Member, and if there is any reaction to that, it should be from his or her electorate and the Canadian people.





# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is my pleasure to present a petition on behalf of a number of people who are outraged at the Government's decision to curtail the funding for Katimavik. They make the case that it in fact has helped over 20,000 young Canadians develop their social skills, as well as employment options. They call upon the Government to reinstate, with full funding, the Katimavik program for the young people of Canada.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I wish to present, on behalf of 500 young people living in Ottawa, a petition in opposition to the Government's decision to eliminate Katimavik. In the petition they suggest that Katimavik is a unique program which will not be duplicated. It is not simply a job-creation program, it is a youth life experience program, and it cannot be duplicated, no matter how much money the Government might want to spend.

[*Translation*]

EFFECT OF FREE TRADE NEGOTIATIONS ON AGRICULTURAL PROGRAMS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, today again, I would like to present to the House 11 petitions bearing a total of 148 names—these bring the total from my riding to 3,545 voters—expressing to the Government their disapproval of the free-trade policy and their concern about the consequences of such a policy on farmers in the riding of Glengarry-Prescott-Russell. The petitioners ask the House and the Government of Canada not to sacrifice agricultural programs during negotiations with the United States of America.

[*English*]

POSTAL SERVICE

**Mr. Bob Horner (Mississauga North):** Mr. Speaker, I am very pleased to present a petition on behalf of approximately 900 residents of Mississauga North, specifically from Hargood Place, Streetsville and East Ridge Avenue in Meadowvale. They call upon Canada Post to offer better service. They are extremely dissatisfied with the service offered by Canada Post Corporation.

YOUNG OFFENDERS ACT

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, I have the honour to present a petition from concerned residents of Carrot River, Saskatchewan, who humbly pray that the Government makes changes to the Young Offenders Act.

*Introduction of Bills*

POSTAL SERVICE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present a petition signed by 600 citizens of Winnipeg and of other parts of Manitoba. They point out that when Canada Post became a Crown corporation, its mandate was to maintain and improve existing service, to improve labour relations and to eliminate the deficit. Therefore they say: "We, the citizens of Canada, protest service cut-backs and demand that service receive first priority in conformity with the mandate".

[*Translation*]

POSSIBLE CLOSURE OF CN SHOPS—MONCTON

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is again my duty, today, to table another petition from people in the riding of Westmorland-Kent, concerned about the continuing uncertainty surrounding the future of the CN shops in Moncton.

The petitioners would like to receive the assurance that jobs will be protected. More that 1,000 jobs are at stake and the unemployment situation in New Brunswick is deteriorating every day. We would simply like to have the assurance that these jobs will be protected.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCES

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have the honour to present a couple of petitions from my riding and from other neighbourhoods in Winnipeg. These petitioners call upon the Government to reinstate the full indexation of family allowances. I would like the Government to take note of the fact that these petitions are still coming in, even though it has passed its legislation.

FULL INDEXATION OF FAMILY ALLOWANCES AND REPEAL OF TAX

**Mr. Dan Heap (Spadina):** Mr. Speaker, the people of Spadina also do not accept the Government's decision. They still feel that the deindexing of the family allowances is unfair to low-income people and are petitioning the Government, as so many hundreds of thousands have, to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

* * *

## CANADA POST CORPORATION ACT

MEASURE TO AMEND

**Mr. Murray Dorin (Edmonton West)** moved for leave to introduce Bill C-263, an Act to amend the Canada Post Corporation Act (exclusive privilege).

**Mr. Deputy Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Dorin:** Mr. Speaker, this Bill would allow the private sector to compete with Canada Post in offering mail service. After hearing two petitions on this subject today, I suspect there might be support for it in the House. This provision was contemplated in the recent report of the Marchment committee on Canada Post as a possibility after 1990, if the problems in that operation are not resolved by then.

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

* * *

[*Translation*]

## AN ACT RESPECTING THE ARCHIVES OF CANADA

MEASURE TO ENACT

**Hon. Marcel Masse (Minister of Communications)** moved for leave to introduce Bill C-95, an Act respecting the Archives of Canada and records of government institutions of Canada and to amend the Copyright Act.

**Mr. Deputy Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

**Mr. Deputy Speaker:** When will the Bill be read for the second time? At the next sitting of the House?

**Some Hon. Members:** Agreed.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 507 will be answered today.

[*Text*]

REBUILDING OF POULTRY BARN

Question No. 507—**Mr. Althouse:**

Did a fire on June 11, 1985 destroy the Department of Agriculture, Kentville, Nova Scotia's poultry barn and is the Government considering rebuilding the barn and, if so (*a*) what is the estimated cost of rebuilding the barn (*b*) what size will it be (*c*) who will build it (*d*) on what date will it be completed?

**Hon. John Wise (Minister of Agriculture):** Yes, Agriculture Canada is considering whether or not to replace the facility. (*a*) The cost is estimated at $400,000. (*b*), (*c*) and (*d*) Unknown at this time.

[*Translation*]

**Mr. Lewis:** I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

**Mr. Deputy Speaker:** As stated by the Parliamentary Secretary, the question has been answered. Shall the remaining questions he allowed to stand?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## MOTIONS FOR PAPERS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Deputy Speaker:** Is that agreed?

**Some Hon. Members:** Agreed.

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● (1520)

# GOVERNMENT ORDERS

[*English*]

## HOUSE OF COMMONS

### STANDING ORDERS—PROPOSED AMENDMENTS

The House resumed from Tuesday, February 11, 1986, consideration of the motion of Mr. Hnatyshyn:

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

**Mr. Ian Deans (Hamilton Mountain):** Thank you very much, Mr. speaker. It was my understanding that in the rotation we were next. If I am out of order, of course, I certainly wouldn't want to interfere with my colleague.

[*Translation*]

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

**Mr. Deputy Speaker:** The Hon. Member for Bourassa (Mr. Rossi), on a point of order.



**Mr. Rossi:** I do not wish to contravene your decision, Mr. Speaker, but when this motion was debated, an NDP Member had spoken. The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) was recognized and it rested with the designated Liberal Member, the Hon. Member for Papineau (Mr. Ouellet) to rise.

**Mr. Deputy Speaker:** As the Hon. Member no doubt knows, the order of the speeches made in the House is entirely left to the discretion of the Speaker and the information given to me is not consistent with the information just provided by the Hon. Member for Bourassa. The member who spoke before the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) was the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

I will therefore recognize the Hon. Member for Hamilton Mountain (Mr. Deans).

[*English*]

**Mr. Deans:** Mr. Speaker, let me just say this. I understand that my colleague has other pressing business that he has to undertake immediately and I would be willing to have him speak ahead of me if that would facilitate the opportunity for the Member who was a very important part of the committee to get his views on the record.

[*Translation*]

**Hon. André Ouellet (Papineau):** Mr. Speaker, I would like to start by thanking my hon. friend from Hamilton Mountain (Mr. Deans) for letting me speak to the Government's motion at this time. I will be as brief as possible so that he can make his own vital contribution to this debate.

First of all, Mr. Speaker, I would like to quote the Hon. Member for St. John's East (Mr. McGrath):

The purpose of reform of the House of Commons in 1985 is to restore to private members an effective legislative function, to give them a meaningful role in the formation of public policy and, in so doing, to restore the House of Commons to its rightful place in the Canadian political process.

I think that in this short sentence, the Chairman of the Special Committee on Reform of the House of Commons has described very succinctly the objectives that he and all other members of this Committee had in mind when they set themselves the task of proposing a major set of parliamentary reforms to their colleagues in the House.

I may say I am delighted with the positive response the McGrath Report has received from the Government. Clearly, many of the objectives pursued by the Committee have been approved by the Government, and the motion before the House today reflects, as far as I can see, a very positive response on the part of the Government. I think that one of the goals we were pursuing in committee was to provide Members on both sides of the House with greater freedom to act. Freedom not only when it is a matter of examining legislation initiated by Ministers but also when we are considering the Estimates submitted to Parliament each year.

The McGrath Report contains a complete chapter on what we refer to as the confidence convention, and the report makes it quite clear that confidence votes should not be a daily occurrence, not even every other day or every week, since they would restrict the freedom of parliamentarians, both on the Government side and in the Opposition. In this connection, I would like to quote our hon. friend, the Member for Surrey-White Rock-North Delta (Mr. Friesen), who said:

> Experience has been that the longer a Government is in office the more every vote is maybe not a vote of confidence but a vote of reputation, which is close to confidence, and therefore you have to have uniformity.

The members of the McGrath Committee agreed that obviously, if the various party whips were to take action whenever we were considering a Bill or whenever a motion was tabled in the House, the freedom of both Government Members and Opposition Members would be curtailed. We have therefore expressed the hope, and of course it cannot be more than that because we cannot enshrine such thoughts in a regulatory text, but nevertheless we have expressed the hope that on occasion, and we went so far as to say it would be desirable, Opposition Members would be able to vote for a Government motion, and conversely, Government Members would be able to vote against a Bill introduced by the Government, and would be able to do so without being disciplined by their respective parties or being called renegades or disruptive elements within the party by their parliamentary colleagues. And so, agreeing as I do with this objective of the Special Committee on Reform of the House of Commons, I want to tell you right now, Mr. Speaker, that I will vote in favour of this Government motion. I will do so because I believe that the Government recommendations as a whole are important and tantamount to a giant step towards improving our parliamentary procedure.

Very briefly, I would point out a number of progressive steps we will be taking by endorsing the motion now under consideration. First, as some of my colleagues have indicated, the standing committees of the House of Commons will have more powers. In our opinion, Members do most of their work in committees.

We all know that daily television broadcasting covers proceedings during the oral questions period, but that does not properly reflect all the work done in parliamentary committees by Government and Opposition Members alike, day after day and week after week.

These extended powers given to the standing committees of the House will go a long way towards enhancing and justifying the political existence of a good many of us.

Second, I think that the McGrath committee wanted to make sure that some of the activities of Hon. Members in the House would be meaningful rather than simply routine proceedings.

That is why we welcome the fact that the Government has accepted three major recommendations from the McGrath report which will help Hon. Members to make more useful contributions in the future.

I am referring first of all to the written questions which Hon. Members submit periodically. Too often in the past have Hon. Members examined rather thoroughly a given issue to submit a series of written questions which have remained unanswered for weeks, months, or even years, during this Parliament as well as previous ones.

From now on, the Government will reply within 45 days to allowable written questions submitted by Hon. Members. Of course, the Government has extended by 15 days the 30-day period which we had suggested, but I do not think it is enough of a drawback for us to oppose the Government's response. I think that 45 days is a reasonably short delay, and we should be pleased with this positive response concerning written questions.

Also, the Government from now on will have to reply to petitions. Everyday, following the Oral Question Period, we see Hon. Members rising in the House to table a petition from their constituents. Until now, these petitions ended up on shelves and were never heard from again; nobody payed any attention to them anymore.

From now on, the Government will have to reply within a reasonable delay to those who have submitted petitions.

Finally, thanks to a much more flexible procedure, it will be possible for Private Member Bills to be adopted. Again, this is a major improvement resulting from the McGrath Report. I want to congratulate my colleague the Hon. Member for Peace River (Mr. Cooper) who has done a tremendous job on this issue and who has managed to convince us all of the need to correct a flaw in our Standing Orders which had seen a great number of hon. Members submit bills over the years without ever seeing their work rewarded by Parliament's approval.

I am not saying that all Private Members' Bill will be adopted; what I am saying is that, thanks of this more flexible procedure, it will probably be possible for a couple of Private Members' Bills to be adopted by the House every session, instead of once every five or ten years as before. I suggest that this is already a major improvement and an incentive for several of us to introduce bills which have a least a theoretical chance of being adopted by our colleagues.

I should like to mention also that I am fully satisfied with the decision of the Government and the Prime Minister (Mr. Mulroney) to submit to Parliamentary review all appointments made by the Governor in Council.

I think that the McGrath Report made it clear that we would have liked Members of Parliament not only to be able to review some of these appointments made by order in council, but also to have a right of veto in certain cases.

I recognize, Mr. Speaker, that this has given rise to different legal interpretations. Some legal experts have maintained that, constitutionally, the Cabinet could not abandon its responsibilities and allow Members of Parliament to veto is appointments by order in council. However, what we should keep in mind is that, even if there is no veto, we, parliamentarians, shall still be able to examine and review these Cabinet appointments, and I think that this represents a substantial improvement in our procedure of political appointments. I must say that the Prime Minister is innovating in this field and I am quite pleased with this decision because it is obvious that he has all the powers in our political system. He has full authority and could have refused to share it with parliamentarians. I think that this represents a giant step towards a healthier political administration, and I therefore hope that political appointments will also be more relevant in the future.

Finally, I would like to say, because I do not want to tax the patience of the House, that one of my most difficult decisions as a Member of Parliament and of this committee was to examine and dispose once and for all, at least I hope so, of the famous question of the bells. If we accept the procedure proposed in this Government motion, we shall be making a radical change to a parliamentary procedure which has existed for a very long time. I have no need to remind the House about the time we lose when there are recorded votes in this House because of the procedure under which the bells ring to call in the Members and then a Clerk of the Table rises to recognize and name each Member in his turn. After a study sponsored by the McGrath Special Committee, we realized that we were losing many hours each session simply by maintaining an old voting procedure. I therefore trust that the Government will follow up this recommendation of the McGrath Report as soon as possible to install an electronic voting system which will be much more modern, effective and sophisticated than the present one.

But beyond that matter of the mechanical aspect of voting, I must say there is that unfortunate practice that filtered in some time ago which is to use the division bells to oppose the Government, to prevent the House from debating and to delay a vote that normally should be held within a reasonable period. I must remind the House that during the previous Parliament, Members of the Committee on Parliamentary Reform who considered the issue and made a series of recommendations, the so-called Lefebvre Report, chose not to deal with that matter of the bells. Members of the McGrath Committee are to be commended in my view for dealing with such a basic issue. And I must add that, being in the Opposition, it is very hard for me to let go a tool that occasionally could be very useful to bring the Government to a halt. I am aware that this Government, when they were the Official Opposition, knowingly used the bells on occasion. But this being said, it is my personal view that such an abuse of the bells is unworthy of our parliamentary system and must not be repeated in the future. This is why I unanimously voted with my colleagues on the McGrath Report for a ban on such an abuse of the bell system. My hon. friends opposite have no cause for rejoicing, for certainly the Opposition will have the ingenuity needed to find other ways to oppose Government measures as occasion arises, other methods to show the Government it can be wrong in some respects. But I do not feel it is normal and acceptable that ringing the bells should become a parliamentary practice because as you know, Mr. Speaker, in all our Commonwealth countries that incident of the bells has been very unfavourably viewed. People were wondering what was going on in Canada, what was happening to our parliamentary system. It is therefore my hope that once the motion is accepted and we have a new way for voting, that practice of misusing the bells will disappear from our political life, thereby improving the dignity and efficiency of Parliament.

• (1540)

I will conclude by saying I share the view of my colleague, the Opposition House Leader, that certain recommendations in the McGrath Report that have not been accepted should be seriously considered by the Government. Certainly this motion can always be improved. Of course, it will be in force for ten months only. This will enable us to see to what extent our recommendations are worthwhile and can work.

But there is one I would like to bring to the attention of this Parliament. In the McGrath Report, we proposed that all Members of this House, and especially Opposition Members, be allowed to submit ten written questions the day before consideration of the Main Estimates, so that members of the various Standing Committees of the House responsible for scrutinizing the Estimates for each department will be in a better position to do their work. This is not a dilatory tactic to annoy the Government or public officials, but basically a way of giving backbenchers a useful mechanism for enhancing their task of reviewing the Estimates. In fact, this recommendation comes to us from France, from the French National Assembly, where they have this mechanism by which all members of the National Assembly can carry out a truly thorough review of the budget estimates for each of the French ministries.

We approved this proposal because we believe it is essential if we are to enhance the role of the individual member. Now I would like to say to the Government that when it allows Members to submit no more than four written questions to the Government, and rejects the 30-day period in favour of an extension to 45 days, while completely ignoring our recommendation for ten written questions on the Estimates, I think it is, to a certain extent, upsetting the balance between the new powers conferred Government backbenchers and Opposition Members. And I believe it would be useful to review this point and provide that when the Estimates are tabled, all Members of this House have a chance to submit a number of written questions to which officials would be asked to reply within a reasonable time frame.

Finally, Mr. Speaker, I believe that this Government has shown its good faith in tabling this document. Above all, it has shown the Chairman of the Committee, the Hon. Member for St. John's East (Mr. McGrath) that it was in earnest when it gave him this mandate, and I believe the Government deserves our praise for having submitted these proposals, and I hope that all Members of this House will benefit when the new Standing Orders become effective and that this institution will be able to operate in a way that is more in keeping with today's demands, and become a more effective and more satisfying endeavour for all Canadian parliamentarians.

[*English*]

**Hon. James A. McGrath (St. John's East):** Mr. Speaker, the genius of our type of parliamentary democracy which has been nurtured by 1,000 years of tradition is its ability to adapt to changing times. That, Sir, is what we are addressing today in the motion which is before the House. Today, we are taking a giant step in parliamentary reform. In my view, it is the beginning of the most ambitious and comprehensive attempt which has ever been made to reform this House in its more than 100 years of history. More importantly, what we are attempting to do in the package which is before the House is to enhance the role of the Private Member.

I have already made reference to the role of my six colleagues who worked with me long and hard on the Special Committee on Reform of the House of Commons. It would be remiss of me, and I am sure my colleagues who sit with me on this side of the House will understand, if I did not pay particular tribute to the Hon. Member for Papineau (Mr. Ouellet). He joined the committee representing the Official Opposition as its first Vice-Chairman. He brought to our deliberations more than 10 years' experience as a senior Minister of the Crown. He will understand if I say to him that among other things he was known as a very partisan Minister of the Crown. I know from personal experience because I had the honour to be his critic for a number of years. However, when he came to the committee he was able to rise to the occasion. He was able to rise above the petty partisan political considerations of the day and look at the greater challenge which was before us in the mandate which we had from the House. His leadership, together with his colleague and my friend, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), made it possible for us as a special committee of this House in more than 50 meetings to arrive at all of our conclusions without division. We operated by consensus. Of course, that does not always mean unanimity. I can say without any fear of being contradicted that most of what is in that report does, in fact, represent unanimity.

The Hon. Member for Winnipeg-Birds Hill brought to the committee the perspective and the tradition of reform which has characterized the New Democratic Party and the CCF Party which preceded it. He, Sir, brought an element of dedication to our committee which we truly appreciate, an element of leadership which helped us arrive at our conclusions.

I do not want to be critical of the speech made by the Hon. Member for Windsor West (Mr. Gray). I understand where he is coming from. I understand his concerns. I suspect that if I were the House Leader for the Official Opposition I would probably have made the same speech. I want to quote to him from a book written by the Hon. John B. Stewart, who was for many years a distinguished Liberal Member of Parliament and who now enjoys the distinction of being a member of the other place. He wrote what I consider to be one of the definitive works on the House of Commons. He said, and I commend these words to the Hon. Member for Windsor West:

● (1550)

> Over the years Canadian parliamentarians were loath to make an examination of their forms and procedures. They hid indifference, perhaps even laziness, behind a screen of adoration for a British model long after the British themselves, out of concern for the genius of the system, had reformed the model radically.

He then goes on to quote Francis Bacon. He said, and I quote:

> Yet there still may be a lesson for us in Francis Bacon's admonition against obstinate traditionalism: "He that will not apply new remedies must expect new evils, for Time is the greatest Innovator."

This is not the last word. This is not the beginning of some kind of a new system of parliamentary reform which is going to be carved in stone. These are merely the best efforts of seven Hon. Members of this House who applied themselves to the challenge which was presented to them by this House.

To the credit of the Government, in accepting that challenge and in giving us the broad mandate in the first instance, it has stuck closely to the recommendations of the committee. Indeed, I know the Hon. Member for Windsor West would be the first to agree with that. If we examine the initial response of the Government—and the Government has its responsibilities—and examine the response now before the House, we will find the Government has come a long way. It makes me very proud to stand in my place today and make reference to that fact. We had a special debate in this House on December 4. The House agreed to set aside its time and give special additional hours for that special debate. What we have in front of us today is a result of a Government which listened to Hon. Members who participated in that special debate.

Indeed, most, if not all of these suggestions which were made during the course of that special debate, have been incorporated in the proposed Standing Orders which are now before the House. But it is not the last word. The Hon. Member for Hamilton Mountain (Mr. Deans), the distinguished House Leader for the New Democratic Party, would be the first to admit that only by trial will we be able to determine how effective these reforms will be. They have to be tried by all of us, including yourself, Mr. Speaker, including the distinguished officers of the Table, the Prime Minister (Mr. Mulroney), Members of the Government, the front bench Members of the Opposition and all of us private Members of the House. It is—and I do not apologize if I sound partisan—to the credit of the Prime Minister and of the Government that the challenge was accepted and these changes were brought in.

We have come a long way in the last seven months. It was just seven months ago that we brought in, as a special committee, our final report. We have moved this House further by way of reform than it has ever been moved in its entire history. We are now operating under provisional rules pursuant to the recommendations of the first report. We are about to embark upon a new set of provisional procedural reforms in the new Standing Orders which will incorporate the recommendations of the second and third reports.

We are today taking a giant step. I suppose it is not too melodramatic to say that we are charting a course into unknown waters. What we are trying to establish here is not something which is going to blindly follow the traditions of Westminster or meekly try to imitate the traditions of Washington and the Congressional system. What we are trying to put in place is something, in my view, which is, or will be, uniquely Canadian.

One of the things we talk about in the report is the need for attitudinal change. We cannot regulate attitudes and we cannot legislate attitudes. Attitudes must be changed by the individual. For these reforms to be effective, for these reforms to give us the kind of Parliament we all want, there has to be major attitudinal changes undertaken by Hon. Members of the House. If this House is to assume its rightful role in the life of this country, then I believe that we as Hon. Members of the House have to conduct ourselves with due regard for where we are and why we are here. I say that as one who, during my time in opposition, was perhaps a great offender of decorum. I was an aggressive Member of the Opposition. I would like to feel I was a good Member of the Opposition but I will be the first to admit that I was an aggressive Member of the Opposition. I understand the role of the opposition. When I say that we have to have attitudinal changes, due regard for where we are and why we are here and due regard for the decorum of this place, I do not mean that we all have to be a bunch of powderpuffs. There has to be aggressive debate and confrontation during Question Period but we have to put real questions and we have to have real answer.

One thing we are attempting to do here is take the emphasis off the Question Period, and perhaps that in itself will constitute a reform of our Question Period. It is now the be-all and end-all of the Parliamentary day. The Prime Minister knows, the Leader of the Opposition (Mr. Turner) knows, and most of us in this House know there is much more to this place than the 45 minutes when the media join us for Question Period.

What I like about these reforms is that it will put the emphasis where it belongs on the hard work which is done in committees of this House. In attempting to reform the committees of this House, the Government, to its credit, has seen the need to make the committees independent of the Government, and not only independent but to be seen to be independent of the Government.

What we have said in our recommendations which the Government has accepted and the House is about to endorse, is to let the media decide if and when it wants to televise or broadcast the proceedings, or whatever part of the proceedings of a committee it wants to tape in its own editorial wisdom. I believe that fact will go a long way towards changing the emphasis which now is placed—in my opinion, to the detriment of Parliament—on the 45 minutes when we meet here for Question Period.

I do repeat, however, that we do have to have due regard for the decorum of this place. Our decorum, how we conduct ourselves, cannot be changed by the Standing Orders, nor by fiat. That can only be changed by the collective will of this House. It is that collective will which these reforms call upon. These reforms are begging to be addressed in terms of reforming ourselves.

What we have before us are the procedural reforms. They represent the bulk of the recommendations of the second and third reports. They do not represent the entire report. Reference has already been made by the Hon. Member for Winnipeg-Birds Hill to the non-procedural reforms, and there are 29 of those. Some of them are important and some are not so important, but as a package they are all important in terms of how we attempt to improve the image of this place, for example, in electronic voting.

• (1600)

I happen to believe that electronic voting will be a major reform. Not only will it make us more efficient in our use of time, but also in how we approach a vote. It will help to ease the heavy yoke which has tended to strangle this House over the years through the interpretation by the whips of the confidence convention. Not only do I think it has to be changed, most importantly the Prime Minister of this country thinks it has to be changed and he is committed to making the change. He, Sir, has wavered not one iota in that commitment. When he came to this place he was struck by the need to make changes. It is not mere coincidence that the first priority in the Speech from the Throne opening this Parliament was the striking of the special task force to reform this place and enhance the role of the Private Member. I believe electronic voting will go a long way towards doing just that.

There are other reforms, of course. I am sure most Members would be surprised if I were to tell them that during the last Parliament we spent more than two full sitting days walking behind the Gentleman Usher of the Black Rod between this place and the Senate. This is an archaic ceremony which was done away with in Westminster almost 20 years ago. We are the only major Parliament in the Commonwealth to still use that procedure. We are not saying do away with Royal Assent because that would fundamentally change our Constitution and our system. We are saying retain it for special occasions like changes in the Constitution. However, when a Bill requires Royal Assent, let us send a messager to Government House and let the Governor General sign it so we can get on with the business of the nation.

**Some Hon. Members:** Hear, hear!

**Mr. McGrath:** That is better than taking up not only our time but the time of Their Lordships who sit on the Supreme

Court of Canada. I noticed, Mr. Speaker, that you were rather enthusiastic in your applause for that particular reform. This does not require any great change because there is already a movement in the Senate in this regard. All it requires is a meeting of these two Houses to come up with a procedure which will bring us into the 20th century. That is really all we are talking about.

I could go on about the role of the new Board of Internal Economy. We are taking control of our own affairs, presided over by your distinguished self. We now have a Board which administers the Budget of this House comprised primarily of Private Members. Out of nine Members there are only two Ministers, as opposed to the previous Board which was comprised of four Ministers and the Speaker.

I mention that Board not only because of the importance of taking control of our own affairs in this place, but also because of the importance of the Board as a means to implement the non-procedural reforms of this House. If I have one concern to state to the Government House Leader it is about the inability of the House, under the motion before it today, to address the non-procedural recommendations of these two reports. So we rely on the good word of the House Leader who stood in his place on Friday and said he would unequivocally proceed, through the Board, with the implementation of the non-procedural reforms. The ball is now in the court of the Board of Internal Economy. I would like to say to that Board that I hope it will be able to report before we adjourn for the summer recess to update this House on where we stand on this matter. These non-procedural reforms are important not only symbolically but because they are true reforms.

I will close by paraphrasing an editorial which appeared in *The Globe and Mail* last June when we brought in our final report. It said in part that this report was the coming of age of Canada as a distinctive parliamentary democracy. It put parliamentary reform right up there with the patriation of the Constitution and the drawing up of the Charter of Rights; and, Sir, I may add, with the Prime Minister's dedication to national reconciliation and national renewal. I believe this Prime Minister will be remembered for doing just that. He will be remembered for bringing in parliamentary reform. I want to say to him and Members of this House how grateful I am for the honour bestowed upon us, and I suspect I speak for my colleagues, when he gave us this challenge and asked us to take on this responsibility. I also want to thank him for the demonstration of confidence as exemplified by the motion which is before the House today. I believe, Mr. Speaker, that it is about time this House took its rightful place in the public affairs of this country.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Questions or comments.

**Mr. Prud'homme:** Mr. Speaker, I am afraid I may not have a chance to participate in the debate because, as you know, there is a great *Summit de la francophonie* and some of us have to go for a briefing session at 4.30. However, I would like to make a comment or two and ask my hon. friend a question.

I am in full agreement on the question of electronic voting. However, I do not think we should remove the "glamorous" part of the voting procedure. Does the Hon. Member think we should keep the voting procedure for certain great occasions? For example, the Speech from the Throne, the Budget Speech, and those which are well known to be votes of non-confidence, or, a marriage of the three? He has said that while we should dispense with Royal Assent as we do it now, we should keep it for certain cases. I am in the strange position of being extremely conservative in regards to changes in our institution. I have always said that one of the best systems in the world is the British parliamentary system. I have stood by that for the last 22 years. I say it in French and English and I say it in Quebec or anywhere else. It is a great system. Therefore, when you move from that system to another system you have to be careful not to have a part of both systems, that is the congressional system and the British parliamentary system.

The Hon. Member talked about the Board of Internal Economy. This is an idea that I would like to float around. As you know, I have the honour to chair the Standing Committee on Management and Members' Services. This position, by tradition, is taken by an opposition Member.

I came to the conclusion that if this Board of Internal Economy is going to have that kind of power, perhaps we should look into the possibility—not for me but for my successor and I am ready to step down if this was a problem—of having the chairman of that committee sitting on the Board of Internal Economy. If the debate does not terminate today I would like to have an opportunity to say why I feel that way.

My third point is this. Having read attentively, as I do from time to time because that is the way I learn English, both versions of these changes, I found something which is troubling. First, it troubles me to give to the Speaker, whoever it is, so much power to expel a Member. However, I would like to know, if I was to be unruly some day, if the Speaker is going to expel me according to the French version or according to the English version? In the event of a Member being named on a subsequent occasion in the same session, then Mr. Speaker, or perhaps Madam Speaker some day, will suspend the Member for a period of not more than five sitting days. In French it says we can only expel for five days the second time.

• (1610)

[*Translation*]

Because the French version says: "*Le député qui est désigné par son nom une deuxième fois au cours de la même session est suspendu du service de la Chambre durant au plus cinq jours de séance.*"

I therefore wonder what will happen if a Member to be expelled is a francophone and the debate is in French. I am afraid that Mr. Speaker will have to make a very important ruling, and also a very unfortunate one, according to the version chosen—

[*English*]

We will have to revise the two texts so we will know what the real intention is. What did the Hon. Member intend by saying that a Member should be expelled for five days the second time?

**Mr. McGrath:** Mr. Speaker, dealing with the last part of my hon. friend's question, whether it is in French or English I know that the subject of naming will always be academic with him, because I am sure he is too good a parliamentarian to be named.

This is one of the changes made by the Government. We do not consider it to be a major change and frankly I would have preferred to see disciplinary action beyond one day's banishment from the House to be handled by the House itself.

However, I have no problem with this change. I know it is something that the Standing Committee will want to consider because it is charged with the annual responsibility of reviewing these rules under previous recommendations.

**Mr. Prud'homme:** It is different in French and English. What exactly is your intention? It does not say the same in French.

**Mr. McGrath:** I am not in a position to address that because I am not familiar with the French text. However, I know that the Hon. Member's question has been taken note of and I am sure the learned members at the Table will have an answer for him.

I want to refer to his question regarding electronic voting. I believe there are occasions when Members of the House should stand up and be counted. For example, when there are changes to the Constitution, or great debates such as the restoration of the death penalty in this country, I believe Members should be prepared to stand up and be counted. We should reserve what the Americans call "roll call votes" for special occasions.

However, by and large, when dealing with business of the House I believe we can deal with it much more expeditiously if we have a system of electronic voting similar to what they have in the House of Representatives. If Hon. Members want to see how the House of Representatives conducts itself and how an electronic vote is taken, I suggest to Hon. Members that in upcoming weeks they can see the House of Representatives on the C-SPAN network which is now part of the OASIS system. I believe that this week, Question Period is also to be carried on that network.

Certainly I believe that there are occasions for roll call voting. I see the distinguished Clerk of the Table, one of two who is charged with calling the names in this place, looking at me with great scepticism because it means he will always have to remain in training.

**Mr. Berger:** Mr. Speaker, the Hon. Member referred to the goal of attempting to remove the emphasis from Question Period by allowing greater emphasis on committees. Specifically he referred to television and said to let the media decide when to televise.

It is my understanding that this question has not been dealt with up to now or referred to the Board of Internal Economy. What is the status of that issue at this time, in his view?

**Mr. McGrath:** If the Hon. Member will look to the Government's response to the second and third reports, which was brought in on October 9, he will see that the Government accepts in principle the recommendation that the House of Commons televise its proceedings, and it refers the matter to the Board of Internal Economy. It says that the Government is in favour of the recommendation in principle and will undertake consultations with the Opposition Parties to seek agreement in implementation. I hope that satisfies the question.

**Mr. Speaker:** Resuming debate.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I first want to indicate a degree of trepidation in following the Hon. Member for St. John's East (Mr. McGrath) in this debate, inasmuch as it was very much a result of his guidance as chairman of the committee that we are at this point in the transition in the rules and procedures of the House of Commons. As I have said before in discussing reform, I believe the way the committee operated is an ideal example of how the House of Commons could operate under normal circumstances.

The committee had two purposes. First, it attempted to seek consensus, and I believe that is a very important part of parliamentary life. A politician is not really worth too much unless he or she develops the capacity to recognize in his or her colleagues an ability to formulate views and express them with conviction, regardless of which side of the House that colleague sits. I do not know how long I will be in the House, but I hope that during my time here it will begin to reflect the way the committee itself operated.

The committee also operated with a sense of respect for each other. It did in fact seek the position of each member on the committee and carefully sought a view that would be sustained by each, though it may not have been their first choice. In doing that it set an example, not only for the House of Commons but for other committees of the House.

This achievement was largely a result of the leadership of the Hon. Member for St. John's East. I recognize that it was shared by the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). The recommendations of the committee reflect that very conscious view of consensus and are, in large part, the result of a group of individuals who came to know and respect each other's views, even though they may not have always agreed.

Unless the House of Commons is able to adapt itself to that kind of environment, these changes in the rules will become an impediment rather than a help. While many of these rule changes are not radically different from the rules we have in place, they are intended to operate within an atmosphere of respect during tough partisan debate. I must say that such an atmosphere of respect has been lacking from time to time within the House of Commons. As I travel across the country

it distresses me to hear people make disparaging remarks about what they see in the House of Commons.

I hope Hon. Members will remember why they are here and who sent them. The people who send us here have the right to expect that while we engage in tough partisan debate over issues of significance and importance to the future of this country, we will not do so in a personal or abusive way. Such an atmosphere distresses me, and I suggest to the Hon. Member for St. John's East who chaired the committee—and he nods in agreement—that no change to the rules will change the attitude. It is indeed an attitudinal change that is needed here as much as a rule change. Such a change in attitude will result in these rules enhancing the opportunity for back-benchers, committees and all Hon. Members to have proper exchanges of opinion while maintaining self-respect. I think that is of vital importance within this House.

● (1620)

There are certain things within the rules that I, frankly, have no idea how they will work. I have looked at them. I concede that if everyone works and puts his or her best efforts forward the rules will not impede the opportunity for the kind of political exchanges that are necessary. There are certain things that I hesitate to endorse fully because I am a little reluctant about them, inasmuch as I cannot see into the future and anticipate how they will be interpreted. That concerns me.

I am convinced that ours is not to try to anticipate every single impediment, every single nuance, every single interpretation or to cross each "t" and dot each "i". We cannot do it.

We have to have some confidence in our ability collectively to be able to recognize when something is not working well, and to make the commitment now that when it can be shown something is not working in a fair and equitable way that we will change it right there and then, and not leave it in place as an irritant to create unnecessary confrontation both here and in committees.

My own endorsement of the changes is predicated on our understanding, and clear understanding, that if it becomes necessary to alter the rules as they are being used or interpreted because they do not conform to what would be fair and equitable in the circumstances, then we will set about to change them immediately and not wait until the end of the trail period, suffering all of the aggravations that naturally grow up within politicians as they attempt to go about doing their business, mcuh of it diverse and spread out. I start from there and say with that caveat it is of importance for us to give this a fair trial.

There have been comments made about the new powers given to the Speaker. There are very few new powers being given to the Speaker in actual fact. The Speaker has always had absolute power within the running of the House of Commons. The Speaker must, out of necessity, have the right to exercise good judgment on all occasions. The Speaker must, out of necessity, have the final say in any dispute that arises within the House over a question of the interpretation of the rules. Without that kind of confidence and without that kind of authority, then no speaker, regardless of his or her ability, would be able to operate.

I say quite bluntly, and I say it to the Speaker now and in private frequently, that we are not always going to agree on every interpretation of everything that happens. Of course we are not. We are human and there will be differences of opinion, and they will arise. I will never, I say it and I hope other Members will recognize it for themselves, countenance any abuse heaped upon the Speaker as a result of the Speaker exercising his or her proper authority.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** That kind of confidence requires in return great care in the exercise of that authority. As well it requires an understanding of the mood of the House and its continually changing mood; an understanding that the rules are written now, but the interpretation of the rules has to take into account precedent, to some extent. Interpretation has to take into account they way in which we have normally done things, though in fact the rules themselves may indicate some drastic change would be permissible to make sure that if change is going to take place, it takes place over time and with care, and that the Members are encouraged to be part of the change rather than feeling that they are somehow being unfairly inhibited by the change.

Having said that, Mr. Speaker, I want to say to the Members, read the rules, for heaven's sake, read the rules. They are a little difficult, I admit. The wording is not always easy to understand. The cross-referencing may take time, but there is no point in feeling aggrieved, aggravated, or being red-faced, as I have from time to time, only to discover that you were wrong, that the rules, in fact, said quite clearly that you could not do what you said you wanted to do and what you claimed you had the right to do.

I say to other Members, as I have said to myself over the time I have had this particular role to play, that there are two times you rise on a point of order. There are only three points in the House of Commons on which a Member can rise. You can rise on a point of order. They are infrequent, I might add. They are used and abused often. The Speaker has to exercise some degree of understanding inasmuch as there are certain things better said and said quickly than left to fester, and I know that is the way it is being approached by the incumbent of the Chair.

There is then a point of privilege. I do not remember in recent times hearing a legitimate point of privilege, though I have heard many people rising with legitimate grievances. I cannot truthfully say that I have heard, within the very narrow definitions allowed, any legitimate points of privilege.

Then there is the most often used point, frequently couched in the terms of a point of order or a point of privilege, and that is a point of view.

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** That is the one everyone wants to express all of the time. A point of view is what a Member rises on when he or she says: "a point of order" or "a point of privilege". What they really want to do is to express a point of view. That is exactly what the House of Commons is here for. Therefore, we must attempt as best we can to accommodate the right of each and every Member to express his or her point of view.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** Having said that, and having got that little bit of applause which, frankly speaking, I rarely ever get, I feel that perhaps it is time to quit, but I better not because I have a couple of other matters I want to say.

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** There are certain matters, and I draw them to the Speaker's attention, that I think will require consultation. I hope during this trial period the House leaders, together with the Table officers and the Speaker, will meet regularly and discuss the progress that is being made in the implementation and exercise of the new Standing Orders. I say to the Speaker that it would be to everyone's advantage if he were, on a regular basis, to convene such meetings. He has done so in the past, and I hope he will do so in the future, not only with the House Leaders of the three Parties but also with the Table officers from time to time to discuss how the rules are being interpreted and whether or not the interpretation is the kind of interpretation that those of us who are responsible for the political operation sense is fair and just.

I would like to think that we will take part in that and in that process we will influence, not unduly, but in a fair way the way the rules are enforced, rather than to have rulings made that may simply cause further aggravation. I ask the Speaker to bear that in mind.

It is true that there should not be an occasion when Members rise in the House of Commons and address the Speaker with regard to rulings having been made. The appropriate place for such discussions are in the chambers of the Speaker. It cannot always be at the behest of individual Members that that discussion should take place. I ask the Speaker to exercise perhaps some additional authority from time to time and invite those of us who are involved regularly in the interpretation and enforcement, if you will, of the Standing Orders to join together to have a little brief review of where we are going and what we have done. I think that would be helpful.

• (1630)

In that regard I draw to your attention, Mr. Speaker, that I have some concerns yet about the way Private Members' Business will operate, particularly in its early going. I want to be sure that a week from next Monday, when we return, assuming that the new Standing Orders are in place, we are not confronted with an immediate Private Members' Hour, unless we have carefully worked out a method of drawing and a method of establishing precedents and unless Members have been given fair warning as to when they will be expected to participate. There will have to be some discussion about the way in which the new Standing Orders with regard to Private Members' Business will be implemented, in order that we do not get ourselves off on the wrong foot, and I do not doubt that that will happen.

At report stage, although the Standing Orders say that the Speaker has the power to rule inadmissible amendments proposed or ruled out of order in committee, I ask again for some care in the exercise of that power. I am sure it will be done in any event, but I put it on the record so that it can be referred to. It is possible, though unlikely I admit, that in a standing committee a clerk may misinterpret a rule in giving advice or a chairperson of a committee may interpret an amendment in such a way as to rule it out of order, but that with the benefit of discussion and hindsight it could be ruled in order. I do not want Members of Parliament to be forbidden from proposing amendments ruled out of order. However, I ask that the Chair consult on what the amendment was intended to do before making a final ruling. That will not happen on every occasion, it will not be necessary on every occasion, but there will be times when that would seem appropriate. I would ask the Speaker and those who advise the Speaker to keep that in mind when we are looking at the report stage of Bills being brought back from committee.

On the question of legislative committees, my friend and colleague, the House Leader of the Liberal Party, has indicated on a number of occasions their concern—and I echo it as our concern—over the proliferation of legislative committees. It would not serve Parliament well if by virtue of smaller committees we simply had more committees, all operating at the same time, each conflicting with the other. It does not serve Members or the process well if we are to have, particularly with a quite small Opposition, legislative committees struck and all meeting simultaneously. The end result of pursuing that kind of approach would be that we who are in the House would then be required unnecesserily to delay the passage of legislation in order to allow the backlog to be cleared up. I do not want to be put in that position. I do not want to be debating for days on end some inconsequential change to some piece of legislation which no one understands, simply to allow that the legislative committees will not be struck and to guarantee that they clear up their backlog before they get this additional work heaped upon them. The Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) have raised this question. They have suggested perhaps a queueing arrangement, something similar to what now goes on in Westminster. I would commend that some variation of that be worked out among the House Leaders, together with the Table Officers and the Speaker's office, so that we can in fact have an orderly transition and that we do not end up with Members running from one committee to the next, being frustrated all to hell as a result of their feeling that their own individual concerns are not being met.

On the matter of electronic voting, I have had the privilege of viewing a presentation with regard to that. I sense that

further discussion is required on how it will happen and if it will happen immediately and on things which I think should be and will be discussed further. I look forward to discussing them with the Chairman of the committee, the Hon. Member for St. John's East (Mr. McGrath), tonight and on subsequent evenings.

In closing, let me say that it is not easy to accept change. It is always more comfortable to leave things the way they are. It is always easier for Members to operate with rules with which they are comfortable and about which they are knowledgeable, but change is necessary. These changes are the ones which our peers decided would make this place work better. As I said when I first spoke to this a long time ago, I put my faith in that committee. Although I recognize, as they have said, that not everything they have recommended is necessarily absolute and guaranteed to work the way they might have hoped, it will work better if we all agree to co-operate. I feel quite confident that whatever difficulties could arise need not arise if we are prepared to consult one with the other and to seek the compromise for which the committee has become famous.

**Some Hon. Members:** Hear, hear!

**Mr. David Berger (Laurier):** Mr. Speaker, I should like to begin by thanking the Hon. Member for Northumberland-Miramichi (Mr. Jardine) for allowing me to speak before him. I have an engagement in my constituency this evening, and this should allow me to drive there without killing myself on Highway 417, as I think it is called.

The Hon. Member for St. John's East (Mr. McGrath) referred to the fact that the Government listened to those who spoke and made some changes by presenting their motions in the special debate on December 4. I would say that this is the first time we have an actual motion on which to speak and we have to make a formal decision abot the rules. Until recently, it was the Government's response to the McGrath Report. I hope the Government shows the same open-mindedness about the comments which are being made today. We are talking about parliamentary reform and we are saying that the views of individual Members count. I certainly hope that the observations which have been made by my colleagues and we will be taken into consideration in the final discussions that will formulate the rules.

I also take not of the fact that many Members, including the Hon. Member for St. John's East, stated that a major change in attitude would be required for these rules to bring about the kind of reform for which everyone sincerely hopes. Yesterday I heard the Prime Minister (Mr. Mulroney) say that when he first came to the House he understood that an assistant deputy minister had more power than an individual Member of Parliament. When I was listening to him, I could not help but think—maybe, maybe. I recognize that the change of attitude which has been mentioned so often today will be necessary. It is not only the rules, the Standing Orders of the House, which will change everything overnight. If we have the same attitude as that which prevailed, for example, in the sale of de Havilland, we will not get very far.

I note that the committee could not really address the issue of confidence, which is at the heart of having a saner House of Commons. We saw a very striking illustration of the partisan nature of our parliamentary system, which was very difficult to avoid in the Regional Economic Expansion Committee that evening when the Government Members lined up behind their caucus chairman, who came in with a four-page written speech, and they voted down a list of witnesses that had been agreed to unanimously by the steering committee. Another thing that annoys and infuriates me, and which is an illustration of what I want to say, is when in this House of Commons we have to stand up and—I would ask the Government Whip to give me the opportunity of concluding my remarks. Perhaps he will be more impressed by what I have to say in a few minutes.

• (1640)

I was going to say that what annoys and infuriates me is when, in Question Period, Opposition Members stand up and ask the Prime Minister, "Will you allow a committee of this House to study such and such a matter?" It seems to me, as a Member of Parliament, very demeaning to ask the Government to allow a committee to study any particular question. I certainly feel, and I think probably 99 per cent of the Members in this House would feel, that a parliamentary committee, certainly the new kinds of parliamentary committees we are talking about which we propose in this reform, should be able to undertake a study when they see fit to do so. We should not have to ask the permission of anybody to undertake that kind of study.

Let us be clear about things. Even with these new kinds of committees where we hope to create a team spirit and a consensus as to ways of approaching matters, if the majority of Members decide not to have a hearing about a particular subject and follow the wishes of their caucus in that respect, the committee will not be undertaking the hearing and we will be back here in the House again asking the Prime Minister and the members of the Cabinet for permission to hold a hearing. We will be back to square one.

It is principally to the matter of committees that I want to address my comments. Broadcasting of committees is a fundamental element of giving power to Members of Parliament and power to parliamentary committees, and, as the Hon. Member for St. John's East said earlier, taking the emphasis off Question Period. He recognizes it, I recognize it, and I think everybody else in the House recognizes the overwhelming influence of radio and, in particular, television. Therefore, I hope that a quick decision will be made by the powers that be in the House which will allow the televising of committee meetings. That will be, to me, one of the most fundamental reforms. With the watchful eye of television on you there will be a tremendous power which will require Members of Parliament to come to committee prepared, which will require them to be responsible in their questioning and responsible in their interventions.

Another thing to which I want to address myself, and it relates to committees, is the election and the role of the chairpersons. I would refer to page 15 of the McGrath Report where there is a quotation of the Member for Skeena (Mr. Fulton), who said:

> The power of committees should be increased dramatically with a view to several committees chaired by Opposition Members.

Now, the McGrath committee did not deal with this question of who will be chairing these committees. It is not in the Standing Orders, but to me again this is a fundamental element of reform. I have had casual discussions with the Hon. Member for St. John's East and I think I am not misunderstanding him in saying that he agreed with me that a good number of committees of this House should be chaired by Opposition Members. I think the figure that we talked about at the time was a proportional number of committees based on a proportion of seats that the Opposition has in this House. There are 70 opposition seats out of 282, so it would be normal that 25 per cent of the committees, beyond the traditional committees which are chaired by the Opposition, such as the Committee on Public Accounts, it would be appropriate that 25 per cent of the committees of this House be chaired by opposition Members. This is something again which is not in the rules, but it is something that I believe to be in the true spirit of reform. The committee chairmanships would be accorded to Government and to opposition Members based upon seniority, based upon knowledge of the subject matter, and then I think we can arrive at the kinds of committees that we all would like to have.

I also feel that the chairpersons of these committees should play a role similar to that of the chairpersons of the special committees or task forces that we have known in this House. In other words, the chairperson will not just be a traffic manager, an impartial observer who decides who questions next and who rules on points of order and so forth, but a person who will be taking an active part in questioning and, indeed, hopefully, will be trying to stimulate the kind of consensus and broad over-all approach that we feel should occur in these committees.

That leads me to the question of the problem of the legislative committees, which was previously referred to by the Hon. Member for Hamilton Mountain (Mr. Deans). We all feel that the standing committees should be developing expertise in their subject areas. Well, if this is the case and expertise is developed in the standing committees we may have a great proliferation of legislative committees where, for example, in the area of criminal law you may have three or four Bills. We have had three or four Bills dealing with various aspects of criminal law or justice before this House in the fall. The people on the standing committee cannot possibly man all of the legislative committees. You end up then with people on the legislative committees who have little or no understanding of the subject matter at issue, or certainly have not built up the expertise which the members of the standing committees have developed.

Therefore, it will be necessary to arrive at some kind of system whereby we will limit the number of legislative committees, and there are a number of models which have been referred to. The Hon. Member for Cochrane-Superior (Mr. Penner) referred to a traffic control system; so some sort of compromise or solution has to be found.

I would like to deal briefly with the committee on research, science and technology. I am the Liberal Opposition critic for science and technology. All I can say is that it is high time we had a committee of this nature. People in the universities across Canada, people in industry, the science community, for a long time have favoured the establishment of such a committee. I believe that science policies will have a fundamental impact on the future of the country. To my mind, science policies are related to industrial and social policies. They have broad ramifications. Technology is not limited to a small number of high-tech companies. It has applications in all sectors of the economy, including the resource, fishery, forestry, mining and agriculture sectors.

● (1650)

The Government is not organized to focus on technology and how it affects all areas of our economy. Parliament has not been so organized up to now. I feel that one of the most important roles of this science committee will be to address technology with an intersectoral approach. It will be able to take a look at the interconnections between science and technology and the effects they have on many areas of the economy. This can only be done in a committee of this nature. I know that I am not alone in being delighted to see the creation of this committee.

Adequate resources for the committee are required. Again, I have been told that some Members of Parliament have in the past been reluctant to set up a science committee because they felt that they would not necessarily have the knowledge and expertise to deal with such a complex issue. I know there will be a system for establishing budgets. Perhaps I am already putting in first dibs on those budgets. Certainly this is the area in which the most research resources will be required if we are to have an effective committee.

I would also like to deal with the human rights committee. As the Government's motion is presently drafted, the human rights committee seems to be mandated to deal only with the reports of the Canadian Human Rights Commission. There are many Members of Parliament who are concerned with human rights not only at home but abroad. It is my hope that this committee will be able to cover the Canadian participation in international human rights affairs and will be able to deal with questions like the Helsinki Final Accord, the Conference on Security and Co-operation in Europe. I hope that it will deal with the United Nations and its Commission on Human Rights and that it will be able to interact with various interest groups rights across Canada that are concerned with the question of human rights not only in Canada but on an international level. This would add a great deal to the workings of the House, because in the past several years we have

had to set up a number of informal committees and have had to meet with people outside of the committees of the House to discuss matters around luncheon tables. However, there has been no way for the concerns of these people to be registered on the record of the House or its committees. We will be creating such an avenue and I think this will help the House considerably.

I will conclude by stating one more point. The motion as it is presently drafted has not removed some of what I would call the archaic terms which are used when referring to people who will occupy the chairs of various committees of the House. The rules refer to chairmen on all occasions and we will be creating a panel of chairmen. Perhaps a modification is called for here. It would be more appropriate in today's day and age to refer to this panel as a panel of chairs.

[*Translation*]

The same is true in the French version for the "*Comité des présidents*". It would seem normal in 1986 to change this to the "*Comité des présidents et des présidentes de la Chambre*".

[*English*]

I have also noticed that petitions in English use language which is somewhat archaic. Average Canadian citizens must continue to pray to the House of Commons. In French, much more modern language is used. It would seem to me that if we are talking about bringing this House into the 20th century or perhaps even the 21st century, the language we use in our Standing Orders should reflect the same mentality. However, this change does not have to be made immediately. These are temporary rules and this is something which could be arrived at over the course of the next 10 months while rules are in the experimental stage.

I thank you, Mr. Speaker, for giving me the opportunity to speak on this very important subject. I look forward to the implementation of these rules and I sincerely hope that the contributions of all Hon. Members of the House will be enhanced in the way we all wish to see them enhanced.

**Ms. Copps:** Mr. Speaker, I would like the Hon. Member to elaborate on the issue he raised regarding the involvement of committees and the new spirit of co-operation in light of the problems surrounding full access to information on the de Havillant question.

**Mr. Berger:** Mr. Speaker, I would answer the Hon. Member simply by stating that it is hoped that these committees will be able to determine on their own what matters are appropriate for their consideration and that there will not be a three-line Whip. It is hoped that party Members who serve on these committees will not be taking orders from their respective caucuses. If the practice used by the Regional Development Committee which wanted to study the de Havilland issue continues, I fear that we will not be making much progress.

I think many Hon. Members have recognized that a change in attitude is just as important as a change in the rules. I would hope that in a true spirit of reform, the members of these committees will be working independently and not taking instructions from their caucuses. I do not think that is what is intended by reform. However, only time will tell if this proves to be the case.

**Mr. W. R. Bud Jardine (Northumberland-Miramichi):** Mr. Speaker—

**Some Hon. Members:** Hear, hear!

**Mr. Jardine:** I know this kind applause is not for this speaker nor is it for the Speaker in the Chair but, rather, for the reform which we are discussing today. The importance of parliamentary reform for the House was indeed underscored by its being the first item mentioned in the Throne Speech of the Government. That point has been made before. It was made yesterday and again a couple of times today. Personally, I do not think that the point can be made enough times.

The importance of reform was further strengthened when the Prime Minister (Mr. Mulroney) himself rose to speak on the issue. Not only did he speak on the issue yesterday but he was present during the presentation made by the Chairman of the committee today and lent his support to it.

• (1700)

There can be no doubt about the resolve of the Government and of the President of the Privy Council (Mr. Hnatyshyn) to proceed with reform, thereby enhancing the role of the private Member of Parliament. It is also worth noting the words of the Chairman of the special committee on reform who said, upon being appointed chairman, that he considered it to be the most important undertaking with which he had been associated in his 28 years on the Hill.

I am most pleased to have this opportunity to speak briefly on reform since I had the privilege of attending a number of meetings as an alternate member of the committee. I would like to say—and I do not mean to be repetitive in praise, and I certainly do not mean it as false praise—that I doubt very much that we would be at this point at this time had it not been for the leadership and direction of the Hon. Member for St. John's East (Mr. McGrath) who chaired the committee. It was not by accident that there was a strong bond of collegiality among the members and a great willingness to resolve all points by consensus. In fact, this was really my first exposure to a parliamentary committee at work. In retrospect, not only will I say that I was spoiled but perhaps I was ill-prepared for other committees to which I was later appointed. Unfortunately, I did not always see that same sense of purpose and collegiality at work in those other committees.

While I have had occasion to speak before in the House, I have not taken the opportunity to pay tribute or recognize in the House the good people of my riding of Northumberland-Miramichi through whose valued support I am here today. With the indulgence of Hon. Members I beg leave at this point to describe briefly that beautiful place in the Province of New Brunswick called Miramichi from whence I come. Hon. Members might ask why I would take this opportunity to speak about that subject at this time. Frankly, I cannot think of a

better time to speak about my riding and the importance of my being here representing those people as we consider today the reforms which are being discussed in the House, reforms which will make other Members of the House and myself more effective Members.

Miramichi gets its name from the Micmac Indians. It was the name of a river and it is now used to describe the entire valley region. Today, it is the oldest Indian place name still in use in Atlantic Canada. Natural resources form the backbone of the Miramichi economy. The region depends greatly on the forests and wood-related industries for its livelihood. In recognition of this fact the Miramichi was named Canada's forestry capital in 1980.

It is not just forests that comprise the economic fibre of the area. There is agriculture, including vast areas of peat moss bog, commercial and sports fishing, and also a most important defence establishment. The Miramichi region is a gateway to Atlantic Canada, the United States and the rest of the world with its transportation links of rail, air and sea systems. The communities of this beautiful area are peopled with the descendants of English, Acadian, Irish, Scottish and Indian stock who have worked and lived in harmony since the area was first settled. They look forward to making their contribution to the province and to Canada.

I will just mention the names of two well-known people from the area. They are Beaverbrook, who took his name from a small community on the Miramichi, and Cunard. Lord Beaverbrook wanted to be known as Lord Miramichi, but his critics said that too many would make fun of him if he were to take the name. However, now that the Miramichi becomes more prominent and better known, more people will know how to pronounce that Indian word—Miramichi. As well, the Cunard shipping line, the builders of the *Queen Elizabeth II* and the *Queen Mary*, got its start on the banks of the mighty Miramichi.

Referring back to the matter at hand, I would again mention the words of the Hon. Member for St. John's East who said that what will come out of the reform process is a Parliament which follows neither the traditional model of Westminster nor the Congressional system but one which will be uniquely Canadian. What encourages me most about that statement is that this reform is not something that is being driven by one side of the House. Earlier, I mentioned consensus. I would like to refer to the contributions made by members of the Opposition and, in particular, the Hon. Member for Papineau (Mr. Ouellet), the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), and the Hon. Member for Cochrane-Superior (Mr. Penner). Yesterday, the Hon. Member for Cochrane-Superior made an eloquent statement in support of reform. He was an alternate member of the committee and was most active even though he was not permanent. This type of support and spirit from these experienced Members of Parliament will give us a Parliament which, indeed, will be uniquely Canadian.

With respect to the report I would like to say a few words on the subject of committees since this is where a private Member should have the opportunity of real input and influence. The adoption of the recommendations of reform of the committee system will surely make the words of Professor Gillies, who appeared before the committee as a witness, ring true. He said that the one place where the problems of Canada can be dealt with is before the committees of Parliament. A reduction in the number of members in most if not all of the standing committees will indeed enhance the work of committees, giving individual members greater input, interest and a sense of participation. It may seem like a small item to mention the meeting times of committees and the changes which will be introduced as well. It is proposed that the standing committees sit at times other than when the House is sitting. Indeed, Members are torn between their responsibilities in the Chamber and in committee. We have all been faced with too many demands and too little time.

With respect to the issue of public recording, this is an area in which I initially had some doubt. I had reservations with respect to putting cameras and audio equipment into committee rooms because we have seen all too often what can happen in the House during Question Period. One sometimes questions the seriousness of Members when they stand up and pose questions to members of the Cabinet. I hope that the introduction of cameras into committee will give Canadians a true appreciation of the work which is done there, the importance which Members place on that work, and not just provide an opportunity for certain Members to grandstand. Having said that, I am confident, as we have heard support from both sides of the House with respect to reform, that people will take it seriously. The use of parliamentary committees to review draft legislation before second reading would indeed make Members more familiar with the contents of a Bill before it receives approval in principle.

I remind Hon. Members of the expression: Many are called but few are chosen. These measures are being brought forward in an effort to make not just Parliament more meaningful and more effective but also the role of the private Member. His goal will be not just to sit one day at the Cabinet table in order to achieve a sense of accomplishment, but rather as a Member who plays a key role on a committee which will satisfy his sense of self-worth. With these measures, which I support whole-heartedly, I look forward to the months and years ahead so that I may sit here in my place as the Hon. Member for Northumberland-Miramichi.

**Some Hon. Members:** Hear, hear!

• (1710)

**Ms. Copps:** Mr. Speaker, I would like to ask the Hon. Member for Northumberland-Miramichi (Mr. Jardine) whether he has any comments to make on the decision to allow the Speaker to eject an Hon. Member for up to five days?

**Mr. Jardine:** Mr. Speaker, I do not mind answering that question put by the Hon. Member because I respect the traditions of the House, little as I know about it, I have to admit, in the few months I have been here. In respecting the

traditions, I believe all Hon. Members have a certain responsibility as we sit in the House. If we abdicate that responsibility, we have to understand what we are doing. We have to appreciate the fact that the rest of the House will not accept it. I believe that five days is very conservative. I suggest that five days should be the minimum length of time, certainly for a second offence, if we can call it that, to the rest of the House. So if the question is whether I support the rejection of an Hon. Member for five days, indeed, I do.

**Ms. Copps:** Mr. Speaker, I wonder if the Hon. Member could clarify. I think he is trying to make the point that the House in fact makes a decision with respect to the behaviour of individual Hon. Members. Does he feel the expulsion should be made by the House or by Mr. Speaker?

**Mr. Jardine:** Mr. Speaker, great trust is put in the wisdom of the Speaker. The Speaker is elected by Hon. Members on all sides of the House. In placing that trust, I believe we have to give the Speaker more responsibility in order to enforce these few rules. They are not at all too restrictive, by any means. Yes, the Speaker should have the authority.

**Mr. McGrath:** Mr. Speaker, I just have a comment. I appreciate where the Hon. Member is coming from. I share her concern to some extent. I would just like to tell her and the House that up until a few years ago, it was relatively rare for an Hon. Member to be named and ejected from the House. Indeed, I recall that during the nine years of the speakership of Speaker Lamoureux there was not one Hon. Member named. I would like to see the House get back to that system of decorum. If we do, we will have no concern about this new power we give to the Speaker.

**Ms. Copps:** Mr. Speaker, the Hon. Member suggested that because we are electing the Speaker, this particular new measure will in fact be workable. I wonder if he would then support the position that the election of the Speaker should be carried out at the same time as the introduction of this particular measure?

**Mr. Jardine:** Mr. Speaker, all things happen in due course and I do not believe there is any need to push one before the other. I think it is a case of letting us walk before we start running.

**Ms. Copps:** Mr. Speaker, I have another question as it relates to the issue of the newly vested powers in committee with respect to reviewing Order in Council appointments. I wonder if the Hon. Member supports the position taken by the McGrath Committee in this regard or whether in fact he supports the position as presented by the Government?

**Mr. Jardine:** Mr. Speaker, I thank the Hon. Member for all of these good questions because it gives me an opportunity to stand up and be recognized. I have such faith in the Chairman of this reform committee that, indeed, I support all of his recommendations.

**Ms. Copps:** Mr. Speaker, if the Hon. Member supports the recommendations of the McGrath committee, as I do with respect to this particular measure, I think he should be aware of the fact that the McGrath committee suggested not only that the committee be given the power to review Order in Council appointments but that there be vested in that committee the power of veto. I wonder if he believes in fact that that power should be vested in ordinary Hon. Members? If he does so believe, why then is he supporting the current legislation which does not make a provision for such a veto?

**Mr. Jardine:** Mr. Speaker, I must say I am not sure I got the gist of the question. I do not know whether the Hon. Member would want to repeat it to me.

**Ms. Copps:** Mr. Speaker, basically, the question is that the McGrath committee made a recommendation that ordinary Hon. Members be given not only the power to review Order in Council appointments but, if they find an appointment that is not a worthy one, they have the power of veto. In the motion before us, the committee is being given the power of review, and it may review all of the appointments in the world but it cannot really do anything about them. So the second aspect of the McGrath Report, which was to give ordinary Hon. Members of Parliament some power, has been nullified because we only have the power of review. It can be the absolutely worst appointment in the world and we can talk about it but we cannot do anything. That is why I would have preferred to see the actual report implemented as suggested by the able Chairman.

**Mr. Jardine:** Mr. Speaker, your hon. colleague made the comment about a "paper tiger". I do not really think it is a paper tiger. The committee can review all appointments. If there is a particular appointment about which the committee feels very strongly, I believe it would be listened to by the Government.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am pleased to speak in support of this motion. It is the culmination of a very long process. A lot of thought and care has gone into it from Hon. Members on all sides of the House.

Such criticisms as I have are minor. They are with respect to matters which I am sure can be resolved with some work and good faith on the part of everyone. I was here when the talk of reform began. It was at the time when Mr. Baldwin was the House Leader for the Conservatives and Mitchell Sharp was our House Leader. At that time the reform foundered on the rocks of control of supply. The issue then seemed to have collapsed for a while but has now been picked up again and I think the proposals we have before us are really very progressive and should, indeed, enhance the role of the private Member.

The occasions in the House when we think and talk as one Canadian to another on matters which are of importance to all of us are rare, but they are very welcome. We were all elected to work for the public good and all of us do that in so far as we can. The Parties have different policies and viewpoints. In fact,

from the argument going on opposite, it would seem that even within that Party there seems to be a rather vigorous expression of opinion going on. But Parties have strong differences of opinion, and vigorous debates will always be part of our life here.

Perhaps, Mr. Speaker, I should wait until the Minister and his colleague have finished their conversation because it is a little hard to proceed with the noise.

**Mr. Deputy Speaker:** The Hon. Member for Trinity (Miss Nicholson) may proceed.

**Miss Nicholson:** As I was saying, political Parties have different policies and viewpoints and strong differences of opinion, and vigorous debates will always be part of our life here. The Government introduces legislation and programs and in a democracy it is the duty of an Official Opposition to ensure that these are scrutinized, that when debate degenerates into—

**Mr. Deputy Speaker:** Order.

**Mr. Mazankowski:** Dissension in the ranks.

**Miss Nicholson:** I thought that earlier on the Chairman of the committee made a very eloquent appeal for civility in this House. I think there is nothing more important than civility in this House, especially in a debate of this kind. I do not think jeers from Ministers assist that. We have been talking about enhancing the role of the private Member and we have a Minister with nothing better to do than make cheap wisecracks. Nevertheless, I will attempt to continue in the way I started because, in spite of discouraging evidence, I still think most Members in this House are serious about reform. The contemptuous attitude that some individuals show to their colleagues is the exception rather than the rule. Indeed, as the Hon. Member who chaired the committee said, this House will only function well when Members show respect for each other.

● (1720)

When I was first elected in 1974, most matters in this House were agreed on by consensus. We very rarely had the bitter divisions among House Leaders that we have seen since. Again, in spite of what I am seeing opposite me at the moment, in spite of the discourtesy I am seeing across the way at the moment, I still share the hope of the Hon. Member for St. John's East (Mr. McGrath) that we will return to civility and again have a House where, when we have school children in the galleries, we are not ashamed of what they are seeing but we are proud of what they are seeing.

There are a number of examples of situations where Members on all sides of this House work well together. This happens in committees with subject matter references, for one thing. It also happens in the Standing Committee on Public Accounts which traditionally has operated in a very non-partisan fashion. I am pleased to see a former chairman and a former vice-chairman of that committee in the House today. In committees dealing with Estimates and legislation, the attitude has traditionally been confrontational. Some of that is inevitable. However, we can work to reduce unnecessary conflict.

The suggestion put forward that the standing committees hear witnesses and examine the subject matter of a Bill before second reading is an interesting one. If that were implemented I would hope one could get a much more non-partisan understanding of the Bill on second reading, and therefore a better second reading debate. It still might be vigorous debate but at least it will be based on understanding and commitment. At that point, indeed, a legislative committee should be able to do its work very promptly and not need to hear witnesses other than technical witnesses. So the idea of a legislative committee is one which I support, but its implementation needs to be worked out.

Our legislative committees got off to a bad start. There were far too many. For example, before Christmas we had eight sitting at one point. In the British House, where they have 600 Members, I think five is the maximum that can sit at the same time. As well, the legislative committees suddenly came into being but the previous step, where the subject matter of the legislation is examined in the standing committee, had not taken place. Therefore, there were many angry exchanges in legislative committees because we suddenly found that witnesses were being cut off but we had not really had an opportunity to test the pulse of the public. However, those are administrative matters which can be dealt with, given some goodwill and some care.

To turn to some of the other changes in this motion before us, one very positive factor is the review of delegated legislation. There are a lot of good opportunities there for serious Members to do some good work.

The 45-day limit for answers to a certain number of written questions is good. It puts some pressure on the Government to take seriously Members' questions, and in those circumstances setting a limit to the number of questions on the Order Paper from a Member at a given time is also reasonable.

The supply debate I think can be expected to go better based on this motion before us because the fact that the Leader of the Opposition can concentrate on the Estimates of one Department might make for a very much more intensive and careful examination. I think examining expenditures is an extremely important part of the work of this House. It is important for democracy. The more that Parliament really shows that it cares about control of the public purse and that the executive of the day cannot just write blank cheques, the more faith the public will have in our efforts to ensure that their tax moneys are spent wisely. Control by Parliament should be not just words mouthed by politicians, but should be a very real experience if the role of the Member of Parliament is to count and if people are to have confidence in the fact that we take seriously the fact that they work hard for their money and are entitled to know where it goes.

The new rules about Private Members' Bills are interesting. They will also need some working out. We will have to be very clear about how the five-hour debate is managed. Again, that

is a relatively small administrative matter which can be dealt with.

The reduction of statements under Standing Order 22 from 90 seconds to 60 seconds is good because it allows more people to participate.

The final matter I would like to comment on is something that is not in the motion before us but was a recommendation of the committee, that is, the proposal that the written questions about the Estimates could be put forward by a standing committee and that answers to the committee would be back before May 1st. The written material could then be used by members in committee. That is a very interesting proposal. It would make for a much more intelligent and informed level of questioning in the Estimates debate. In my view, the more you increase the opportunities for relevant, informed debate, the more you reduce the tendency to make cheap shots and partisan cracks. Although the Government did not put this one in the motion, I hope the issue is not closed and will be looked at again.

**Mr. Deputy Speaker:** Are there questions and comments?

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, the Hon. Member discussed the question of Standing Order 22. I gather her position is that the reduction from 90 seconds to 60 seconds is good because it allows more people to be recognized. On the other hand, does she believe that a shorter period of time—and 60 seconds appears to be fairly short to me—would allow a Member sufficient time to make a point on issues which are sometimes complicated? I would like to hear her comments. I understand that there is a *quid pro quo,* that more Members will be able to speak, but will there be more people discussing issues with less time to do a proper job?

● (1730)

**Miss Nicholson:** Mr. Speaker, I cannot see that the cut from 90 seconds to 60 seconds is that important because Standing Order 22 was designed for very short, crisp statements as opposed to the thoughtful kind of speech that Members can develop on other occasions. I do not share the Hon. Member's concern.

**Mr. Deputy Speaker:** Resuming debate.

**Mr. Alan Redway (York East):** Mr. Speaker, I am pleased to have an opportunity to make some brief comments with respect to this motion to amend the Standing Orders of the House. There are a great number of very significant changes being brought forth and an enormous amount of credit goes directly to the Hon. Member for St. John's East (Mr. McGrath) and his outstanding committee for their hard work and effort in preparing the report on which these amendments are based.

I also want to add my own personal congratulations to the Chairman and the members of the committee for that fine work.

These amendments are particularly significant to Members of Parliament and private Members specifically. Hopefully we will find that they are significant to the general public as well. I suspect that at this stage the significance of these amendments will be lost to the Canadian people generally, but there is one particular aspect of these amendments for which the people of this country have long been looking. Those are the amendments with respect to the review of Order in Council appointments. This review process is long overdue. It was a significant issue in the election campaign of 1984 and is an issue of concern to the general public who believed that there needed to be a significant and substantial change to the process by which Order in Council appointments are made.

I believe it is to the Government's credit and particularly to the credit of the Prime Minister (Mr. Mulroney) that action was taken virtually immediately upon the calling of the Thirty-third Session of Parliament in November, 1984.

The House will recall that there was reference to setting up a task force on parliamentary reform in the Speech from the Throne and subsequently the task force was put in place. The task force came up with recommendations upon which these amendments are based and the Government responded and substantially adopted the recommendations that were made by that committee.

Today, we are about to implement a review of Order in Council appointments with the exception of judicial appointments.

I suggest most Members have heard complaints from the public since September 4, 1984, about what has happened to the appointment process. The public was anxious to see quick action with new procedures being put into place and could not understand why it was taking so long or that there was any delay at all.

The changes that I trust will be implemented this afternoon are revolutionary to the whole sense of our parliamentary system. The fact is that no change like this has ever taken place in the British parliamentary system and it is the first time that there has been a review process for Order in Council appointments or any federal government appointments.

Of course, the Americans have a type of review process. They review federal judicial appointments through their Senate committee and a requirement under their Constitution for the advice and consent of the Senate when the President makes those appointments. They also have confirmation hearings for members of the federal Cabinet in the United States. However, there is no similar process where all types of appointments made by the American federal Government can be reviewed. Therefore, not only are these changes revolutionary as far as the British parliamentary system is concerned, I believe they are revolutionary as far as democracy is concerned.

These changes will not as yet require a review of all appointments. For instance, judicial appointments do not require this review. The House may recall that last week I introduced in the House a Private Member's Bill calling for a

procedure for the review of federal judicial appointments. That Bill was talked out at the time, but I am hopeful that we will see some form of recognition of that process as well.

However, the fact that we are implementing a form of review for the first time is a most significant step. While this form of review and its implementation may not please everyone, I hope that it represents one more step in the process of improving the concept of the review of appointments.

Perhaps we could consider some of the review processes that are used municipally in this country. For example, efforts are made to try to make appointments accessible for everyone in an attempt to ensure that people with the highest qualifications are chosen for those jobs. In some cases, there is a process for advertising openings and vacancies on boards, commissions and committees. There is a process for making written applications where a review panel or board considers those applications and makes a short list. That review panel conducts advance interviews according to that short list and makes recommendations to a municipal council which accepts or rejects that recommendation. I believe that is a good process that could be adopted, at least in part, for our parliamentary system in the future.

I want to emphasize that these changes represent a revolution by evolution. It is a gigantic step forward because it is the first time in British parliamentary history that any sort of review process has been put in place. It is a great tribute to the Hon. Member for St. John's East and his colleagues in the committee. It is a tribute to the Government and particularly to the Prime Minister without whose unfailing support we would not have this process. I suggest that in future, as the public learns to appreciate and understand this process, it will be one of the hallmarks of the present Government's years in office.

**Ms. Copps:** Mr. Speaker, just for the purpose of historical accuracy, I am somewhat surprised that the Hon. Member said that this is the first time in the history of Canada that we have had such a review. Is he familiar with a review chaired by the former Member of Parliament from Pontiac-Gatineau, Tom Lefebvre? This was begun and struck by the Liberal Government in 1982.

• (1740)

**Mr. Redway:** Mr. Speaker, I appreciate the Hon. Member's comments. When I was referring to a parliamentary review process, I was not referring to the committee which looked into the question of reforming the rules or the Standing Orders of the House, but rather to the fact that we are setting in place today, I hope, a process whereby Government appointments to boards and commissions etc. will be reviewed by a parliamentary committee. That has never happened before. It may have been recommended before, but it has never been put in place before.

That is the historic fact we are witnessing here today and one which we should all applaud.



**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, let me begin my analysis of the situation by saying that I would hate to think I am a little more cynical than some of my senior colleagues, but in looking at the whole process of parliamentary reform it seems there has been an issue not addressed in the debate today, that of the role of the private Member, specifically in a parliamentary democracy.

As long as we have a Cabinet and a Parliament which derives the majority of its responsibility through Cabinet decisions, most of them made by the so-called P and P Committee or the inner Cabinet, any discussion of expanding the private Member's role in committee, expanding funding capabilities for private Members, expanding study possibilities for private Members, while on the surface bears further study and deserves support, lends a false sense of the role of a private Member to the public at large.

I think it is pretty clear that as long as we remain in a parliamentary system where the Prime Minister (Mr. Mulroney) and the Cabinet are the bottom line, no matter how many committees we strike, how much money we give the chairmen, how much we open up the process through TV or through other mechanisms to allow the public to see the workings of the House, until we change the fundamental principle of Cabinet responsibility and ministerial responsibility that has been based on the traditional British system, most of these so-called reforms will merely become a House of cards. I refer specifically to the particular motion the Member just discussed with respect to review of appointments.

The Government, embarrassed as it was, by the profligate numbers of appointments made in its first year of Government, particularly in light of the Prime Minister's own self-confessed virginity on this issue during the political debates, has come forward with a position paper which says that ordinary Members will now have a chance to review every Order in Council appointment.

There are prescriptions however, Mr. Speaker. Members must review appointments within 30 days of their being recorded in *Hansard*. We know that if the appointments continue at the rate we saw in the fall of 1984 and the spring of 1985, it will be very difficult for Members to review all those appointments within the prescribed 30 days period.

The committee however, is powerless, the committee is neutered when it comes to doing anything about inappropriate appointments. I think this goes beyond the partisan political issue because previous Liberal Cabinets were not prepared and the current Conservative Cabinet is still not prepared to relinquish any of its bottom line authority and power.

What we are talking about is developing a system to permit private Members on all sides of the House not only to put more into the process but to begin to wield more influence in the decision-making of Government.

Particularly in a majority Government system we know that unless we move away from the notion of a Cabinet, unless we move toward a kind of Congressional system as we see in the United States, and if we move away from the notion of caucus

solidarity, we will forever be creating committees which may have the power to issue a press release, the power to hire a researcher, but the substantive power of those committees is lost in the Cabinet shuffle.

I think about the committee on day care which was announced with much fanfare by the Government just this last week. We know the Government is spending $1 million to send parliamentarians across the country to look at a very critical issue, the issue of day care. It looks good. The Government says that it is spending $1 million because it is concerned about the issue.

But let us look at the fisheries committee. I gather its budget was in the neighbourhood of half a million dollars. That committee travelled across Canada. It took presentations from fishermen and people in the field. Committee members spent many hours in the community and came back with what is considered to be a reasonably good report. Yet on the most important issue facing the fisheries committee, the issue of factory freezer trawlers, the decision was not made by the committee, the decision was not made by the people who travelled across the country to hear hundreds of presentations, the decision was made by the Cabinet without even waiting to hear the results of the committee's work.

We can, however, diffuse our efforts. We can set up 28 standing committees with a minimum of five and a maximum of 7 or 11 members, but if we remain in the confines of a parliamentary system that sees the Cabinet with its ministerial budget and ministerial power, and as long as we do not have private Member all-Party input into the Priorities and Planning Committee, then any motion of expanding the role of the private Member by mere tinkering with the parliamentary system is illusory.

I have only worked as an Opposition Member both in the Ontario Legislature and in the federal House. I think that Members on all sides of the House who presented this report and who did the work are very sincere. I think they are seeking a chance for the private Member to have a greater involvement in the process. I can appreciate, particularly on the Government side with its very large majority, that many Members are frustrated. They may feel that their work is not recognized and that the hours they spend in committee are often ignored by the public and their peers.

I would suggest that if we are truly concerned about parliamentary reform, we must attack the issue at its heart, namely, on the question of Cabinet responsibility. When we tell a committee that it has the power to review Order in Council appointments, that power must not simply be window dressing with more budgets, more time and more television coverage. That the power must say to the committee: "We, the Parliament of Canada, vest in you the capability to say yea or nay. You are the bottom line. You are the seal of approval". Cabinet and the Prime Minister make the recommendations. They suggest an Order in Council appointment, but it is ultimately the Parliament of Canada, in majority or minority, through committees, that has an opportunity to have the final say.

Without that particular final authority and without the veto power that was suggested by the committee, the Government has effectively neutered what could have been a very useful tool in the process of parliamentary review.

I have a number of other concerns and I believe that these should be shared by all Members. There may be times in the future when Government Members will be sitting in opposition. They may want to look at the issue from an opposition perspective or they may want to look at it from the perspective of the protection of the rights of the individual Member, but I am extremely concerned about two particular motions as they relate to the so-called naming of Members.

We are suggesting that in the next Parliament we will have the election of a Speaker, which is not the case at the moment, although we have a sort of measure by which we can approve the selection made by the Prime Minister. Without a secret ballot selection of a Speaker, what we are saying in this motion is that the Speaker is now invested with the power of being able to name any Member and being able to eject a Member from the House without calling for a motion from the appropriate source. In other words, Mr. Speaker, it is not the Parliament that ultimately becomes the arbiter of what is right and wrong in the House in terms of a vote, it is simply the Speaker, who is an unelected person, who has been appointed by the Prime Minister without the process, as suggested by this committee for an elected secret ballot vote.

I agree that if we had a secret ballot vote there would be some recourse whereby we could say to the Speaker: "You have an opportunity for a naming in an instance", but I would also suggest that not only are we investing in that same Speaker the opportunity to name an individual without a vote in this House, without an opportunity to seek the consent of the Members, whose job it is not only to keep this place orderly but to keep the debate going, but the Speaker has been given the opportunity or the responsibility of naming a Member for up to a week at a time.

● (1750)

It seems that when we are talking about an ejection of five days' duration, and when we are talking about cutting off not only that Member but the constituents of the particular riding, we are denying them an opportunity to have a voice in Parliament for a whole week. It could be the week following the Budget. It could be the most important decision-making week in Canada. It could have been the week of the Constitution. Not only is the Member denied the opportunity to participate, but the constituency and its hundred thousand voters are being told that they cannot have a say for a week, and that decision will be made by a Speaker who at the moment is not elected in a democratic form by the House.

I suggest that the particular measure is punitive. I do not think it is in the best interest of any Member, including Government Members, to vest that in the Speaker alone with no recourse or suggestion that Parliament move a motion. We are small numbers in the Opposition. Chances are that if a motion were moved today by the Government House Leader to

have the Hon. Member for Hamilton East ejected, the motion would probably pass. It should not, but I suspect it would probably pass. However, in that case the responsibility for the naming becomes the responsibility of the mover of the motion. It becomes the responsibility of Parliament and the democratic process in which every Member of the House—211 Conservatives, 40 Liberals and 30 New Democrats—can stand up and say: "we choose to keep that Member within our ranks" or "we choose to eject that Member". As a result of this particular motion, not only does the Speaker have the authority to eject once but he has the authority to eject a Member for five days.

I think mention has been made of the translation problems in that the English version of the particular motion suggests a five-day suspension for all subsequent so-called namings, but in the French version there is confusion because it only speaks of a second naming. Something must be done to change the Bill in that particular regard.

We believe in Parliament. Parliament is the seat of democracy. At the bottom line should be the motion being moved either by the Government or by the Opposition in other cases. I have very serious concerns about this measure which was not in the McGrath Report. The five-day naming was not an invention of this all-Party committee. It was added by the Government in this particular motion. I find it excessive, I find it punitive, and I think it is not the kind of responsibility which should be accorded a Speaker, particularly when in this Parliament we still have a Speaker who is not elected by secret ballot.

I have some other concerns about the issue of petitions and Order Paper questions. Each of us is here to represent our ridings. There have been a number of suggestions that the number of petitioners must rest at a minimum of 25 for a petition to be valid in the Parliament of Canada and that anything less than 25 is not acceptable for the purposes of petitions. It has also been suggested that because of the overabundance, I guess, of Order Paper questions—although it seems to me that there are not that many questions in relation to the number of Members in the House—we should somehow be restricted in the number of questions we can ask. I am not sure of the number; I think it is four questions per session which we will be allowed to put on the Order Paper as a result of this particular measure.

**Mr. McGrath:** At any one time.

**Ms. Copps:** In any case, it seems that these particular issues—the first being a minimum of 25 voters on the petition and the second being the maximum of Order Paper questions being allowed at any time—are an infringement upon the ability of the ordinary Member to get to the bottom of an issue. It may not be an earth-shattering issue. It may be a local question about the status of the Hamilton Airport. It may in fact be a small petition because there may not have been hundreds of thousands of Canadians rising up on the issue. However, if I receive a petition from 17 members of a senior citizens' club, which has a total membership of 20, those senior citizens have every right to petition Parliament through their Member.

I am not sure whether the committee was confronted with overpowering evidence about excessive petitions or whether the committee was presented with overpowering evidence about excessive Order Paper questions. It seems to me that if we look at the Order Paper, most Members only ask one or two questions at a time. In fact, oftentimes those questions are not answered. I know the committee Chairman will say that as a result of this particular provision we will get answers quicker. Well, I lived in a Parliament which required automatic answers to Order Paper questions. If the House thinks that that will be the panacea for getting information, I can tell it that it is not. Essentially what happens is that if the Minister, the Cabinet, the Government, the seat of responsibility and the seat of power, do not want to answer the question, they bring back an answer within the prescribed two-week period which may just be a regurgitation of the question put another way to satisfy the provisions of the Standing Orders.

I return to the point that if we are truly concerned about parliamentary reform, we have to look for reform, for change and for a new direction in the heart of the organism, which is Cabinet. Far be it from me to belittle the work done by committees.

[*Translation*]

We are now in a situation where the Liberal Party has only 40 Members. We know that with these new provisions and even those to which our Party agreed to for a temporary period, we find ourselves in an impossible situation. There are 28 committees on which, according to the new provisions, we should have not only one representative but also five substitute Members named by that representative. Given all those committees, if our Member does not name five substitute Members within a certain delay, he or she will no longer be entitled to sit on that committee.

Now let us see how these figures work out in the case of the Liberal Party: we have 40 Members, there are 28 committees, each with one Member and five substitutes, so what is 28 times 6? As you can see we would need at least a hundred-odd Members just to assume our committee responsibilities.

Sure enough, Mr. Speaker, there will be no problem after the next election, but we have to face the reality of 1986!

Mr. Speaker, Government Members might be well advised to consider the situation. They have no worries now with their 211 seats, but they should not forget that after the next election the situation might be reversed.

Mr. Speaker, I can tell you that my responsibility is to represent my constituents and I think it would be better to have fewer committees whose responsibilities and reports would be accepted by Cabinet. I am not interested . . . Even last week I was on the labour committee which is a sub-committee of a sub-committee. We got together to consider the question of part-time and shared work. One of the Members of

the New Democratic Party, the Hon. Member for Churchill (Mr. Murphy), said—and I shared his views—that he had no intention of sitting and studying the question of shared work if there were only four or five of us on the committee and if we did not have any assurance that our reports would be accepted by the Government. I would have liked to see fewer committees, but at least some kind of Cabinet guarantee that committees will be struck in a non-partisan manner. For instance we might have six or seven committees, six large committees to study six of the major issues in Canada today, be it employment, structural changes to our employment system, environment, whatever, we should select specific and wide-ranging subjects, major issues in this country, and those committees would have a Cabinet guarantee that their recommendations will be accepted and implemented through legislation. But if there is not going to be any change as far as Cabinet is concerned, then all we are doing here is supposedly meant to improve conditions for Hon. Members of the Opposition parties as well as the Government. But all things considered there will be no meaningful changes, we will continue to operate within the parliamentary system. If we are prepared to make changes, is that really what we are doing? Certainly not with the kind of cosmetic changes proposed in the document under consideration.

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## BUSINESS OF THE HOUSE

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

**Mr. Deputy Speaker:** Order, please! The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

**Mr. Gauthier:** Mr. Speaker, may I ask the Parliamentary Secretary to President of the Privy Council (Mr. Lewis) whether he could advise the House of the business scheduled for tomorrow? In other words, are we going to continue dealing with this motion, or is there something else on the agenda?

[*English*]

**Mr. McGrath:** I would ask the House if it is the disposition of the House to proceed with this motion today, because I am sure if that is the disposition of the House we could refuse to see the clock for a few minutes to allow the Hon. Member to conclude her speech.

**Mr. Lewis:** Mr. Speaker, I think we have made considerable progress on the debate yesterday and today. It is quite evident that the members of the New Democratic Party are in support of the Government's position and the Standing Orders as brought down. There have been obvious indications from the Liberal Party that they are in support. We will be calling the same matter at eleven o'clock tomorrow for further debate, if, in fact, the members of the Liberal Party feel it is necessary.

**Mr. Deputy Speaker:** It being six o'clock p.m. this House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.03 p.m.

# HOUSE OF COMMONS

**Thursday, February 13, 1986**

The House met at 11 a.m.

## GOVERNMENT ORDERS

[*English*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

The House resumed from Wednesday, February 12, 1986 consideration of the motion of Mr. Hnatyshyn:

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes on the *Order Paper and Notices* as may be required.

**Mr. Speaker:** Given the presence of the last Member who spoke, are there any questions or comments?

**Ms. Copps:** Mr. Speaker, I had about three minutes left.

**Mr. Speaker:** I apologize. My understanding was that the Hon. Member started her speech at 5.40 p.m. and spoke until 6 o'clock. If that is a misunderstanding, I am sure the House is prepared to allow the Member to continue for three or four minutes. I am perfectly happy to find two or three minutes left in the Member's time. The Hon. Member for Hamilton East (Ms. Copps).

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, in the light of the new spirit of co-operation and civility, in my last couple of minutes I would like to say that I hope that our new committee system and our reform will work as well as the hockey game did last night. Although we may not have enjoyed the outcome, there was a terrific spirit of congeniality and conviviality on all sides.

**Some Hon. Members:** Hear, hear!

**Ms. Copps:** I am sorry to say that the New Democratic Party sent only two Members, but that was up 50 per cent from the participation of the New Democratic Party last year. We had a great game. The only problem is that, unfortunately, as is often the case in this Parliament, the Government won.

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** I am saying this somewhat in jest, but when Members have a chance to get away from Parliament, out playing hockey and doing other things, it gives us a chance to appreciate the kind of co-operation that it will take to make the new system work, notwithstanding some of my concerns that I outlined in my speech yesterday.

**Mr. Deans:** Mr. Speaker, I was interested in my hon. colleague's comment with regard to the hockey game last night. Could she explain to me how the New Democratic Party being represented by two Members could be up 50 per cent from last year?

**Some Hon. Members:** Oh, oh!

**Mr. Deans:** That obviously would have required us to have sent a partial Member last year. I am not absolutely clear about this. Perhaps it is part of the way the Liberals make their calculations, which may then explain why they are in the difficulty they are in. I am not sure.

**Ms. Copps:** Mr. Speaker, if the Member had played last year or this year, he would have known we had a terrific representation in the person of the Hon. Member for Kenora-Rainy River (Mr. Parry). Since the Hon. Member had never been on skates before in his life when he was a hockey goalie last year, that was, indeed, only half participation.

**Mr. Gauthier:** Mr. Speaker, I have a question for the Hon. Member. I do not know whether the Member agrees with the registry of Members' external travels. There is no requirement at this time in the proposed modification to the rules to list trips paid by the Government when the Government sends its own Members abroad, either with a Minister or with some other official delegation.

We feel that would put members of the Opposition in a somewhat difficult situation. We would have to declare our external travels and put forth any expenditures that were incurred at that time and the sources. Members on the Government side, however, would be protected in that if they travel with a Minister or with an official delegation of Government they do not have to reveal these trips. What does the Hon. Member feel about this?

**Ms. Copps:** I think, Mr. Speaker, the Member for Ottawa-Vanier (Mr. Gauthier) has pointed out one of the difficulties in this motion. The McGrath Report itself came up with a

number of recommendations, many of which are supportable and will be supported. However, in the transition from the McGrath Report to the proposed motion a number of Government changes have been injected, one is the notion of the five day naming. A second one is the notion of the registry.

I personally have no problem with any registry. I think Members of Parliament on all sides of the House should be open and above board at all times. I think it creates a somewhat specious view in the minds of the public if on the one hand you have a registry where Members of Parliament, government Members or opposition Members, can travel to Barbados, to Geneva or to Stockholm at the expense of taxpayers and have no public accountability through the registry, while on the other hand you can have Members on a mission or a fact finding tour sponsored by a group, other than the Government, who are fully accountable. I think the accountability should be across the board. That should include a full docket for Ministers as well as for Members of the Government and Opposition for all trips outside the country. It should not be restricted only to the notion of non-government funded trips.

I know from trying to track down Members from time to time that a number of Members are off on trips all over the world. I am not quite sure of the reason because they are with a Minister, it is not necessarily a subject for public discussion.

**Mr. Stackhouse:** Mr. Speaker, I just want to respond to one remark the Hon. Member for Hamilton East (Ms. Copps) made yesterday in a speech to which I listened with care and interest. She claimed that the proposed system by which Government appointments will be reviewed by the committee would be neutered, that there will be no effective authority on the part of the committee and, therefore, it is not a useful reform.

I say briefly for the record that I do not understand the reform in those terms at all. The real effectiveness of the review will come from publicity. The light of public discussion in meetings and through the media will shine upon the appointment, and I think that will be a safeguard that any Government will keep in mind when the appointments are put forward.

I would say, Mr. Speaker, that there is good reason to believe this is the real effectiveness of the system now employed in the United State Senate. While there is a vote required so that the appointment can be confirmed or denied, the real power of the Senate lies in the publicity given to some nominations, the kind of discussion that is stimulated and which, in the past, has caused some nominations to be withdrawn.

• (1110)

I do not accept the claim that the committees and the review process have been neutered. I understand the Hon. Member's points but it seems that she has not given sufficient recognition to the effectiveness of the publicity which will arise from committee hearings.

**Ms. Copps:** Mr. Speaker, if the Hon. Member hearkens back to the discussion which occurred in the House yesterday, one of the difficulties I pointed out was that there would be no veto power for the committee. The second difficulty I pointed out was that in the proposed motion the Government has a certain prescribed period—I believe it is five days—in which to depose the Order in Council appointments, presumably after Cabinet has made its decision. Subsequent to that there is a maximum 30-day period for examination.

If we look at a period wherein there might be hundreds of appointments, for example, a summer period of two months where we might see 2,000 or at least hundreds of appointments—

**Mr. Boudria:** Try the day before Christmas.

**Ms. Copps:** Or the day before Christmas. The way the current motion is established, we would be allowed to review all those appointments, and the review must be complete within the 30 days following the five days of the deposition. It seems that if we want to do a real thorough analyis and have the kind of public exposure about which the Hon. Member spoke, at the very least there should be no time limit on the period of review. The 30-day period actually hamstrings or handcuffs Members who may in fact want a very throrough review of several hundreds of appointments. In that regard I agree with the Member that some kind of public exposure is in and of itself a good thing.

We see that at the moment there is some public exposure when appointments are made, if they are not made the day before Christmas. However, on balance, if we introduce two elements which include the possibility for a veto of the committee and no time limit for review, we would have a better motion. It would speak to the issue of diffusing power from the Cabinet. Essentially at the moment we are reinforcing the notion that the Cabinet ultimately makes a decision for every Government action. If we are moving toward a reform system, some of that reform will have to entail taking away specific powers which rest now in Cabinet. This is why I think the veto power would be an indication that the Government was prepared to go in that direction.

[*Translation*]

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I would also like to make a modest contribution to this important debate on the proposed amendments to the Standing Orders that govern the proceedings in the House of Commons. First of all, I want to say that on this side of the House, at least as far as the Liberal Party of Canada is concerned, we welcome these reforms of the Standing Orders of the House. I believe that the proposals before the House today are part of a number of changes that have been proposed from time to time in the House of Commons, also by the previous Government. In fact, Members who have been sitting in the House as long as I have will recall a major reform that was introduced in 1969.

Today, I think we should give credit to all Members on the Special Committee on Parliamentary Reform, chaired by the Hon. Member for St. John's East (Mr. McGrath). Actually, I think the recommendations of the Hon. Member for St. John's East and his Committee would probably have been adopted faster than the Government's proposal, and I will get back to this point later on and explain my reason for mentioning it.

First of all, Mr. Speaker, on the subject of parliamentary reform, I would like to say a few words about the context in which I feel such reform should take place. The most visible part of that context is the parliamentary system in this country which is based on political parties. In Canada, our political parties represent certain tendencies, certain parts of the political spectrum, which may vary from left to right with all the variations in between. Traditionally, political parties in Canada have over the years represented certain specific political positions with which voters identify. In fact the Canadian electorate fully expects political parties in the House of Commons to live up to their election promises. In other words, let them follow up on their election platform. So people expect the Government to try to implement measures advocated on the hustings. Opposition Members are also expected to scrutinize every Government move and stick to the views they publicly defended, just so they will be true to themselves.

That is why I say that private Members should play a significant role but, as I see it, it is given short shrift because I maintain that political parties have primacy in our parliamentary system. The logical conclusion therefore is that the private Member's role does not weigh much in the balance. Well, not quite! Private Members do play an important role in our system because within their own caucus they help hammer out the policies of their Party and, through their contributions both in the House and in committees, they also do their share to draft and finalize legislation. Still, evidence about the way Canadians choose their Governments—particularly since the early 60s and given the ever growing presence of the electronic media—makes it clear that they cast their votes for political parties rather than for candidates. In my judgment, this factor cannot be ignored in any Parliament reform.

So what are the objectives of the reform? I would simply refer to a very straightforward statement made by the House Leader of my Party, the Hon. Member for Windsor West (Mr. Gray), who said: Our object must be to make Parliament do better that which it is intended to do. In my opinion, however, this does not mean that by improving Parliament, we want to make it a machine designed to adopt bills non-stop and full steam ahead. I feel that this would be a mistake. While a number of bills can go through all stages very quickly because they are straightforward or because they are fully supported by all parties in the House, or because their contents are generally felt by the public to be fair, equitable and reasonable, others must be fully and thoroughly considered during a debate which may last quite some time, if necessary.

This reform of the House should not either make it possible for a limited number of opposition members or even for an opposition party to frustrate the will of the majority. I want to make it perfectly clear, therefore, that I fully support the Government's right to introduce its program as it sees fit, because a majority Government has received a mandate from the people.

What should we aim at? What is needed, in my view, is a balance between the right of the Government to carry out its program and the right of the opposition to bring to the people's attention the fundamental issues and to initiate a meaningful debate on matters and policies that are likely to result in major direction changes. I suggest that this reform should also aim at improving the public's awareness of the House's proceedings, because in a democratic system, the public's input is essential. And since the people are not themselves present inside the House, but are present through their elected representatives, they should be able to see what is going on here. I wish television and other media had access to the committees of the House to allow the public to see and editorialize on its own what is going on and not have to rely solely on members of the press gallery who, even though we must admit they do a very good job, act as intermediaries between the public and us, in the House of Commons.

That being said, I would like to state once again that generally speaking we support the Government proposals.

• (1120)

[*English*]

On this side of the House we agree generally with the reform as introduced by the House of Commons. When I say "generally", it means, of course, there is a caveat. There are a number of items that we would like to see modified.

The first thing I would like to say from a philosophical point of view is that if this report was a straight translation of the report of the Special Committee on the Reform of the House of Commons, chaired by the Hon. Member for St. John's East (Mr. McGrath), it would be easier to pass it through this House because all Members would feel that we were adopting a unanimous report of a committee on which all Parties were sitting. We cannot say that these proposals originate from the committee as they have been modified. The Government has to realize that these are Government proposals.

We do want changes but how are we going to accomplish this? We look at the motion before us and we realize that this motion does not allow amending several of the proposals. How do we go about it? I am happy to see the Government House Leader in the House together with his deputy, and I would like to explore with them how we can achieve that. What my Party would like to see is a change in our rules passing through the House of Commons rather swiftly. Personally I would be happy to go home to my riding for the recess with the pleasure of knowing that we have adopted new rules. If we are to achieve that how do we do it?

I suggest the easiest way would be for discussions to take place between the House Leaders of our three Parties. I gather that discussions are likely to take place soon, and that is probably the best route. Otherwise there is a more cumbersome way that might have to be used, and that is to amend the motion that is before us and refer the proposals back to a committee where obviously specific amendments to some of these specific proposals could be introduced. I say this is too long a process. It would border on the adversarial, and I do not like it. Therefore, I suggest very strongly that discussions take place today while this debate is going on. We should come to some agreement to iron out some of the difficulties—and there are not too many of them, some are menial—so that we may conclude these discussions between Parties with a proposal which would reflect the desire of all Parties. In this way we would follow the tradition over the years of having the rules of the House adopted in a rather unanimous fashion, with few exceptions. We should strive to establish a set of rules with which everyone would agree. It would certainly improve the climate in the House of Commons. This is a goal worthwhile pursuing.

[*Translation*]

Therefore, in my opinion, it would be quite worthwhile if the Government met today with the opposition parties and tried to bring in the few changes they are seeking so that we end up with a product that will be acceptable to all. Because it must be recognized that to this day, there have not been any agreement, secret or public, to adopt these changes to the rules without ample debate, which, in my opinion, should result in some adjustments. If we can come to an agreement, I am sure that when we leave at the end of the day, on Friday, we will have new rules, which is what I wish personnally.

Now, Mr. Speaker, to be more specific, I would like to mention some of the changes that have been suggested by some of my colleagues. First of all it becomes clear after listening to those who spoke in the House that many members referred to the problem we are facing regarding the proliferation of legislative committees.

This proliferation is causing tremendous difficulty, especially to opposition parties in view of the unbalance existing in this Parliament between the number of Opposition Members and Government Members. Indeed, by reducing the room to manoeuvre of opposition parties, the proliferation of legislative committees is affecting the quality of legislation, and in the end the public is the loser. In my opinion this is also affecting the climate in the House of Commons whereas the opposition parties with a small number of Members are hardput to believe that they have an important role to play in the development of legislation.

As we have followed the model of British legislative committees, I would suggest that we go a bit further and follow even more closely the British system, under which there are only eight legislative committees and bills must queue up before going before one of these committees. I believe that we should limit the number of legislative committees, which would certainly allow the opposition parties to do a better job and also stop Government backbenchers from feeling pressured by the great number of bills being referred to committees as no member of this House, whatever his party, can give the required attention to some of the proposals before those committees. This is one thing which should be improved in my opinion and I hope that it will be discussed among the parties.

There is also the registration of trips abroad by Members of Parliament. I think that this is an excellent principle and a very good proposal. However, I am surprised that the proposal involves registration only for the exceptions, that is trips paid by individuals, foreign countries or companies. The major weakness of this proposal is that the most frequent type of trips would not be registered. Trips by Parliamentary delegations would not be registered, whether they are organized by the Secretary for Parliamentary Relations Secretariat or by various organizations, and this even applies, Mr. Speaker, to the delegations that you yourself are sometimes called to lead in other countries, to trips by Ministers or Government representatives, and I am of course speaking about the trips made with the taxpayers' money on official business. These would not be registered either. However, it would be very useful, as we have seen. During the present session, Ministers were already questioned by some members who were not convinced that public money had been spent sparingly enough. Consequently, I suggest that all trips—except the private trips abroad taken by a vacationing Member, which are is private business—relating to the duties of a Member or a Minister be registered. In my opinion, the Registry should be easily accessible. The data should be computerized to allow a quick check by anyone interested as, I believe, foreign travel undertaken by a Member of Parliament in that capacity is a public matter about which any Member of the House, or member of the public or the press should be able to obtain information. Each Member is responsible to his or her voters.

I would also like to draw your attention, Mr. Speaker, on one of the proposed Standing Orders which would give the Chair important powers to maintain order in the House. Some of my colleagues have already pointed out that giving the Chair the authority to exclude a Member for five days, as proposed under the new rules, was excessive. It seems to me that expulsion of a Member by the Chair, for one day, is quite sufficient. First of all, it prevents the Member from pursuing the objective he or she had in mind when he or she created the disorder. We all know that the following day the argument will have lost much of its impact, especially in these days of electronic medias, and consequently this is enough of a sanction.

● (1130)

Moreover, the publicity surrounding a suspension is bad generally for a Members's image. Indeed, one has to recognize the important principle that there must be some sort of order

in the House of Commons, and that the Chair must have the means to enforce it. However, it seems to me that the power to suspend a Member for one day is enough. Going any further would be depriving the Member and his constituents of the basic right to be represented in Parliament.

If I may, Sir, as one who has been a Member for 17 years, I can state that past experience has shown there is no need to give the Chair the authority to suspend a Member for a period of five days. Under the present system, when the Speaker names a Member, it rests with Government to introduce a motion to suspend that Member from the service of the House. But I do not recall any instance during the 17 years I have been here, of the Government introducing a motion to suspend a Member for more than one day. Recently, for instance, the Government could have suspended a Member for three, four, five days, or the whole session, but it never did so. All this is to say that I do not see the need for that, and I would be surprised if you yourself, Sir, without putting words in your mouth, would support such a measure.

I would also like to deal briefly with private Members business or bills. In my view, there must be a guarantee that the new system will be tighter than the one that is proposed—that it will not give the Government an opportunity to have important measures accepted as items of private Members' business, because it is a basic principle that the Government must be accountable to the people at all times. It has already been suggested as an example that amendments or a return to the death penality could pass in this House under the guise of a private Member's bill.

This then is all I will say about other changes that seem important to us in those proposals. Besides, other colleagues of mine have already referred to them. I will rather repeat before concluding, Mr. Speaker, that it seems essential to me that this package get the unanimous support of the House so that everyone will be happy, will comply with our Standing Orders and will also respect the Chair who has to enforce them. And it will be easier, Mr. Speaker, to enforce the Standing Orders if the political parties are in agreement when they are passed. As I said, I ask the Government to meet with the Opposition parties or in short to call a meeting of House leaders to discuss some of our problems. I am sure, and I am confident, Mr. Speaker, that if the parties seriously tackle the issue, we will come to an understanding and we could have before tomorrow afternoon a fine set of new Standing Orders acceptable to all and I hope for you, Mr. Speaker, that they will be scrupulously complied with by everyone.

**Ms. Copps:** Mr. Speaker, with his experience, I should like to ask the Hon. Member whether he could enlighten us on the problems which have arisen in the committees and how they could be solved or aggravated as a result of the proposed changes.

**Mr. Guilbault (Saint-Jacques):** There are surely several problems dealing with the operation of committees I do not want to be more specific. But surely the major problem resulting from some of the proposed changes and as experienced during the past few months, is the proliferation of legislative committees which I would say is excessive. As a consequence, a standing committee and a legislative committee may be sitting simultaneously to deal with the same matter. Therefore, a Member who is sitting on both committees has to choose between attending a legislative committee to deal with a bill or attending the standing committee to discuss other matters or some orders of reference received from the House. That is only part of the problem. The other part is the fact that from time to time, and this has actually happened, several legislative committees are sitting simultaneously.

Now this will never be an ideal situation, even when we have a better balance of representation in the House than we have today. But in times when the Opposition is not as well represented as it usually is in the House of Commons, this can be a major problem. Once again, if the Opposition is to make a constructive contribution towards improving the legislation referred to a legislative committee, we cannot let several committees sit simultaneously, and we will have to prevent the proliferation of such committees. I may recall my earlier suggestion, which is that if we want to adopt a model, which happens to be the British model in Westminster, we should adopt it in its entirety, and not just take this concept of a legislative committee and apply it in a way that does not work satisfactorily.

**Mr. Boudria:** Mr. Speaker, I would like to make the following comment and ask my hon. friend, the Member for Saint-Jacques (Mr. Guilbault) what he thinks about it.

We know that in the report prepared by the parliamentary committee chaired by the Hon. Member for St. John's East (Mr. McGrath), the recommendation regarding order-in-council appointments suggested that in addition to having a procedure for review of appointments by a parliamentary committee, the committee would also have the right to veto appointments to certain positions.

Mr. Speaker, I think Hon. Members would prefer to have this veto right applied to all positions.

I also think the Hon. Member for St. John's East wanted to strike some kind of balance, and in his report he and his colleagues elected to set up a system by which certain positions would not only be scrutinized but would also be subject to veto, including positions that are connected directly with the House of Commons: the Clerk, for instance, the Commissioner of Official Languages, and so forth. I think there were about 40 positions that would not only be subject to scrutiny but also to veto.

I would therefore ask the Hon. Member whether he would care to comment on whether we should have this veto right for

all order-in-council appointments, or just for certain positions, as recommended in the report by the Hon. Member for St. John's East, or not at all, as the Government has proposed in the amendments before the House.

**Mr. Guilbault (Saint-Jacques):** As I said earlier, Mr. Speaker, that is one of the shortcomings of the project under consideration. Had the Government chosen to present the special committee report as it was, Opposition Parties would have adopted it without a fuss because we did attend those meetings and agree to the contents of the report.

Unfortunately, I repeat that the Government picked out the provisions it could live with and rejected others it did not like. So we ended up with lopsided proposals, whereas the report presented by the Hon. Member for St. John's East (Mr. McGrath) did strike a fair balance.

With respect to appointments, Hon. Members will not have much more to say under these new provisions. In fact, we do not gain anything. Members will be allowed to call appointees to appear, but in many instances we can do that as it is.

Let us say we want to look into the appointment of a major Crown corporation president. We ask the president to appear before the committee. We can do that now and ask him questions. Under the new provisions, we would do the same thing, but in a different way.

If in some cases the committee had a veto or suspensive power concerning an appointment, as advocated by the Special Committee on Reform of Parliament, then the Government would show it is aware of the fact that it has given or transferred some of its powers to the House, to private Members. But it has not done that.

As it is, it is nothing more than window dressing, a sham, because we already have the power to call as witnesses before the committees the presidents and senior officials of most Crown corporations. This, therefore, does not add much.

What was needed was a legislation with sharper teeth, but the Government dared not, or did not find desirable to act in this direction.

**Mr. Speaker:** Debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I should like to deal also with this motion, the purpose of which is to adopt provisional Standing Orders of the House for a trial period of about one year.

Some may wonder why members of the Official Opposition rise in the House one after the other to deal with this motion concerning changes to the House's procedures, when these changes are usually adopted very quickly because of a consensus arrived at between the various parties' House Leaders.

• (1140)

We are rising one after the other to put forward very often the same type of arguments, so that people watching us on TV or Government Members could easily conclude that it is repetitive and that the debate is being extended needlessly. But, Mr. Speaker, is that not the very essence of Parliamentary debate? What role could a member or a party play in the House if, whenever there is a difference of opinions, he or she is not allowed to repeat his or her points to the limit and thereby bring about some changes? Indeed, these changes to our procedural rules, even though they are to be provisional, could easily become permanent if the Government chose to proceed, as it is doing now, by using the weight of its majority.

Mr. Speaker, I have not been here that long, but I have had the honour to sit in another Parliament which undertook a complete reform of its parliamentary procedure following what was then called the Lavoie Report, after the representative of Laval who was also Speaker at the Quebec National Assembly. As is the case here with the McGrath Report, we then had the Lavoie Report, which was studied by Members of all the parties and which, in my opinion, had to a great extent met its objective of developing a consensus among the parties on a new parliamentary procedure. To my knowledge, various Parliaments have examined not only the changes that were made, but also the effects that this has had on parliamentary debate.

We are often tempted to compare parliamentary procedure in the House of Commons or in provincial legislatures with the procedures in the American Congress, and to compare the role of a Member of the Canadian House of Commons, the Quebec National Assembly or the Ontario Legislative Assembly to that of a representative in the American Congress. I believe that it is a serious mistake to try to make such a comparison because our Parliamentary systems are completely different and our rules must reflect this difference. It could be said that the major role of Parliament would probably be to debate general policy for public administration.

It could be said that second role of Parliament is certainly to legislate and that its third role is to vote supply and control expenditures.

It could certainly be said that through our debates and parliamentary committees, we try and reach a national consensus on various subjects. I would also say that most of the arguments and much of the disorder take place when Members try to fulfill their role, under our adversarial system which is to make the Government act openly, that is to say to force Ministers to answer for their Department, make them acknowledge in this House and in front of the public the actions they took and explain the reason why they have taken them. Very often, that is were the problems arise, as the Government tries to use its majority to avoid this type of questioning from the Opposition. Under our system, we have opposing teams facing each other. Even the physical set up of

this Chamber, Mr. Speaker, is designed that way. It is not quite like that at the present time, because of the results of the September 4th election, but normally you have the Government on your right and the Opposition on your left. The rules and the parliamentary tradition require that the Opposition House Leader, the Government House Leader, the Government Party Leader and the Opposition Party Leader reflect the ideas of their respective caucuses. Consequently, whether we want it or not, we have two machines facing each other. Our whole system revolves around that notion. It is fine to talk about the role of the private Member, but we have to put it in that perspective. That is why it is not possible, in my opinion, to give a Canadian Member of Parliament the same role and responsabilities given to a representative in the American Congress, because our systems are entirely different. There, Members can propose bills, through their committees, even if they involve expense of public funds. There are all kinds of differences.

Therefore, the rights of the Government and those of the Opposition are set out in parliamentary rules, and in order that each group may adequately fulfil its mandate, we must have fundamental guarantees, and not only for the benefit of today's Opposition. The Conservatives sat on this side for a number of years, and no doubt will come back to it shortly. It is my view that our parliamentary system must protect the fundamental rights not only of individual Members but of the groups within which such Members are working. I have served long enough in political parties to the right of the Chair to know that the Government Member's fundamental role is often played within the caucus. It is so true that it is an important feature of our rules and of our parliamentary system that here, in Ottawa, as in the Legislative Assemblies, contradictions that are publicly aired between Ministers or Government Members or between Opposition Members make the headlines.

I have spent a few days with a delegation of Government Members, Members of all sides of the House who went to Washington to study tax reform. We were privileged to be hosted by the Special Committee which deals with all tax legislation, and so forth. Mr. Speaker, we saw things that do not happen very often in our committees—Democrats and Republicans fighting together against other Democrats and Republicans, who happened to be the Opposition within the committee. Here, the rules are so different that a Government Member who would go to a parliamentary committee and launch an open attack against his or her Minister would no doubt experience the treatment that some Members apparently got recently. He or she would be gagged. And this is normal, because we are teams fighting each other—a Government made up of a majority of Members and dependent on that majority to maintain its position, and an Opposition.

• (1150)

Now parliamentary rules must reflect that. This is the reason why I submit that in my concept of the British parliamentary system, if we want to change it, I would be ready to discuss it. I do not underestimate the advantages of certain procedures in existence in the United States or in other parliamentary systems. However, as we live under a British parliamentary system, we should be very careful to safeguard the fundamental rights of the Government.

The Government has the right to legislate. The Government has a fundamental right, it has received the support from a majority of voters and thus has a majority of Members. It is entitled to govern.

However the right to govern does not mean that it can stop the Opposition from preventing the passage of some bills. As we see it now. It can be tiresome for a backbencher who would like everybody to be kind and helpful and to ease up the passage of those rules. However, I do not suggest that there are bad things in them, there are many good ones. However, the only tool the Opposition has is this Parliament where the proceedings are held. It would not even be necessary to have so many Members here if the Government made a decision which would have to be approved within half an hour. Surely our Parliament is here for having discussions and as under our parlamentary system some Members are for and some are against, such discussions can only be spirited.

We do not agree on fundamental issues. And the problem is that when we do agree, things go down easily and no one notices. But what catches the eye of the public opinion? Only those issues on which we disagree. That is why people often say to us: The Opposition is wasting the time of the House. But I think it is important to see things in a global perspective.

Consider for instance the matter of old age security pensions which was debated for so long in this place. Can you think for one second, Mr. Speaker, that if we in the Official Opposition had just been content with two or three questions and, seeing that the Government was not amenable to our point of view, and we had said: Well, there is nothing else we can do, we have no right to come back for three or four days in a row on the same question and to annoy all Government backbenchers, can you think for one second that the elderly people in Canada would now have fully indexed old age security pension? Do you think that in the case of family allowance, for instance, even if we did not succeed eventually, in spite of a previous commitment by the Government, do you think that we in the Opposition had no right to belabor that matter regularly?

I could mention a number of other instances, and I will therefore, before I conclude, mention also some of the suggestions that were put forward. And there again, Mr. Speaker, I will not mention those issues on which we have agreed, but rather those which warrant a careful approach.

This happened with the legislative committees and that experience was referred to by my colleagues. Especially when the Opposition, as is now the case, is made up of only 40 Honourable Members; however it does not mean that the institutional role of the Opposition should not be fulfilled. As a matter of fact, when we had so many legislative committees, my colleague of Outremont (Mrs. Pépin) literally had to run from one committee sitting to another, sharing has time between the Standing Committee studying matters related to immigration and two other legislative committees which were considering bills dealing with issues coming under her scope of activity. Finally, one has only 24 hours in a day to eat, rest a little and mostly, as a member, do research work. After a week of that strenuous regime, a Member is faced with the problem of finding time to read and do research in order to properly discharge his on her duty.

That is why we believe that this proliferation of legislative committees is not in the Parliament best interests and that their number should be limited or at least, that a more restrictive use should be made of them.

I am also concerned with the matter of maitaining a registry of trips taken by Members of Parliament. I agree that there should be a registry and I think it is a very good idea; I would even say that it is essential, and I know that my colleague from Saint-Denis (Mr. Prud'homme) has often raised this question with me, even before I came here as it was one of his pet projects. So, maintaining a registry is certainly a good idea.

But why maintain a registry of a very restricted number of trips by Members? If I am a member of a delegation of the *Association internationale des parlementaires de langue française*, to which I belong, and leave with the delegation for a francophone country of Africa, say, I do not see why my name should not appear on the registry for anyone to see, including the media. The same thing could be said about a Government Member who would accompany a Minister travelling to the Francophone Summit, why should that not be recorded in the registry? I think the only exception would be trips made by a Member at his own expenses, whether he is on holidays or decides to travel to study something at his own expenses. That would be the only exception, everything else should appear on the registry.

Another matter which I find rather intriguing and which should be of some concern to you, Mr. Speaker, is the authority which the Chair would have to suspend a Member for five sitting days, without any kind of motion. This brings me back to what I said a moment ago: there is a reason why this institution is called the House of Commons. You know, that name just did not happen to drop from the sky, it could have been called the House of Lords, the House of Academics, or even the House of Canadian VIPs. No, Sir, it is known as the House of Commons because we represent the people and all classes in our society, and debates can be nothing but lively. I often come across some of my friends who have nothing to do with politics, they watch television and say: My God, what a lively place, you cannot even agree with one another! Well, if we all agreed, we would not need Parliament. Just look at municipal councils with five, six or ten aldermen. Their meetings can go on until midnight or one o'clock in the morning. Obviously, as soon as a bunch of people meet in the same room to discuss a matter, they may or may not agree, and if they do not, they will have to argue their points according to certain rules of parliamentary procedure, and that is why we need those rules to protect the rights of Members.

In the course of parliamentary debate, in which there may be considerable animosity . . . For instance yesterday, the Minister of Finance (Mr. Wilson) did not, we felt, give a clear answer to a question he was asked about unemployment insurance. He gave the impression that the rules had not been changed and that the matter had been referred to the Forget Commission, while letters had been received, and of course all members received the same representations, complaining that people were not receiving unemployment insurance benefits if they were drawing a pension. In a case like that, the debate tends to get heated. We cannot just go along with the fact that the Minister rises in the House and knowingly or unknowingly fails to reflect a situation that was quite obvious. Mr. Speaker, it is quite understandable that in a case like that, Opposition Members are furious, and that is what we are here for. Our role is to act agressively enough to make the Minister reconsider and give us the information, and also to make sure the general public is informed.

If in the course of debate, Members happen to raise their voices or if on the spur of the moment, because a Member is absolutely convinced that he is right, he uses words that are unparliamentary, Mr. Speaker, you will call him to order, and you may do so once or twice, but to give the Chair the authority to expel a Member from the House for five days . . . If I were in the Chair, that is one prerogative I would not want to have, because it is a dangerous one, and I am thinking of what might happen in a major debate. When Maurice Richard was benched for five consecutive games before the Stanley Cup play-offs, it caused a riot at the Montreal Forum. Imagine, in a crucial debate, imagine the pipeline debate, if the Leader of the Opposition, John Diefenbaker, had been expelled for five days, imagine what the reaction would have been in the House!

So this is one prerogative which I consider excessive, and I feel we ought to find a way to changing this particular Standing Order, and if we could do this outside the House, in Caucus, and with representatives of the various parties, I think it would be in the best interests of all concerned.

• (1200)

**Ms. Copps:** Given the good knowledge that the Hon. Member for Laval-des-Rapides (Mr. Garneau) has not only of the federal but also the provincial political scene, I would like

to ask him to clarify his views on the matter of the five-day suspension. I think that other Hon. Members might want to speak about it. When he mentioned that the Opposition Leader was really involved in the pipeline debate, will the revised Standing Orders, the proposals that are now before us, in effect cut off debate or not?

**Mr. Garneau**: Mr. Speaker, the incumbents change but the office remains. What I wanted to emphasize when I made a comparison with the pipeline debate ... In fact, to everyone who followed politics in the late 50's—my colleague from Hamilton East (Ms. Copps) is too young to have been around when this debate took place, but it was towards the end of my academic studies—that debate was a turning point in Canadian politics and even probably brought about the change in Government in 1957 and 1958. That debate was really lively and hot and I wanted to underline that the new Standing Orders would give the Chair such huge powers that I cannot see how a Speaker could apply them while maintaining order and decorum in the House. That would undermine the non-partisan role of the Chair because it could easily be argued that the Speaker suspended a Member of Parliament for five days under the pressure of the parliamentary majority which is in power. Even today, under normal circumstances, a Member is expelled for one day on the House's initiative and not the Speaker's. I think it is very significant that in our parliamentary system, the Speaker or the person who is in the chair in the House of Commons or any other Legislature at the provincial level, is the humble servant of all Members of Parliament. He does not act as a judge who gives rulings but he is the servant of all Hon. Members. This has been reflected traditionally in all kinds of rules and interpretations. Therefore, when a Member is suspended, it is by the House itself by means of a vote.

I know that the procedure has been made easier in other jurisdictions. However, this custom results from the fact that since the Speaker is the servant of all Hon. Members, he cannot both take action *persona proprio motu*, as both judge and jury. He may designate a member by his name and it is the House itself that will expel him for a day by upholding his decision. I find it excessive to give the Speaker such a power ... If the objective is to save time, we might replace this by a vote to be taken immediately, within ten minutes. At the present time, the vote must be taken within the next thirty minutes, which I find excessive as I said. However, as concerns the question you raised, I think that the principle that must prevail in our rules is that the Chair is not a judge but the servant of all Hon. Members and that it should not be put in such a situation that it could be easily accused of bias.

**Ms. Copps:** Mr. Speaker, I want to go back to the other question raised by my hon. colleague for Laval-des-Rapides (Mr. Garneau) and the Hon. Member for Ottawa-Vanier (Mr. Gauthier). It concerns the committees in which all members are involved. The Hon. Member might share his experience with us as I think he is a member of several financial committees which seem to be non-partisan and one of which is chaired by an Opposition member.

Could he tell us if the multiplication of committees will be a good thing or if it will be too difficult to find a sufficient number of members within the Opposition's ranks.

**Mr. Garneau:** Mr. Speaker, I find the question asked by the Hon. Member for Hamilton East (Ms. Copps) quite interesting. First, why did we appoint Standing Committees, and not only here but in other legislatures? Because we wanted some questions to be examined in depth by groups of Hon. Members; after a while they become in a way experts in agricultural matters or in international affairs. If you have been for a long time a member of the Committee on Agriculture, even if you are not familiar with the farm community and agricultural problems at the beginning, after two or three years, you become fairly well briefed on the subject. Standing Committees are composed of Hon. Members who chose in the first place to become members and who said so to their House Leader, who agreed. Secondly, they have not only an interest in the subject because they chose that committee, but they develop expertise.

If we appoint more and more legislative committees, it means that at a certain time—it was the case with the Standing Committee on Finance, Trade and Economic Affairs—it becomes impossible for three or four persons to cover the whole area. The Hon. Members who become experts in Standing Committees become useless when Bills dealing with a particular subject must be examined because it becomes impossible to cover the whole area, in particular in a situation like this one, where every Hon. Member, in particular Opposition Members, both on the Liberal and on the NDP sides, must be a member of two or three committees.

If this is a means this majority Government is using in order to have its bills adopted quickly, it should come right out and say so. But if such is not the case, and if it is sincerely seeking new mechanisms for individual members to get more directly involved in the consideration of the many bills, there should be a procedure, as suggested earlier by my hon. friend from Saint-Jacques (Mr. Guilbault), to determine which legislative committee will sit, where and at what time, and set up a work schedule which will make it possible for these people to carry out their duties both as members of the House and members of the committees.

**Ms. Copps:** I should like to ask him next—about the committee issue. On the basis of his experience sitting on the Standing Committee on Finance, Trade and Economic Affairs, does he feel that committee members are more efficient when they address a general problem with a great many ramifications, or when they concentrate on only one or two subjects? For instance, when it dealt with the failure of the Commercial Bank of Canada, the committee spent a lot of time studying

the problem thoroughly. On the other hand, other committees are exposed to such dissipation that members who are supposed to attend do not because nothing concrete ever comes out of their proceedings. That is why there were problems during the trial period.

Would the Hon. Member agree that if we were to accept the proposal as it has been implemented during the trial period this year with the new committee system, it would be a good idea to be able to review the whole process before the end of the 10-month period, as suggested in the motion?

**Mr. Garneau:** Mr. Speaker, if we take for example the committee which considered the failure of the Canadian Commercial Bank and Northland Bank, this Committee had to examine those issues just about at the same time as it was considering the Green Paper on the Reform of Financial Institutions.

Only to give an example, while the date when this committee would meet had not been chosen at the time, if the Committee had also had to examine Bill C-84 and C-80, which dealt with financial matters, it would have been complete chaos. It would have been completely impossible, not only to make an in-depth study to see where the Government had made mistakes in the bank failures, since the Government had to bear its share of responsibility in this affair and it was our duty to say so to the Canadian people, but we would also have been unable to make an in-depth study of the amending legislation, for instance to deindex personal income tax tables and provide for substantial tax increases. The committee could not have reviewed such legislation at the same time.

I am not saying that this is the intention of the Government at this time, but it would certainly become extremely tempting for a parliamentary majority to use this mechanism to prevent the Opposition from doing its job. This could provoke a strange backlash if the majority were to impose by force these new rules instead of doing so by consensus. It could come back to haunt them and they might be the first to critize the rules when they change sides three years from now.

• (1210)

**Ms. Copps:** Mr. Speaker, I would like to ask another question on another matter, namely petitions and Order Paper questions. Certain changes have been proposed of which the effect would be to cut off a Member asking his fourth question or presenting a petition with only 22 or 23 signatures. I would like to ask the Hon. Member for Laval-des-Rapides (Mr. Garneau) whether he agrees with me that, if a few people in his constituency want to present a petition about a problem which exists either in their riding or in Canada as a whole, they should be entitled to do so in the House of Commons without any restrictions being imposed because there are not as many of them as big companies, for instance.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor, but unfortunately for us, he has only a few seconds left.

**Mr. Garneau:** I shall only say in reply to the Hon. Member that the formula for presenting petitions uses the proper language with respect to an ancient and basic right and so on. I think that the fact that for years we have been required as Hon. Members to use such a formula precisely reflects the reason why the right to fill in and table petitions in the House should be upheld.

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

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, it is a pleasure for me to speak briefly on the reform of the House and I do so in all humility being a new Member who was elected at the last election. I cannot pride myself on having the expertise gained with years of experience by some of my colleagues on both sides of the House. However, I had the opportunity in the past to sit in another legislature, namely the Ontario Legislature, where for a few years I had the privilege of representing my constituents in that House so that I can compare at least two different forums and try, if you would allow me, to tell you about the good points which relate to both Houses and indicate where the present system needs to be improved.

[*English*]

The first thing I want to bring to your attention, Mr. Speaker, is the structure of legislative committees as we now know them. Under the last reform of the House of Commons, the House adopted a system which provided for new committees. This looked extremely good on paper, of course, because we could then strike a committee of people who had a particular interest in the topic or in the piece of legislation. That committee, with its expertise and knowledge, could deal with a Bill about which it knew something.

One would ask what could be wrong with that. Well, nothing is wrong with the structure. However, unfortunately, whether or not it was inadvertent, the system was abused. At this time some Members of the House are members of so many committees that it would be physically impossible to attend all of their meetings even if they were awake 24 hours a day and never left the Parliament Buildings.

[*Translation*]

I will give you an example, Mr. Speaker.

I for one am a member of the Standing Committee on Agriculture. This Committee does plenty of work for people in my constituency and a great many other areas in Canada—that work is very important as we know. I also sit on the Committee on Public Accounts, which reviews Government expenditures. I also have been appointed to many other committees, and I will tell you about some of them. I sit on the Committee on Miscellaneous Estimates, which has a very

important role as you would say. I sit also on the Committee on Procedure and Organization, the Legislative Committee on Bill C-45, the Committee on Bill C-87, the Committee on Bill C-256, the Committee on National Resources and Public Works. Thus, as you may see, Mr. Speaker, I sit on seven or eight different committees of this House.

Besides, as every other Member does, I have constituents—there are 100,000 of them in my constituency—with all the problems faced by constituents everywhere. Since I represent a rural constituency, we all know this entails a lot of travelling around, and I see some Members opposite agree to that, because they are in the same situation. We must also sit in this House to represent our constituents in this, the highest court in the land. Also as Members of Parliament, we have to meet in caucus with members of our own political parties. In that respect, I chair the Ontario Liberal Caucus. So this entails rather frequent meetings.

I also sit on this party's caucus' executive, which meets twice daily to plan questions or issues which must be raised in this House, and so forth.

Therefore, Mr. Speaker, I think you realize that something that was well intended has in fact become a parliamentary monster, and it is absolutely impossible for a Member to do his work under the circumstances. The number of those committees must therefore be reduced at all costs, and it must be ensured that those who have been elected, even in a minority party in this House, can go on performing their duties not withstanding.

[*English*]

I want to raise with you the issue of Order in Council appointments. The committee chaired by the Hon. Member for St. John's East (Mr. McGrath) published a report of the Special Committee on the Reform of the House of Commons. I believe that by and large that was an extremely good report. I want to congratulate the Member for St. John's East and the other members of the committee who worked so diligently to prepare that reform package. However, I resent the fact that the Government chose to adopt only those portions of it which it saw as advantageous to it and neglected to adopt those portions which were perhaps less favourable to the Government of the day.

The governing Party should remember that, although it is presently sitting on the Government benches, that situation is not permanent. On occasion Parties change positions in the House, as they did in the last election, and as they will again. If I may be partisan, I hope that will happen sooner than later. While trying to keep my tone rather non partisan, I do say that the governing Party should remember that these rules are made for the House as a whole rather than for the Government. The rules should be designed to enhance the role of Members regardless of which side they sit on.

The Government adopted only certain portions of the report, and one of the portions it omitted has to do with Order in Council appointments. Under the provisions of the report of the Member for St. John's East, nominations by Order in Council would be reviewed by a parliamentary committee. That is what the Government wants to do at the moment. However, the committee recommended that there be a right of veto over certain political nominations, certain nominations by Order in Council. An example of this would be the officers of this House; the Clerk of the House, the Auditor General, the Commissioner of Official Languages and a certain number of others.

• (1220)

I think it is important to note that in order for those people who are charged with the functions I have just described to function properly, they and many others should have the support of all political Parties and, really, all Members of this House. What better way is there to ensure that those appointees enjoy that confidence than by giving a committee of Members of this House a right of veto over those appointments. Unfortunately, the Government did not see it that way. It chose to give a right of examination, which is good, but certainly not as effective as giving a right of veto.

I would like to speak briefly on the travel registry, Mr. Speaker. I am sure all Members would probably wonder why, if I do not, having been the personal subject of a minor amount of controversy on the topic.

Last fall, Members will recall, I had the opportunity, having been asked by a fellow Member of the House of Commons from another political Party, to join a parliamentary delegation visiting Taiwan. The delegation was composed of Members on both sides of the House; seven Conservatives, two Liberals and one with no political affiliation.

I did some research, asking whether the trip was precedent setting. In other words, was it the kind of trip that usually happened. I learned that Members of Parliament had been to Taiwan on six or seven different earlier occasions. I inquired whether the trip was partisan or non partisan.

There were people from both sides of the House involved, and that sounded all right. I wanted to know whether the trip was to be paid by another country, non-profit group or the Government of Canada. I learned that the trip was to be paid by a non-profit organization in the host country. That sounded all right as well. Finally, I asked who had gone on previous trips, only to discover that approximately a dozen present Members of Cabinet had been on the same type of trip to Taiwan.

Along with the other Members, I went. It was a very interesting trip. I informed my electors of the trip before I left through a press release. Some would say that was probably the mistake I made, but I had nothing to hide.

As things turned out, Mr. Speaker, some controversy arose over the trip; not in my view because I had gone, but perhaps because I had criticized others in the past who had partaken in certain ventures that caused large expenses to the Government of Canada with little or no benefit.

Pursuant to that particular episode, the Government decided to study the possibility of having a travel registry. The purpose of this registry was to ensure that everyone knew where Members were going and who paid for the trips.

I draw to your attention, Mr. Speaker, that a Cabinet Minister could, right now, fly to Europe every third or fourth day all year round on an Armed Forces plane and never register that fact under this proposed registry. In other words, a Member of Parliament or a Cabinet Minister could take 75 trips a year to Europe and not have to register them. On the other hand, a Member who takes a trip, such as the one I took last year, would.

There is nothing wrong with any Member having to register the trips they take. Why is it that a Cabinet Minister or a government member or others can travel with a member of Cabinet on a government jet or on an Armed Forces plane outside the country and not have to account for it to anyone, while an opposition backbencher has to account for every move he or she makes?

I will not be so cynical as to claim this whole process is an attempt by the Government to stop members of the Opposition from doing anything so that they can themselves partake in those activities to a greater extent because they, being on the government side, have very little if any accounting to do for that kind of activity.

If the Government wants to have any kind of fairness at all, it is very important, and I am sure, Mr. Speaker, that you will recognize this, that all trips taken for all reasons outside Canada by any elected person in this House be accounted for.

As I indicated in the past, I have nothing to hide. I never attempted to do so. That is the way it should be for every Member of the House of Commons. Let us register where we are going every time we leave the country and who is paying—if it is not ourselves on a personal holiday—whether the Government of Canada, a Government of another country or a group. Everyone should be able to view the document and to question whether a Member of Parliament has been to Europe nine times in 13 months, or if a Member has not gone any place in the last four years. There may be very worthwhile reasons that a Member had to go to Europe that frequently, but he or she should be able to account for it. Some correction is needed in this regard.

● (1230)

[*Translation*]

Mr. Speaker, I would like to say a few words about the new Standing Orders regarding the suspension of a Member from the service of the House. I am speaking as a Member who may on occasion have come close to being asked to withdraw from the House, although this has never happened yet in the course of my political career, neither at the provincial level nor here in the House, and I hope it never will. And I say this with my usual sincerity, the same sincerity I apply to getting my views across in the House and making the Government account for its actions, but I certainly hope I will never see the day that I am suspended from the House by order of the Speaker.

And I can understand, let us say I could tolerate a situation where the Speaker could have a Member removed from the House or suspended from the House for one day. In fact, that is what happens in the Ontario Legislative Assembly.

However, I prefer our system where the Members themselves decide whether a Member should leave the House. I think this enhances the role of the Speaker, reminding us that he is the servant of the House, not its master. I am sure that you, Mr. Speaker, will agree.

But to recommend that the Speaker have the authority to suspend a Member for five days . . . I am sure that you, Mr. Speaker, being the reasonable person you are, would not want such authority. To have such power is a dangerous thing! It is dangerous because, I believe this would mean the Speaker would no longer be the servant of the House, as I said before, but its master. I am sure that is a role that neither you, sir, nor your successors in the Chair would wish to have. I just wanted to raise this point, Mr. Speaker, which is in fact the most contentious aspect of the amendments before the House today. I would urge the House leaders of all three parties to meet before the end of this debate and withdraw this particular section from the proposed amendments. I feel it is totally inadmissible, being the most contentious of all the recommendations made for parliamentary reform. It is a symbolic gesture, Mr. Speaker, but it is important to each and everyone of us.

The constituents in Glengarry-Prescott-Russell elected me to represent them in the House and not outside the House for five days, and especially not by order of another Member, even if that Member happens to be the Speaker. Should the electors of Glengarry-Prescott-Russell ever decide they want a Member thrown out of the House they can always resort to the electoral process, as can others in all constituencies in Canada, and they have been known to do just that.

I insist on this point, Mr. Speaker, because it is very important, and I would urge Government Members to express their views about this since it is a non-partisan aspect of the proposed changes to the Standing Orders. I think we are now dealing with the most significant proposal and, with all the conviction I can muster, Mr. Speaker, I must say I do not agree that anyone—except our electors—should enjoy the privilege of throwing a Member out of the House, especially not for five sitting days.

**Mr. Gauthier:** Mr. Speaker, I have a question for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) about the point he has just raised at the end of his remarks, namely that under the new Standing Orders the Speaker would be allowed to name a Member and suspend him from the proceedings of the House, first for one day and then, as a result of

successive incidents which would prompt the Chair to name him a second time, for five sitting days.

Mr. Speaker, the Hon. Member and the House know very well that the suspension of a Member is the object of a procedure whereby the Speaker names the Members. Second, normally in support of the Speaker, the Government must move a motion. The motion calls for a division and it is only after the vote that the Member involved is suspended and must leave the House. As far as I know there is nothing in our present Standing Orders which would prevent the Government from introducing a motion pursuant to which any Member might be expelled or suspended from the House for one, two, three, five days, a week or more. Nothing in the Standing Orders provides that the Member must be suspended for the rest of the sitting day. I stand to be corrected, but in my brief experience here in the House I have never heard anything about a Government moving a motion to suspend a Member for more than the rest of the sitting day. Nowhere in my research did I find one instance where a motion was introduced to suspend a Member for more than one day.

That is why I would suggest the Hon. Member is quite right to say that it would be giving a lot of authority to the Speaker, the kind of authority which perhaps the Chair itself would not want to have. I would like to support him and I will have the opportunity to deal with this issue in a speech this afternoon. I agree with the statement he has made to the effect that the Government could try at least to reduce this power which I feel is excessive and give the House the authority to ask an Hon. Member to withdraw from the House.

I would like to direct a question to the Hon. Member for Glengarry-Prescott-Russell, if I may. He said that his constituents were the only ones who could deprive him of his right to speak out in the House, and I agree with him that he could be deprived of this right following an election, but I am sure—and I would like him to confirm this—that he has enough democratic sense to realize that if he has caused a disturbance which his peers feel is serious enough to warrant a warning or an exclusion, his peers in the House, his own colleagues, could move a motion to express their condemnation of his behaviour or conduct in the House, or could they not?

**Mr. Boudria:** Mr. Speaker, the Hon. Member for Vanier (Mr. Gauthier) is quite right in that obviously a member who creates a disturbance makes it impossible for the House to operate, and in so doing, is abusing the privileges of all the other members of the House. A member who behaves like this prevents the constituents of all the other Members from being represented. Which means that all other Members together have the power, the privilege and indeed the duty to expel this member in order for their constituents to be represented in the House. I will even go as far as to say that it is not only the privilege of other members to propose such a motion, but also that it is their duty to suspend an unruly member. However, as was mentioned by the Member of Ottawa-Vanier, as far the government has never suspended a member for more than a day, namely the day of his misconduct. Why then does the Government want to give this privilege to the Speaker when we know that it would never use it itself? Would the Government like to give the Speaker a responsibility which it would not assume when it could have done so? That, Mr. Speaker, is the crux of the matter. The Government, even with its current majority, or any previous Government with a different majority, has always been reluctant to use this power and throw out a Member for more than a day, the day in fact when his conduct in the House was unruly. Why is that so? There are several reasons for it. First of all, Government Members themselves recognize that the suspended member's constituents have the right to be represented in this House. Therefore his suspension should only last until order is restored, after which the debate should resume, Mr. Speaker.

As you can see Mr. Speaker, even a Government with a very large majority is reluctant to use a power it wants to give to someone else. Does it mean that they are trying to force the Speaker to do something that they did not have not the courage, or did not deem necessary to do? I ask this question in all sincerity. The answer is probably no; it is probably not what the Government wishes to do. I will even give it credit by saying that it is not the case.

If it is not the case, Mr. Speaker, why do not they take this opportunity to withdraw this part immediately, because obviously this is a mistake which the Government House Leader has made. These things happen Mr. Speaker, when only half of the recommendations of a Parliamentary Committee report are accepted with subsequent deletions and additions. Had the Government decided to introduce the McGrath Report in its entirety, all this controversy would not have taken place today. When additions are made at the last minute, a problem such as the one the Government must now face with regard to that portion of the project, can arise.

**Mr. Gauthier:** Exactly!

**Mr. Boudria:** Naturally, it is because these additions have been made at the last minute without prior consideration in Committee. So it is a mistake, and I am even willing to admit that it is a mistake on the part of the Government. I think that part of the proposal should be withdrawn.

• (1240)

**Ms. Copps:** Mr. Speaker, I have two questions for the Hon. Member of Glengarry-Prescott-Russell (Mr. Boudria). One is related to the Order Paper Questions. Would he know if as a result of these changes, fewer than four questions can be addressed to the Government at the same time? I would like to ask him whether he agrees with this initiative. If not, why?

If you allow me, Mr. Speaker, I will now ask my second question. It relates to the registry, a recommendation which has been added to those of the McGrath Committee report,

according to which any member travelling abroad will have to make public all the details concerning their trip, namely where they went, and so on. I resent the fact that the Government—it might have been done on purpose—has decided not to include on the list members accompanying Ministers or even Ministers who travel abroad. Why should all the members of all parties abide by that rule with the exception of Ministers and those accompanying them?

**Mr. Boudria:** Mr. Speaker, I should like to provide the Hon. Member with a short answer with respect to written questions appearing on the order paper.

It says a Member may only ask four questions at the same time in the House, and I am afraid it is not quite clear what exactly is a question. For example, I have questions on the order paper which are two or three pages long. Will this be considered as 25,4 or one question? It is not all that clear.

However, assuming that a question in several parts could be considered as a question under that new procedure, it would be satisfactory as long as the Government provides answers. Because there is a problem, Mr. Speaker . . . I have now about 25 questions on the order paper, but the problem is of course that the Government does not answer them. Very briefly, I will tell you that I have this question on the order paper since February 28, 1985: What are the salaries of the Prime Minister's staff? I have a question about the Quebec Summit last year which I put on the order paper on April 1 and it has not yet been answered.

If the Government answered the questions more expeditiously it would probably be more satisfactory, subject to the interpretation, as I indicated a few minutes ago.

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

**The Acting Speaker (Mr. Charest):** Order! The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

**Mr. Gauthier:** Mr. Speaker, I wish simply to rectify a comment I made earlier when I said that inasmuch as I knew, the House had never suspended a Member for more than a day. Somebody immediately called me to say that I was wrong. That is why I want to quote citation 25, in Beauchesne's Fifth edition of Parliamentary Rules and Forms, about calling a Member by name. It says:

(5) The penalty common in Canada is suspension for the remainder of the sitting day. On one occasion the House decided upon a seven day suspension—

Mr. Speaker, I think that that was in 1944. It happened only once in our history, but I wanted to tell the House so that Members would not be misled by my earlier statement.

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, I would like to take a few minutes to clarify what I said yesterday in commenting the speech of the Hon. Member for St. John's East (Mr. McGrath) from Newfoundland, who is also chairman of the committee.

First, I would like to congratulate the members of this committee, especially its chairman, the Hon. Member for St. John's East, as well as the co-chairmen, the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), and the other members, they presented to the House of Commons a report in both official languages entitled: "Report of the Special Committee on the Reform of the House of Commons". They worked with patience and integrity and they did a great job.

I must say that the recommendations made to the House were of course not all implemented or endrosed by the Government, which then presented, as it was entitled to do, not only the comments on the report which are now required by the Standing Orders, but also this proposal which we have been asked to approve.

Many things strike me, Mr. Speaker, and as I said yesterday, there are some points which should be clarified in the French and English versions as concerns the first point on which I would like to say a few words, namely the expulsion of Members from the House by the Speaker.

First, I must say that for a Member to be expelled is the ultimate punishment. I have always said and continue to believe that the Speaker of the House and his representatives, such as yourself, have an ultimate power against Members of Parliament in case of total disorder. However, since this is an ultimate weapon, they must show a lot of discretion in using this power and do so only after showing a maximum of patience, after reminding a Member on whatever side of the House of his duties as a parliamentarian, and after having appealed to him because, in fact, the Speaker is not the master of the House of Commons, but its humble servant whom we have chosen and whom we shall soon elect ourselves to lead the debates. He is therefore not the master of this House, but he is the one who, humbly, after being chosen by his peers, has to maintain order in the House. However, he does so at the request of the Members. One of us is asked to become Speaker and to ensure that there is order in the House. And if this indeed becomes impossible, he will be given the ultimate weapon of asking that a Member be expelled. Until now, this ultimate weapon of the Speaker is subject to a motion introduced by the Government and calling for a vote because it is so radical a punishment that the Member in question has to be judged by his peers following a ruling by the Speaker, who must, with patience, and even with paternalism or maternalism as the case may be, appeal one, two or three times to the Member in question. He must even if possible humiliate him before his peers and say: I know that the Hon. Member is an intelligent man or women, and I know that the Hon. member would want me to do my duty, which is to maintain decorum in the House. I know that the Hon. Member will understand the difficult situation in which I find myself, but I have to

name him a first time. If the Member insists, the Chair, which always has the supreme stick of suspension must have the patience to dialogue with the Member, to calm him down, to ease the atmosphere of the House rather than inflame it. But if the Member will not hear reason, the Speaker then says. "I name you for a second time". And the third time, it is the supreme stick falls down, suspension from the service of the House.

Therefore, it is so final that personally I believe that such a punishment must remain within the hands of Members. The Government has deemed fit to ask us to transfer to the Chair the use of that ultimate punishment, to give it authority to name a Member for a first time, to exclude him for one day.

And where, in the English version, a Member would relaxes, well it is provided that—

● (1250)

[*English*]

The Standing Orders indicate that on a subsequent occasion in the same session the Member shall be suspended from the service of the House for a period of not more than five sitting days.

[*Translation*]

Well, I think this is clear in English.

[*English*]

In English it is very clear. However, the first part refers to the Member being once named. What does the word "once" mean? Does it mean the first time, the second time, the third time? My interpretation of the word "once" could mean all of that. It should be made clear that this applies to a specific Member once named for the first time, etc., etc.

As far as I am concerned, there can be a few misinterpretations in the English text. It is not as clear as I would like it to be. I believe English is a precise language, but in French the rule is very clear. Why do we not use the French translation of the English text and put it back into English? If we do, it will not read the same as it does now because the first part of the French text says "Pour la première fois"—for the first time. In English the text should read "for the first time".

[*Translation*]

It is so elementary—

[*English*]

It is clear to me.

Where the rule is not clear in the French version is in the second part of it. In English, the second part of the rule refers to a subsequent occasion, and I would imagine that that is clear unless I am corrected by some of the scholars who are here. There are a great many here who are proficient in the other official language, the one I am speaking. If I am wrong, it is because that is the way I learned English.

By the way, I learned to speak English in the House of Commons. It did not cost Canada a penny. When I arrived here, I did not understand a word of English; I speak English. I learned it here without any schooling. It did not cost the taxpayers a penny.

**Some Hon. Members:** Hear, hear!

**Mr. Prud'homme:** I do not say that for the applause. For some Hon. Members, I have to agonize as the Chairman of the Members' Services Committee for the language training school.

If I may say so, one of the best ways to learn the other language is by listening to it in the House. Now I am speaking English. If Hon. Members would like to practise, they could listen in French and It would almost be like an immersion course. Gradually they will be able to catch some of the language. As well, when speeches are boring—and I hope that mine is not—Hon. Members could follow English text line by line with French text. The same thing could be done while attending legislative committee meetings. Hon. Members would learn new phrases and new terminologies that way. In any event, I am not here as a teacher but I do mean to do a little humble duty.

Before this is disposed of, I would like the language of the Orders to be clearly understood. I would like to give a chance to those Members who would like to switch channels now—

[*Translation*]

In French . . . in French—

The French version says: "*le député qui est désigné par son nom une deuxième fois*". And what does happen, Mr. Speaker, the third time? We have on idea, because that is not clear. It is so clear in French "*pour la première fois*", it is not clear if we want to suspend him several times. And one of the risks, Mr. Speaker, after having pondered over that last night, because I was asked to speak on that, but this afternoon rather than this morning, when it is said:

[*English*]

—during the course of a session—

[*Translation*]

"During the course of a session." There should be a definition of what a session is. You know very well—

[*English*]

I am certainly not going to preach and say that the Liberal Government was better. A session has never been defined. In the past, sessions could last two and a half years, three years or three and a half years, if my memory serves me well, and my Whip will correct me if I am wrong.

For many years, I felt as I am sure most new Members do that a session was to last a year and that there would be four sessions per Parliament. However, bad practices were introduced by past Governments, and I imagine even by some of my own Liberal Governments. In the past, sessions lasted far too long. That now means that there is a danger for an Hon. Member who is more fiery than I may be and less ready to listen to all calls to be reasonable. Such a Member might be frightened to participate in debate in the House of Commons

because if he is suspended a first time, how vigorous may he be later on in a very difficult debate?

I may remind my esteemed new colleagues of an unbelievable event that took place here one night during the constitutional debate. Many Members who were then on this side of the House went up to the Chair and, while the Chair was reading the motion, shook their fists at the Chair. As well, during the pipeline debate the mace that is a symbol of authority was almost broken. Those Members were not named by the Chair and the ones who stormed the Chair were right where the pages are, or even closer, with their hands up against the then Speaker, our now happy Ambassador to Portugal, not the proposed Ambassador to Portugal.

We have to be very careful with two things. First, we have to be careful with what we mean in both French and English because the translations are not the same. Second, we have to define what is meant by a session. We have to be precise about that, otherwise there might ultimately be a dangerous tool in the hands of the Speaker. We want the Speaker to have that tool so that he is able to deal with an unruly House and expel a Member once for a day and another time for five days. I am not clear about the language there and I would like it to be made much clearer.

I turn now to the days we sit. As of last Monday, I have been in the House for 22 years. I have an old pet project. I believe that the time has come for us not to be frightened, as some Members are, of public opinion. We should explain to the public what it means to be a Member of Parliament in Ottawa. Later on, I will deal with the question of explanations of trips abroad, but right now I will concentrate on what a Member of Parliament is.

A Member of Parliament is someone who works in a Parliament which sits 10 months a year, more or less, for five days a week. In Quebec, for instance, and I am not blaming our provincial counterparts, the Legislature sits for three days a week and perhaps three or four months a year. The same is true of other legislatures. However, we sit five days per week. But, if we are to be good Members of Parliament, we must look after our ridings. I can tell new Hon. Members that if they look after their ridings they will have a hell of a good chance to come back here, but if they neglect their ridings and be too attentive to Ottawa, they will have less of a chance to return.

A good Member of Parliament who is attentive to his duties has to go to his riding on the weekend. Because of this, I have always thought that the House should not sit on Friday afternoons. I lost again because that has not been proposed here. I am not in favour of cutting off debate and providing less time for Government business. I can remember being here every Friday afternoon for 22 years, because I enjoy what I call the Friday-afternoon club. There are very few of us who are here. We get to know each other better. In fact, Mr. Stanley Knowles was always here to represent his Party but he was always alone. He gave a holiday to everyone else and told them that he would hold down the fort on Friday afternoons.

We know that duty calls in Ottawa, but at the same time we would like to be in our ridings. I believe it is nonsense to have the House sit until five o'clock on Friday afternoons. We should adjourn much earlier. The hours that we may lose could be picked up on Friday morning by sitting from 10 o'clock until two o'clock with no lunch hour and the one hour of Private Members' Business we lose could be picked up on Tuesday evening by providing two Private Members's Hours rather than one on that day.

I think the time has come for Hon. Members to start a petition asking that the House adjourn early on Fridays. I am ready to start up a petition along with all of my colleagues from the Government side and the NDP who believe that this proposal makes sense. After all, if we cannot keep our own house orderly, we do not deserve—

**The Acting Speaker (Mr. Charest):** Order. Speaking of closing, it is now one o'clock. The Hon. Member for Saint-Denis (Mr. Prud'homme) will have three minutes left in his speech when we resume.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

## CRIMINAL CODE

### PROSTITUTION—IMPACT OF BILL C-49

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, Bill C-49, the Conservative Government's Bill on street soliciting passed in this House has merely evaded the actual problem of prostitution. If the Minister of Justice (Mr. Crosbie) had listened to a radio program by CJRC journalists sometime ago, he would have realized the extent to which the new legislation benefits organized crime and encourages soliciting in bars and public places.

Mr. Speaker, thanks to Bill C-49, the owners of establishments where prostitution takes place, escort agencies and pimps and procurers are getting rich.

An article in yesterday's *Le Droit* mentioned that escort agencies cover 17 pages in the regional 1986 telephone directory compared with six in 1985 and three in 1984. Mr. Speaker, this means that all these go-betweens are exploiting young persons who are rejected by their families at an early age and find themselves on the street. They are getting rich at the expense of individuals who are either lured by the promise of

easy money or have to finance a drug habit or just support their families and have chosen prostitution as a way out of their problems.

Prostitutes have as many reasons for what they do as the customers, but encouraging organized crime is no way to deal with the problem.

The Minister of Justice promised that this spring, at the end of March, he would table a comprehensive paper dealing with adult and child prostitution. We are of course anxiously awaiting this paper, and we hope that unlike Bill C-49, it will—

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

* * *

[*English*]

## EXTERNAL AFFAIRS

THE PHILIPPINES—REPORTS OF FRAUD DURING ELECTIONS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I rise today to voice growing Canadian concern about the outcome of the Philippines elections.

Reports from four independent sources continue to state that massive vote fraud is favouring one side over another. Since Canada had an observer present who has prepared a report, I would like to urge the Government to forward this report to the Government of the United States as a reflection of our concern that democratic processes be scrupulously followed.

The Philippines are a significant trading partner of Canada. They are an emerging nation on the Pacific Rim which will have important relations with Canada in the years ahead. A substantial number of people who have come from the Philippines are now living in Canada.

We wish to see the Philippines taking their place as a political democracy with the institutions and democratic processes which mark democratic nations. The Philippines cannot attain this status while staging show elections and remaining a client state of the United States. Canada, as a former colony, knows what is needed. We should take an abiding interest in assisting other nations to shed their colonial status and emerge as fully-fledged democratic nations.

I trust the Government of Canada will effectively transmit this message to Manila and to Washington.

* * *

[*Translation*]

## AERONAUTICS

NECESSITY OF MAINTAINING FULL ACTIVITY AT DORVAL AIRPORT

**Mr. Gilbert Chartrand (Verdun-Saint-Paul):** Mr. Speaker, in recent weeks, the press has been referring to a report that is to be submitted this March to the Minister of Transport (Mr. Mazankowski). The report is said to recommend a reduction in activity at Dorval Airport, short of closing the airport altogether.

If this recommendation is correct, it defies all logic and would certainly be disastrous for the entire Montreal area. The airport provides direct services to a population of four million and work for 14,000 employees. It is a focal point for the economy of Montreal and of Quebec as a whole. It is estimated that over 100,000 jobs are dependent on the airport, either directly or indirectly.

Transferring domestic flights to Mirabel is not a solution, Mr. Speaker. Not only would services deteriorate because of the greater distance from downtown, but Montreal might well lose its leading position in the aeronautics industry. Furthermore, some carriers might take advantage of this opportunity to concentrate their operations in Toronto instead of moving to Mirabel.

If all flights with connecting flights departing from Mirabel were routed to Mirabel in the first place, under-utilization of Mirabel would be less acute and people would stop talking about taking away from Dorval the air traffic for which it was created in the first place.

Mr. Speaker, I am speaking on behalf of the mayors of Montreal's West Island who are demanding that operations at Dorval International Airport be fully maintained.

* * *

● (1405)

[*English*]

## PORNOGRAPHY

SUPPORT FOR STRENGHTENING LAW AGAINST DEPICTION OF PORNOGRAPHIC VIOLENCE

**Mr. Lee Clark (Brandon-Souris):** Mr. Speaker, I would like to commend my colleague, the Minister of Justice (Mr. Crosbie), as well as the members of the Fraser Committee, on their proposal to amend those Sections of the Criminal Code that deal with pornography. Most Canadians agree that pornography is dehumanizing. It degrades both the men and women that it depicts. Of particular concern, however, is the brutally violent pornography which is becoming increasingly prevalent in our society. I refer particularly to that material which depicts the sexual abuse of women, and even more despicably, of children.

The present laws dealing with this type of material are subjective and ambiguous, making their enforcement very arbitrary and ineffective. The proposal of a three-tier system, while it may not be fully satisfactory to everyone, is certainly a step in the right direction.

Although many people are still disappointed that any pornography would continue to be available even to adults, the majority of concerned Canadians are relieved that the produc-

tion or possession of pornography involving children or depicting violence against women will soon be punishable by up to 10 years in prison.

Pornography serves to perpetuate unacceptable myths about women, and if Canadian women are to attain the equality which they deserve, these sterotypes must be destroyed. This proposal is a good start toward that goal.

* * *

[*Translation*]

## MINES

### NECESSITY OF GOVERNMENT STUDY OF ASBESTOS

**Mr. Alain Tardif (Richmond-Wolfe):** Mr. Speaker, again asbestos is on trial as a result of the United States Environment Protection Agency's latest recommendations that asbestos be totally banned from that country within the next ten years.

It seems to me that such a decision is grossly exaggerated because it has been clearly and scientifically established that asbestos can be used in total security.

I come from one of the major asbestos-producing region and I can formally certify that the people who work in asbestos mines and depend on them for their livelihood are just as physically and mentally fit as the residents of any other Canadian community.

Asbestos substitutes are not the solution because the potential impact of their components is unknown.

On the plus side, asbestos has been analyzed, tested and tried in every imaginable way over the past decades. It has been acknowledged throughout the world that most often its properties are irreplaceable and a boon to the security of users in various sectors.

The logic of the opponents of asbestos is quite questionable and very discriminatory indeed, for the unavoidable conclusion would be that the ban be extended to cover a number of products which are just as hazardous and even more dangerous and harmful than asbestos when they are improperly used.

There are many such examples, but I will mention just a few: dynamite, nitro, radioactive materials, and a host of other products.

Mr. Speaker, it is imperative that the Government vigorously intervene in—

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

## STANDING ORDERS

### CHANGES PARLIAMENTARY REFORM WILL BRING TO HOUSE OF COMMONS

**Mr. Jean-Pierre Blackburn (Jonquière):** Today, Mr. Speaker, I should like to help Canadians realize how different Parliamentary life will be following the implementation of the provisional Standing Orders of the House.

Mr. Speaker, we have just set in motion the Parliamentary reform process, and gradually over the next few days, there will be a change of attitude and a greater involvement on the part of Canadian men and women in future legislation.

Part of this change will result form the fact that individual members will no longer be compelled to vote along party lines, except in the case of non-confidence motions.

This will translate into an enhanced participation and an increased responsibility for individual members of the House. There will be also a change of attitude among Canadians. They will get involved more, they will express their opinions on the various bills, and try to influence us one way or the other.

Such will be the change of attitude.

Our contribution will be enhanced and our responsibilities increased.

Mr. Speaker, I believe elected members will be more representative of their communities. They will better express the views of their constituents and vote according to their conscience.

* * *

[*English*]

## RAILWAYS

### CALL FOR INQUIRY INTO STATE OF RAIL TRANSPORTATION

**Mr. Les Benjamin (Regina West):** Mr. Speaker, again the papers are carrying pictures of yet another train wreck. Thankfully, this time no life was lost, but a major pollution hazard exists.

I rise again to call upon the Government to begin immediately an inquiry into the state of rail transportation in Canada as part of a comprehensive independent study into transportation safety, security, maintenance, inspection, and enforcement.

• (1410)

The Minister knows all about the massive lay-offs of rail car inspectors, shop maintenance workers, and maintenance of railway employees, by both national railways. He also knows that trains are traveling on split rails every day and that line maintenance is inadequate. Denial of a problem cannot solve it. The Minister knows a public inquiry, which could be held now, would uncover and display to the Canadian people serious deficiencies in safety standards which the public would then

demand be corrected. He is worried that such repair may be expensive.

While the Minister brags about the safety record of Canadian transportation companies each time we have a disaster, safety continues to be sacrificed to save money. If the Minister is satisfied with the present safety performance in all modes, we are not. We know we can do better. We call upon the Government to have a complete independent inquiry into the state of transportation and security in Canada. We also call upon the Government to create a multi-modal safety board to monitor safety and investigate accidents independently.

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## ENERGY

PRICE OF GASOLINE—POLITICAL POSTURING CRITICIZED

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, the political posturing over consumer prices for gasoline and fuel oil is accomplishing nothing. It is destroying public faith in the system. What Canadians need are facts, not political rhetoric from elected representatives. What are the facts? Refiners in Atlantic Canada use foreign crude oil. The price of foreign crude is falling. When these refiners receive the benefit of lower crude prices they should, indeed must, pass these benefits on to consumers.

The Prime Minister (Mr. Mulroney) has made the Government's position clear. When lower-priced oil supplies are utilized, then consumer prices must reflect the lower cost. This should happen before the end of March. How can anyone challenge the common sense of that policy? It is easy for politicians to play on public perceptions of profiteering, but honesty in oil pricing and everything else is still the best policy.

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[*Translation*]

## EMPLOYMENT

SITUATION IN NEW BRUNSWICK

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, recently the Prime Minister has been bragging about an increased number of jobs in Canada. New Brunswick has no reason to applaud the Government for its so-called achievements. People have nothing to applaud, because if jobs were created they were surely not in New Brunswick. The rate of unemployment in the province has risen from 15 to 15.3 per cent, that is the second highest rate in Canada after Newfoundland.

Therefore I cannot understand that with such a high rate of unemployment, the Government does not make further attempts to create jobs or to at least guarantee the jobs of those who are in danger of losing them, such as the hundred employees at the CN shops in Moncton.



For the people of New Brunswick, the Prime Minister's election promise to create "jobs, jobs, jobs" has not been kept. If the Government is unable to create jobs, it should at least stop threatening the ones that exist.

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## BUDGET

IMPORTANCE OF CONTENTS

**Mr. Jean-Luc Joncas (Matapédia-Matane):** Mr. Speaker, as we all know of course in a few days from now this Government will, through the agency of the Minister of Finance (Mr. Wilson), deliver what could be a historical budget. The people of Canada already fears that this will be a financial exercise of great firmness that will require an uncommon measure of courage from any Government. On this occasion, Mr. Speaker, all the Members in this House, including the Opposition Members, will have an opportunity to show a genuine maturity, a real spirit of understanding, in other words that kind of responsibility which every Canadian man and woman expect from their elected representatives.

I am convinced, Mr. Speaker, as are most citizens in this great and marvellous country, that we can and must put an end to that chronic financial drain which is the Canadian deficit. It is there facing us because too many politicians in the past have unfortunately preferred the more comfortable position of burying their heads in the sand.

Mr. Speaker, if this country is to come out victorious of the war against the deficit, we need the full co-operation of the Canadian people. We can give back to this country the economic vigor and strength it used to have.

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## ENERGY

PRICE OF GASOLINE—STATEMENT BY OFFICIAL OF PETROLEUM MARKETERS ASSOCIATION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday James Conrad, executive vice-president of the Petroleum Marketers Association of Canada, said that retail pump prices across Canada are at least 5 cents a litre higher than they should be. What is the Minister doing right now to give Canadian consumers and motorists the benefit of the lower oil prices which, according to Mr. Conrad, we should see at the pumps today?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I read Mr. Conrad's assessment

with some interest. I would like to point out that there is nothing to prevent Mr. Conrad and the dealers about whom he is talking from importing the cheaper products if they should so desire.

REQUEST THAT MINISTER ACT TO HELP CONSUMERS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, Mr. Conrad says that the dealers he represents are prevented from doing that by actions of the big oil companies. Mr. Conrad said that the high Canadian prices are the result of "consciously parallel actions by big Government and big oil. They have got together to divide up the economic pie, and in the process they're taking money out of pockets of consumers".

Why will the Minister not act now to help consumers get that money back in their pockets? Why is she washing her hands of her responsibilities in this serious situation?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I have already explained to the House that it was this Party which deregulated the industry so that consumers could benefit from those prices. I want to see the Hon. Member's face when he sees gasoline prices start to tumble in the next few weeks.

MINISTER'S POSITION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, is the Minister aware that a few minutes ago the Conservative Member for Halifax West got up in the House under Statements pursuant to Standing Order 22 and said that the big oil companies are not giving the people in his province the benefit of lower prices?

**Some Hon. Members:** Shame!

**Mr. Gray (Windsor West):** Why will she not act on the basis of the statements of her own Member? Can she not listen to someone on this important question and help consumers? Why is she standing idly by on this?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member knows that he has misquoted my colleague on this issue. I am really surprised that he would stoop to that kind of activity in the House of Commons. I have already told him that all of the oil companies have assured me that the price decreases when they show up at the pumps will be passed on to consumers.

## THE ECONOMY

INTEREST RATE LEVELS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the bank rate hit 12.10 per cent as of two o'clock. This is an outrageous situation.

**Some Hon. Members:** Oh, oh!

**Mr. Johnston:** Mr. Speaker, my question is for the Minister of Finance. When we get the prime rate in, we may have the highest real interest rates in the history of the country while we have stable inflation of 4 per cent. This is outragerous. What is the Minister of Finance going to do about it?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member has a very short memory. Real interest rates hit a record high when he was on this side of the House. That is when people were paying 22 per cent and 25 per cent interest rates across the country. I ask the Member to think about that.

I have answered his questions on this issue last week and earlier this week. Both the exchange markets and the financial markets are in very unsettled conditions. We are doing what we can to stabilize those conditions. I believe that, once stability does return, we will see a return to a more normal level of interst rates.

FORTHCOMING BUDGET

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister cannot be allowed to fudge that issue by arguing about nominal, as against real interest rates. The real interest rate will be between 8.5 and 9 per cent which could easily be the highest in Canadian history. During the period—I am sorry, Mr. Speaker, I know that preambles are not allowed.

What is the Minister going to do in this ridiculous and outrageous situation to protect farmers, home owners, and consumers? What is he going to do in his Budget to ensure that they will be protected and not savaged by these rates?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member knows full well that I cannot say anything to him today with regard to what will be in my Budget in two weeks. Surely he understands that.

As I have indicated many times in the past, we are trying to generate a degree of stability in the exchange markets and financial markets of the country in order to get interest rates back to a normal level. I can assure the Hon. Member that I have no intention of seeing conditions persist that will leave interest rates up at the levels they are at today.

• (1420)

One final comment, Mr. Speaker. Twenty-five per cent was what the interest rates were in 1982. The inflation rate was, I think, 12 per cent or 13 per cent. That left real interest rates at

12 per cent or 13 per cent. That is what they were when the Member was in office.

* * *

[*Translation*]

## HOUSE OF COMMONS

### PRESENCE IN GALLERY OF SECRETARY GENERAL OF ORGANIZATION FOR AFRICAN UNITY

**Mr. Speaker:** Order, please. I would like to draw the attention of the House of Commons to the presence in our Gallery of the Secretary General of the Organization for African Unity, His Excellency Mr. Ide Oumarou.

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[*English*]

## THE ECONOMY

### EXCHANGE VALUE OF DOLLAR—INTEREST RATE LEVELS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is for the Minister of Finance. To quote the Chairman of the Finance Committee, why, in order to scorch a few money speculators, did the Minister of Finance have to burn Canadians, burn small businesses, homeowners, fishermen and farmers, with high interest rates? When is he going to stop inflicting this kind of high interest rate pain on Canadian citizens?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I responded, I believe, to the same question from the previous questioner. The Hon. Member knows full well that in order to deal with the degree of speculative activity that there was in the market-place, it was necessary to approach this with a combined approach that dealt with the exchange market as well as the financial markets in Canada because of the very clear linkage.

What we have done, we have done to ensure that the results of the weakness in the exchange rate do not get transmitted in a permanent way into high interest rates but that we keep that level of high interest rates for as short a period of time as possible.

**Mr. Deans:** What about those trapped now?

### IMPACT ON ECONOMIC RECOVERY

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my supplementary question is also for the Minister of Finance. He will know that the spectre of interest rates increasing on a weekly basis will paralyse any initiative people might take to invest in new homes, new business lines or in making new investments. How does the Minister of Finance expect economic recovery to occur if people are stopped from purchasing goods and services as a result of a fear of increasing interest rates?



**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, in November, 1984, and in May, 1985, we set in train a series of economic policies. The Budget that will be brought down in a couple of weeks' time will continue the same economic policies that have led to a significant degree of job creation of over 1,100 jobs a day. Since we came into office 580,000 jobs have been created.

This is the direction we will continue to go. It will require a tough Budget in two weeks' time. It will require a Budget that will stay the course on the policy actions we have been taking over the time that we have been in office. The result of these has been a very successful performance in the economy. Success is paying off, and we are going to continue that track.

### MORTGAGE INTEREST RATES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, in light of this hard Budget and all the news that is coming up, what advice does the Minister of Finance have for people who are renewing their mortgages? Thirty thousand Canadians this month will be renewing their mortgages at higher than ever mortgage rates.

**Some Hon. Members:** Higher than ever?

**An Hon. Member:** Where have you been?

**Mr. Riis:** What advice does the Minister have for these people?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member allowed his tongue to slip a little there. We do not have higher than ever mortgage rates. He knows that.

**Mr. Deans:** They are too high.

**Mr. Riis:** He knows that we do not have higher than ever mortgage rates. What we have are mortgage rates that are below what they were—

**Mr. Deans:** Much too high.

**Mr. Wilson (Etobicoke Centre):** We have mortgage rates that are lower than they were when we took office a year and a half ago.

**Mr. Deans:** Not by tomorrow they won't be.

**Mr. Wilson (Etobicoke Centre):** Our policy is to get mortgage rates down, interest rates in the broadest possible sense down, to more normal rates. I cannot say how long that will take. I think if we can develop a degree of stabilty in the markets we will see that this period of high interest rates will be short-lived.

**Mr. Riis:** That is what Allan MacEachen said.

*Oral Questions*

## ENERGY

### PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Energy. Canadians have heard all the Minister's excuses, but they are not buying any of them. The fact is Canadians are paying much more for gasoline than are American motorists. Obviously the cheaper crude has worked its way through the American system. What is wrong with our system? Why are we not benefiting from falling world oil prices?

• (1425)

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, what is right with our system is that we replaced the National Energy Program, which created artificially high prices for consumers.

**Mr. Waddell:** It was lower than the world price.

**Miss Carney:** What is also right with the system which the Government has put into place is that consumers will get all the benefit of those lower prices, particularly in the Member's region which depends upon imported crude, as soon as those price decreases move through the system. I have told him that continually. He knows that there are already signs of price declines in his own region. I want him to be able to come back to the House and report what those declines are in two or three weeks when they start showing up.

### OIL COMPANIES' ACTIVITIES

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, there are no declines in my region of the country. Today, in Saint John, New Brunswick, the price is 60.8 cents per litre for gasoline. If the Minister believes in the market sensitive price system, why is she supporting the market manipulation of the oil companies?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member should be very aware of the fact that the system imposed by his Government was very harsh on consumers. I have continually reminded him that gasoline prices went up 80 per cent under the Liberal administration, and I have continually reminded him that the oil companies have assured us that the price decreases in the system will be passed on to consumers. We expect that those price decreases will start showing up toward the end of February or sometime in March.

### PRICE CONTROL

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the same Minister. Is the Minister aware that under Section 31 of the Combines Investigation Act it is illegal to control the price of gasoline through consignment sales, exactly what Petro-Canada has been doing with George and Cora McAra of Gravenhurst? Will the Minister tell the House, with practices like these going on in the industry, how she can say to Canadians that lower world oil prices will quickly pass through to Canadian consumers?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I read with great interest the fact that the Leader of the New Democratic Party in Manitoba is threatening action against oil companies if the price decreases to the consumer are not passed on by April 1. That is how long, apparently, the NDP Leader in Manitoba feels it will take for price decreases to work through the system. If April 1 is good enough for Mr. Pawley, it is good enough for me.

**Mr. Waddell:** At least he has the guts to set a date.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

### PRICE OF GASOLINE IN UNITED STATES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, given that prices went down in Buffalo today and that there is no lag in the United States, why is there a lag in Canada? Could the Minister tell the House exactly, in number of days, how long it takes to go through the Canadian system from the time world prices per barrel start to go down in Canada? Exactly how many days does it take?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, as the Hon. Member should be aware, the United States, with its larger population, has smaller inventories and shorter supply lines and therefore price decreases tend to show up more quickly. He will remember that last year price increases in the fall showed up more quickly there than they did here in Canada. Since he has raised the isse of the guts of the Manitoba Premier—

**Mr. Waddell:** No, the guts of the Minister of Energy.

**Miss Carney:** —I would like to suggest that if he really had the intestinal fortitude which the Hon. Member is claiming, he could promise to remove the eight cents per litre gas tax which Manitobans are now paying.

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## UNEMPLOYMENT INSURANCE

### EFFECT OF REGULATION CHANGES ON FORMER ARMED FORCES PERSONNEL

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Why has the Minister not listened to the Deputy Prime Minister and to the Secretary of State for External Affairs when they asked her, in writing, to change her rotten unemployment regulations which deny unemployment insurance benefits in whole or in part to retired Armed Forces, RCMP and other public and private personnel?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I realize the Hon. Member is preoccupied with divisions, which of course are very apparent, between the Leader of the Opposition and the Hon. Member for Saint-Maurice. However, I want to assure him that I speak with my colleagues and that we carry on conversations all the time. I would like once more to remind the Member, and all other Members, that the decisions with regard to the changes in the unemployment insurance regulations were announced on November 8, 1984. That is over 15 months ago. The implementation date for those regulation changes was announced in December. The change with regard to severance and UI income took effect—

● (1430)

**Mr. Deans:** That doesn't make them any better. Do you think it matters which date you annoucned it?

**Mr. Orlikow:** Why don't you answer the question?

**Miss MacDonald:** —on March 31, 1985. There was a year's lead time given for the implementation of the pension UI regulation. That came into effect January 1, 1986.

**Mr. Orlikow:** Order, order.

**Mr. Speaker:** Order. I think the Minister may get a chance to complete that answer on the supplementary.

MINISTER'S POSITION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** I can't see the Deputy Prime Minister putting up with that kind of statement. Why does the Minister of Employment and Immigration continue to insist on enforcing her unfair unemployment insurance regulations which, for example, bring Mr. John Mitchell, one of my constituents with a family of five in Pembroke, Ontario, $2,000 below the poverty line? How does she justify that? Is that her sensitivity to retired people?

**Mr. Deans:** Because she announced it. Tell him that you announced it before. That's the justification.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Initiatives this Government has taken is to set up the Forget Commission of Inquiry to look into all the inequities that people see, or are taking place, in the administration of the unemployment insurance fund—

**Mr. Deans:** When did you announce that?

**Miss MacDonald:** —something that the previous Government never got around to doing. I would say that the indication of concern about the operation of the unemployment insurance program is extremely widespread, as is shown by the number of representations that have been made to the Forget Commission—

**Mr. Orlikow:** And to which you are not listening.

**Miss MacDonald:** —by individuals and by organizations. I can assure him the Forget Commission will undertake to look at all of those inequities which are raised by him and other Members of Parliament.

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[*Translation*]

## ENERGY

REQUEST FOR PROPOSED MEASURES TO AVOID EXCESSIVE PETROLEUM PRICES IN QUEBEC

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is the Minister aware that the three cents a litre difference between the price of gas in Quebec and Ontario is due to the higher price of refining and marketing imposed by the oil industry? What action will she take to ensure that excessive prices are not charged by the oil industry in Quebec compared with prices in Ontario? When will the Minister publish the O'Farrell Report on competition in the Quebec industry?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I think that the Hon. Member shows a massive lack of knowledge of geography because one of the best advantages that Quebec has is the fact that its refineries have access to imported oil coming in at much lower prices. Quebec is clearly going to benefit from the lower prices—

**Mr. Orlikow:** Why doesn't the consumer get that benefit?

**Miss Carney:** —that this Government has put in place.

**An Hon. Member:** When?

**Miss Carney:** Before April 1.

PRICE IN OTTAWA

**Mr. Mike Cassidy (Ottawa Centre):** As a supplementary, Mr. Speaker, is the Minister not aware that in Quebec, as here in Ottawa, which is served by Montreal refineries, people are still paying the same prices as they were before the price of oil started to come down? They are paying 3 cents a litre more for production and marketing costs in Ontario. When is the Minister going to take action? Are people in Ottawa going to continue to be hosed at the pumps because of a special dispensation to oil companies given by this Minister?

**Some Hon. Members:** Hear, hear!

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I would suggest that the Hon. Member is ignoring the fact that the Liberal Party in Quebec has recently increased the price of gasoline by increasing the price of taxes.

**Mr. Speaker:** The Hon. Member for Annapolis Valley-Hants on a supplementary to a previous question.

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## UNEMPLOYMENT INSURANCE

TIMING OF IMPLEMENTATION OF REGULATION CHANGE

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Thank you very much, Mr. Speaker, because I was trying to catch your eye earlier. I'm so very glad the Minister had a chance to reply in part earlier to the questions from the Member for Renfrew-Nippissing-Pembroke. The Minister listens to colleagues and Members on all sides of the House who have expressed a real concern on this very controversial issue. I, and other Members representing all Parties, have appeared before the Forget Commission—

**Mr. Speaker:** Order, please. I think the Hon. Member does have a question, please.

**Mr. Nowlan:** Since the Forget Commission is also concerned about the narrow issue of the mandatory retirees, I would ask the Minister, and appeal to her historic concern and compassion for the underdog—and I say that seriously—that she ask her officials to grandfather the change in the interpretation—there is no law change, there is no regulation change—until the Forget Commission has had a chance to report on the full question of UIC, or alternatively would she direct the Forget Commission—

**Some Hon. Members:** More, more, more, more.

**Mr. Speaker:** Order, please.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I want to congratulate the Hon. Member and other Hon. Members for making representations to the Forget Commission. I think that is the way in which we want to see this Commission of Inquiry operate, and I know that—

**Mr. Deans:** Put in a grandmother.

**Miss MacDonald:** —we have also asked the Forget Commission to look particularly at the aspect of who contributes to the unemployment insurance fund, under what conditions, whether or not those who pay into the program with no expectation of ever receiving benefits—

**Mr. Deans:** How about his question?

**Miss MacDonald:** —should continue to contribute. All of those matters are now before the Forget Commission of Inquiry, and I am sure that the commissioners will listen not only to those representations but to the ones which have been made by the Hon. Member.

## RAILWAYS

DERAILMENT OF TRAIN TRANSPORTING SULPHURIC ACID

**Mr. Keith Penner (Cochrane-Superior):** My question is directed to the Minister of Transport. It concerns the derailment of the CP Rail "acid train" which dumped thousands of litres of sulphuric acid into two small remote lakes north of Orillia, Ontario. I would like to ask the Minister whether he is fully satisfied that the railway companies are carrying out satisfactorily, or adequately, their responsibility for maintenance: maintenance of road beds, rails and rolling stock. Would the Minister not agree that if maintenance standards were adhered to we could dramatically reduce the number of derailments that take place every year?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, in late January I wrote to the CTC asking them to advise me whether, in fact, during the course of their investigation of the recent rash of derailments there was any common thread with respect to the causes of the accidents that have been occurring in the recent past.

**Mr. Deans:** Lack of deregulation.

**Mr. Mazankowski:** They had indicated that that was not the case. As a result of the accident which the Hon. Member referred I have today contacted the CTC and asked them to undertake a comprehensive review of all railway accidents and derailments going back to 1984 and to report back to me within 45 days. I have requested them to focus on such items as maintenance, inspection and operating practices to determine whether, in fact, there is any deficiency in any of those areas and if, in fact, there is any common element of the causes of the accidents that have occurred in the recent past.

REQUEST THAT INDEPENDENT INQUIRY BE ESTABLISHED

**Mr. Keith Penner (Cochrane-Superior):** Supplementary, Mr. Speaker, to the same Minister. Railway employees throughout northern Ontario have told me for years, and continue to tell me, that maintenance is a major factor in the rash of derailments that we have every year. I wonder if the Minister would agree to initiate an independent inquiry into the maintenance standards that are practised by the railways. Once having that information, and changing the situation that exists today, would he not agree that we could improve the situation and have a safer railway system.

**Some Hon. Members:** Hear, hear!

● (1440)

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am sure the Hon. Member knows that the CTC is a quasi-judicial body. It will be asked to investigate as a result of my instructions today. I think the Hon. Member should also be aware that since 1979 derailments have been reduced by more than 20 per cent. Railway accidents have in fact declined since 1980 by some 30 per cent. Injuries are down by 31 per cent.

Fatalities are down by 42 per cent. Notwithstanding the fact that there has been a rash of derailments in the last little while, the record over the last four or five years has been pretty good.

POLLUTION OF LAKE BY SULPHURIC ACID

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, my question is directed to the same Minister. The Minister is aware of the recent derailment which occurred and also that the train was carrying sulphuric acid. Of course this happened in my own riding at MacTier. I am wondering if the Minister could bring us up to date on what is being done to cut down on the sulphuric acid and diffuse it into the lakes which have already been polluted. I am also wondering if he could let us know when the CP rail line, which is one of the main lines of the CP, will be back in operation.

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am advised that five cars are leaking. Some 150 tonnes of limestone and soda ash which will be used as a neutralizer in the clean-up operation are on site. The clean-up operation is to begin this afternoon. The line is temporarily closed to traffic, and as soon as the site is cleared it will be opened. CTC officials are on the scene investigating, as are officials from the Department of the Environment and CP. Early evidence would indicate that the accident was caused by a broken wheel.

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[*Translation*]

## FINANCE

BANK OF CANADA RATE INCREASE—DIFFERENCE BETWEEN CANADIAN AND U.S. RATES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is for the Minister of Finance.

The Bank of Canada has just announced an increase in the Canadian prime rate.

The prime rate is now three per cent higher in Canada than in the United States.

My question is this: How can the Minister justify such a difference in the prime rates of these two countries? Why this difference of over three per cent between Canada and the United States?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I responded to this question on two or three occasions in the past week or so. I indicated to the House that the actions we took last week to stabilize the markets and to deal with the speculative pressures that were in the market-place had to be a balance between action on the exchange rate and action on interest rates. The whole purpose of this is to bring a degree of stability back into the market-place so that we can get a more normal level of interest rates consistent with the strength of the economy.

I would remind the Hon. Member that in the past 15 or 16 months the economy has been the strongest of any western industrialized nation. There have been 580,000 jobs created. Investment has been growing at a rate of 11 per cent and housing starts have been growing at a rate of 25 per cent. Inflation has been stable at 4 per cent. What we want to do is get back on track and we will—

**Mr. Speaker:** Order, please. Again this is becoming a speech.

[*Translation*]

IMPACT OF HIGH INTEREST RATES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, in view of this reply, coult the Minister of Finance now answer the question adked by the Chairman of the Committee on Finance, Trade and Economic Affairs, who is a Conservative? His question was this: Why burn Canadians with a higher interest rate to eliminate a few speculators? Could he reply to this question now?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is an exact repeat of a question that was just put to me by the Hon. Member who sits immediately behind the Hon. Member who just asked the question. Surely the Hon. Member could simply turn around and ask him what was the answer to the previous question.

* * *

[*Translation*]

## YOUTH

PREOCCUPATION OF MINISTER'S OFFICES

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a question for the Minister of State for Youth.

I have here a secret document from the minister's office which clearly shows that her office is more concerned with using young people for election purposes then with meeting their needs.

Can the Minister reply and explain why the people in her office have not proposed to Cabinet real job creation policies to meet the needs of young people?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, the Hon. Member for Sainte-Marie is referring to a document, but I have no idea which document he means. I do not even know if it is legitimate. If he can be so kind as to send it to me, I shall examine it and give an answer later.

**Mr. Malépart:** Mr. Speaker, if the people in her office had done their job properly, they would have seen the article in the newspaper *Le Droit* today. Her employees should have told her about it.

YOUTH EXPECTATIONS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my supplementary to the Minister is the following: Would she have read the document if she had been aware of it and does she not believe the young Canadians deserve a real Department to protest their rights rather than a Department which is there only as a smokescreen and for electoral purposes?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, I indeed saw an article in the newpaper, but this does not tell me which document the Hon. Member has in his possession. As I do not want to mislead the House, I am not going to comment a document when I do not know what it contains. However, since the Hon. Member says that we did not implement any program to reduce unemployment among young people, I shall remind him that, between 1980 and 1984, when the Liberals were in power, youth unemployment rose by 5,000 each month, for a total of 285,000. Since we have been in power, we have created 5,000 jobs a month for young people for a total of 80,000. And this is going to continue.

* * *

[*English*]

## FISHERIES

REDUCTION OF POSITIONS IN DEPARTMENT

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, would the Minister of Fisheries and Oceans confirm that the 200 positions that he announced cut from his Department today are only preliminary cuts and that he in fact intends to cut habitat protection programs, fisheries regulation and enforcement programs, fisheries management programs, fisheries inspection programs, offshore observer programs, small craft harbours programs, aquaculture programs, fisheries research programs, and fisheries resource development programs?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, of course I would not confirm that. It sounds to me as if the Hon. Member is on a witch hunt. I only wonder if he concurs in our decision to streamline the headquarters operations of the Department to give visibility and coherence to our world-class scientific effort and to strengthen the managerial linkages between head office and the regions which the Department serves, including our own region on the Pacific coast.

USER CHARGES INQUIRY

**Mr. Ray Skelly (Comox-Powell River):** Mr. Speaker, if anyone thought that that would occur because of the present cuts, it would be completely irrational. Will the Minister confirm that he will be announcing shortly not only more staff and budget cuts but he will also be imposing user charges against people in the fishing industry in the form of fish landing taxes, higher moorage rates, higher licensing fees, and higher fisheries inspection service costs?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the Hon. Member is filled with malicious speculation this afternoon. He knows that when the Government is ready to announce any initiative, it will make that announcement. At the present time no such initiatives are contemplated.

* * *

## YOUTH

CONTENT OF DOCUMENT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of State for Youth. Does she agree with the position taken by her chief of staff that in order to save her own Department she should call in:

> IOUs and/or Irons in the fire.
>
> (i) Ministers and "heavy" MP's who "owe" Andrée Champagne—
>
> (ii) Ministers and heavy MP's with grant requests under "active" consideration, i.e. not yet turned down—

[*Translation*]

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, as I said earlier . . . I am just now getting the document. I have not read it yet. I cannot verify the accuracy of this document with others at the Department. I shall do so and I shall reply to the questions after I have had an opportunity to do what is necessary.

[*English*]

STATEMENT ATTRIBUTED TO MINISTERIAL OFFICIAL

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, notwithstanding the $25 million or $26 million she spent last year on window dressing, does the Minister agree with her chief of staff who has said:

> Youth do not look to the federal government to provide leadership in resolving many issues . . . Even if they did, this is not the role of government. Will we next want to create a programme to help women through menopause?

**Hon. Andrée Champagne (Minister of State (Youth)):** Mr. Speaker, what I do agree with is that 80,000 jobs have been created for young people in the last 15 months, and that is a lot more than the Liberal Party could ever have said. We will continue to do that, and I will not comment on a document that I have not had the time to study.

● (1450)

## PUBLISHING INDUSTRY

PRENTICE-HALL TAKEOVER

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my question is for the Minister responsible for Investment Canada. The Minister will remember that the announcement by the Minister of Communications with respect to book publishing policy last July fanned the flames of ardent desire and hope in the hearts of the Canadian cultural community. Will the Minister confirm that his announcement that Prentice-Hall will be exempt from this book publishing policy has put out that fire?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, of course I have no way of telling what fire might burn in the ranks of the NDP. If the Hon. Member is referring to the Southam report, I am sorry if she has been misled by it. The reporter simply asked me what our general disposition was with respect to the Prentice-Hall case. I said that we cannot comment on the matter. The Hon. Member must bear in mind that this was a deal made in December of 1984 when the Foreign Investment Review Agency was still in effect and that the process would naturally fall under whatever the precedents were and the law was at the time.

GOVERNMENT POLICY

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I wonder if the Minister would give an answer to the cultural community, which is very concerned about this matter, both as to the specifics of Prentice-Hall, which has dragged on for months and now years, and as to the publishing policy itself. How can we have a realistic cultural sovereignty policy if nothing is going to happen and if cases are going to be overturned?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, let me assure the Hon. Member that there is considerable happening as far as Investment Canada is concerned. However, she will have to accept that in the past these cases have taken generally a great deal of consideration. Sometimes the cases have been approved and other times they have been turned down. Let me assure the Hon. Member that the policy of the Government is the policy as enunciated in July by my colleague, the Minister of Communications, with respect to the publishing business. There is absolutely no question about that.

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## CUSTOMS TARIFF

TARIFF PLACED ON PRODUCT NOT PRODUCED IN CANADA

**Mr. Benno Friesen (Surrey-White Rock-North Delta):** Mr. Speaker, in the absence of the Minister of State for Finance I would like to direct my question to the Minister of Finance. There is a small company in Surrey which manufactures wire products largely for export and which uses off-shore stock which it imports because there is no Canadian company which manufactures that type of stock. Can the Minister tell the House why a simple phone call from Stelco can induce tariff officials to prevent a one-item tariff change or duty remission on a product which this company, or any other Canadian company, does not manufacture, which thereby vetoes the jobs of employees in western Canada and the future of a good export market?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I appreciate the Hon. Member's concern about this particular matter. As he knows, it is a matter which falls under the responsibility of my colleague, the Minister of State for Finance, who is responsible for tariff changes. I will raise this with her the next time we discuss matters of this sort. We will get back to the Hon. Member with an answer.

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## PUBLISHING INDUSTRY

PRENTICE-HALL TAKEOVER—APPLICATION OF FIRA CRITERIA

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion also in relation to the Prentice-Hall case. The Minister's colleague, the Minister of Communications, has stated that at this point the FIRA criteria will now apply to this particular case. If that is so, will the Minister be following the precedent set by FIRA, which was to insist upon divestiture or, at the minimum, joint Canadian ownership, in every book publishing case which comes before him? Are those the criteria that will be now applied?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I am rather surprised that the Hon. Members refers to precedent. As we checked precedent with respect to the publishing industry, we found that under the Government of the Hon. Member sometimes they were approved and sometimes they were turned down. In fact that is one of the difficulties with which we now have to live. There was no clear precedent set by the former Government.

REQUEST FOR EARLY DECISION

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, the Minister is wrong in his facts—indeed, as he normally is. The fact of the matter is that the key cases involving Bantam Books and Gulf & Western were turned down. If it is now FIRA criteria which are to be applied, will the Minister return to the efficiency of FIRA and make a decision sooner rather than later since we have waited a full year already? Under his new regime he promised efficiency and we are getting nothing but delay.

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, it is almost laughable to hear the Hon. Member opposite talk about efficiency. When his Government was in power the fact is that there was a backlog in FIRA three times as severe as any backlog we have lived with. At the present time I am pleased to tell the House that, as far as applications are concerned, we have been able to process them not only within the new limits but within a much shorter period of time than they were ever processed before under FIRA or otherwise.

* * *

## INDIAN AFFAIRS

### SERPENT RIVER INDIAN BAND—HIGH INCIDENCE OF DISEASE

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Studies released today detail the very high incidence of disease among members of the Serpent River Indian Band as a result of an old acid plant which was closed in 1963. In 1969 the federal Government sent in the Army and blew it up, thus spreading the contamination. Since these people appealed to the Minister and his colleagues in the Departments of National Health and Welfare and the Environment for help some time ago, why has the Government been so slow to respond by cleaning up this dangerous site, thus protecting the health of Indian people?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, yesterday morning I met with the Chief and other members of the community. We indicated and agreed upon a course of action which would have the Minister of National Health and Welfare, the Minister of the Environment and myself met after there has been an opportunity for the advisory committee, which was set up by the Indian community, to consider that report. I indicated to the Chief, and to the community, that we would undertake a commitment to clean the site up according to whatever options were made available, discussed, and decided upon by the advisory committee, in consultation with the other two Ministers.

### RESPONSIBILITY FOR CLEANING UP CONTAMINATED SITE

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, to be very clear I would like to ask the Minister this. Is the federal Government prepared to accept full responsibility for cleaning up the site? Will the Minister tell the House when that will be done and completed?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, yesterday the Chief asked me if I would commit the federal Government to seek a solution to the cleaning up of the site. I indicated that I would. Of course the timing is related to the discussion of the report and the operation of the advisory committee. It was a very good and very positive meeting. I would like to thank the Hon. Member for his interest.

* * *

## FISHERIES

### REDUCTION OF POSITIONS IN DEPARTMENT

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, the Department of Fisheries and Oceans is the only federal government Department which has sole responsibility for a natural resource. Other Departments have shared jurisdictions. Why is the Government of Canada cutting this very Department at a time when the fishing industry is in such trouble? Is it just to satisfy the Americans?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Absolutely not, Mr. Speaker. In fact, as the Hon. Member should know, the size of the budget of the Department of Fisheries and Oceans increased from $300 million a year in 1980 to $600 million a year by the time his Government left office. That in itself is sufficient reason for taking the very positive initiatives which were announced today. However, I would remind the Hon. Member of the words of his Leader who said, on July 24, 1984:

> There must be a reduction of our Government expenditures . . . There is a lot of space to reduce and cut expenditures and duplications . . . I believe that this reduction in expenditures could save us billions of dollars.

Those are the words of the Leader of the Hon. Member's Party.

### EFFECT ON MARKETING DIVISION

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, it could have been an increase in the amount of money but not an increase in the number of people working there. The only guaranteed government office he has now is what he calls the redeployment counselling centre for surplus workers. That is all that is left. The Minister says this will have no effect on the fisheries. Who will do the job now of domestic fish promotion in Canada since as of today he has laid off practically all of those workers in the marketing division?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, again the essentials of the Hon. Member's question indicate his ignorance of the facts. In fact, we have not laid off all of the officials in the marketing promotion division. We have strengthened the management contact with his region of Newfoundland. We have enhanced the scientific program by consolidating and eliminating a lot of duplication.

● (1500)

Generally speaking, we will see a significant increase in the delivery of services to fishermen, not by bureaucracy in Ottawa but by the genuine delivery of the services they need at the regional level.

## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions, with the exception of four presented by Hon. Members on Wednesday, February 12, 1986, meet the requirements of the Standing Orders as to form.

Petitions presented by the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Winnipeg North (Mr. Orlikow) do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Prince George-Peace River (Mr. Oberle), by filing with the Clerk of the House, also do not meet the requirements of the Standing Orders as to form.

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## POINT OF ORDER

USE OF PRIVATE DOCUMENT

**Mr. Albert Cooper (Peace River):** Mr. Speaker, my point of order relates to something that just happened in Question Period. A short while ago, my colleagues across the floor walked out because someone apparently inadvertently listened to their private discussion in caucus. Today, someone was reading from something that was considered to be a private document. The other day we saw something in the press regarding private documents as well. I understand that there was quite a foo-fa-raw about that. Perhaps we should be looking at these items as well.

**Mr. Speaker:** That is a representation.

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## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, will the President of the Privy Council (Mr. Hnatyshyn) outline the business of the House for the rest of this week and for the week of February 26? In so doing, will he tell us the exact hour at which the Minister of Finance (Mr. Wilson) will commence his Budget presentation on February 24 and tell the House when the six-day Budget debate will begin?

Finally, will the Minister also tell us the day when the Main Estimates will be tabled and whether the Government will, at that time, table a reconciliation between the figures in the Budget and those in the Main Estimates in order to avoid any confusion and assist in their study by the House and the Canadian people?

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, let me begin by indicating to the Hon. Opposition House Leader that we will continue with the motion in my name respecting reform of the House of Commons. Hopefully we can make progress on that and resolve it even today. As I indicated previously, we will follow that with the motion in the name of my colleague, the Minister of Consumer and Corporate Affairs (Mr. Côté) dealing with the reference to committee of the paper on registration of lobbyists.

There are other items of legislation, such as Bill C-90, that will follow.

In the interim I was going to use the opportunity to carry on with Bills that I indicated in the last announcement with respect to House business. I will discuss with Opposition House Leaders the other items on which we may be able to make progress and will bring that to the attention of the House at the earliest possible date.

In terms of the Budget, I have already indicated to the Opposition House Leaders privately and would like to announce to the House and the people of Canada now that my colleague, the Minister of Finance, will be presenting the Budget on February 26, 1986, at 4:30 p.m., Eastern Standard Time. It is my intention at this time to proceed with the normal Budget debate immediately following the presentation of that Budget. It is my intention, subject to the consideration of other factors and consultation with Opposition House Leaders, to have continuous debate on the Budget until its conclusion.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, have the stock exchanges been informed that the Budget will be brought in? The Vancouver exchange will not be closed.

**Mr. Wilson (Etobicoke Centre):** At 1:30.

**Mr. Deans:** Thank you.

**Mr. Gray (Windsor West):** Can the Government House Leader answer my final question? When will the Main Estimates be presented and will the reconciliation of the figures in those Main Estimates in the Budget be presented to the House at the same time?

**Mr. Hnatyshyn:** Mr. Speaker, the Estimates will be tabled on February 27, 1986. There will be a reconciliation that will astound my hon. friend.

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# ROUTINE PROCEEDINGS

[*Translation*]

## COMMITTEES OF THE HOUSE

SELECTION—NINETEENTH REPORT OF SELECT COMMITTEE

**Mr. Scott Fennell (Ontario):** I have the honour of tabling the nineteenth report of the Striking Committee in both official languages.

[*English*]

ACID RAIN—FIRST REPORT OF SPECIAL COMMITTEE

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, I have the honour to present the first report of the Special Committee on Acid Rain in both official languages.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

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[*Translation*]

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

PUBLIC ACCOUNTS—EIGHTH REPORT OF STANDING COMMITTEE

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, I have the honour to table the Government's response to the eighth report of the Standing Committee on Public Accounts concerning the Canadian International Development Agency, pursuant to Standing Order 70(16), in both official languages.

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## REGULATIONS AND OTHER STATUTORY INSTRUMENTS

GOVERNMENT'S RESPONSE TO THIRD REPORT OF STANDING COMMITTEE

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 70(16), I am pleased to table the government's comprehensive response to the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

* * *

[*English*]

## THE ADMINISTRATION

REGULATORY REFORM—CREATION OF NEW MINISTRY

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I rise to announce one of the key initiatives of the Government's agenda for economic renewal.

Today I am introducing the first statement of regulatory policy ever articulated by a federal Government and the first strategy for implementing meaningful regulatory reform on a national basis.

Regulation is the chief instrument used by Parliament and by Government to constrain private behaviour and limit freedom in the common interest. Obviously, it is difficult to think of regulation as anything but good if it advances an aspect of the common interest—for example, controlling the safety of baby cribs, the quality of the environment and the regulation of monopolies.

Can it ever be bad? The insight of regulatory reform says that even regulation that seems otherwise good can sometimes balance out against the public interest.

Regulation begins to go against the public interest when it overwhelms personal freedom, undermines personal responsibility, penalizes hard work or stifles the creativity of conscientious Canadians.

Our awareness that there had been years of indiscriminate regulatory activity led this Government, in the fall of 1984, to identify regulatory reform as a key element of our agenda for economic renewal.

In this context, the Task Force on Program Review last year conducted the most comprehensive and intensive regulatory review ever undertaken at one time in any jurisdiction in Canada. Its work on regulatory programs was complemented by a separate study of policies affecting federal regulatory agencies carried out under a special mandate given to me in September, 1984, by the Prime Minister (Mr. Mulroney). This work has been integrated into the over-all regulatory approach I am announcing today.

● (1510)

As you know, Sir, the hard word of the program review was carried out by study teams made up of individuals drawn more or less equally from the private and public sectors. The private sector volunteers represented the professions, big, medium and small business, labour and consumer interests. Their mandate was to make federal programs simpler, more understandable and more accessible to the public. The emphasis of their work was on better service to the public, less red tape and greater efficiency. They were not simply concerned with cost cutting. They did an outstanding job, and on behalf of the Government of Canada, I express deep appreciation for their dedicated service.

Let me now turn to the findings of the regulatory review. The study team's diagnosis was certainly none too comforting. The scope of federal regulation is mind-boggling. There are 146 full-scale regulatory or regulatory-related programs and that figure does not even include the Criminal Code. The programs are administered by 35,000 public servants at a cost in this fiscal year of $2.9 billion. In the latest consolidated version, which is already out of date, the regulations fill over 10,000 pages in 19 volumes and weigh nearly 40 kilograms or, for comparison's sake, close to the weight of a 100 pound sack of flour. New federal regulations or amendments to existing regulations have been churning out at a rate of more than 100 per month. The preceding Government lost control of the regulatory system; their best estimates of its scope were understated by half. We found that there was no planning mechanism for regulatory activity and no effective system for controlling its growth. Getting these problems under control will be an important part of our new regulatory reform strategy.

At nearly $3 billion, the direct cost to the Treasury of federal regulatory activity is bad enough. However, it pales in significance compared to the cost to the economy of federal regulation; that is, the price paid by individual citizens, companies, non-profit organizations and so on as a result of regulation-imposed costs. The program review estimated the cost of federal regulation to Canada's economy to be at least $30 billion per year, a dimension which has been missing from decision making on new regulatory proposals until now.

Sir, the figures I have quoted refer only to federal regulation alone. The study team found that the scope and cost of regulatory activity by provinces and municipalities is at least as high. So as individual Canadian citizens, we not only pay taxes to three levels of Government, we pay a huge indirect regulatory price to at least three layers of regulators as well.

The major conclusions of the study team were as follows.

First, the cumulative effect of regulation at the three levels of Government constitutes an enormous impediment to economic growth, initiative, enterprise and personal freedom in Canada.

Second, federally elected representatives do not have adequate control over regulation and the regulatory system.

**Some Hon. Members:** Right on.

**Mr. Nielsen:** Third, the public has too little access to and involvement in the development and review of regulation. Now, that is quite an indictment and we intend to do something about it.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** The regulatory review did not prescribe wholesale deregulation as the desirable solution to the problems it found, however, it did identify a large number of existing regulatory programs needing reform in the sense of substantial improvement. With the benefit of the regulatory review's diagnosis and recommendations, the Government has decided to implement a comprehensive regulatory reform strategy. That strategy will have several elements. Indeed, the program review should itself be seen as the first element in the over-all strategy. Today I am pleased to announce two additional elements of that strategy: The adoption of the "first-ever" federal regulatory policy, and, on behalf of the Prime Minister (Mr. Mulroney), I am now announcing the appointment of a Minister responsible for regulatory affairs.

[*Translation*]

The fundamental objective of the Government's policy is to promote economic renewal and job creation by improving the management of regulations established by the Government, eliminating those that impede growth and encouraging the private initiative and the independence of businesses through an improved regulation framework.

[*English*]

The policy consists of 10 guiding principles.

First, a reformed approach to regulation is and will remain a necessary and important instrument for achieving the Government's social and economic objectives. However, the Government intends to "regulate smarter".

Second, the Government recognizes the vital role of an efficient marketplace and a dynamic entrepreneurial spirit and that regulation should not impede those values without the most persuasive justification.

Third, the Government intends to limit as much as possible the over-all rate of growth and proliferation of new regulation while protecting the public wherever appropriate.

Fourth, priority is to be placed on reform, but there will be no program of wholesale deregulation.

Fifth, the Government will ensure that regulatory benefits clearly exceed costs before proceeding with new regulatory proposals.

Sixth, regulation will be brought more fully under the control of elected representatives.

Seventh, the Government will increase public access to and participation in the regulatory process.

Eighth, the federal regulatory system will be streamlined and made more efficient.

Ninth, the Government will place priority on increased regulatory co-operation with the provinces.

Tenth, a Minister for regulatory affairs will be appointed while individual Ministers with regulatory mandates will exercise their responsibilities in conformity with the spirit and objectives of this policy.

I am sure, Mr. Speaker, that anyone familiar with regulation will recognize the significance of these ten broad policy principles. For the average citizen they boil down to the Government's intention to stem the growth of regulation, especially economic regulation, and wherever possible to get the existing regulatory burden off the backs of productive Canadians.

**Some Hon. Members:** Hear, hear!

• (1520)

**Mr. Nielsen:** The policy makes clear our intention to tilt our regulatory emphasis in the direction of economic efficiency, market flexibility, and personal freedom. Yet it also confirms our intention to protect the public through the use of regulation wherever it is the best and most economical instrument for doing so. This Government knows that Canadians know best how to run their own lives. They want a Government to support their efforts, not to direct them.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** We are eager to reform all those regulations which second-guess business judgment or stifle initiative. In that respect, the policy is particularly oriented to small and medium-sized business which is the main creator of new jobs in our economy.

The new Minister for regulatory affairs will be responsible for over-all implementation of the regulatory policy and regulatory reform strategy. The Prime Minister has asked me to inform the House today that that Minister is the President of the Privy Council (Mr. Hnatyshyn), our most estimable House Leader.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** Members will know that the President of the Privy Council is also Chairman of the Special Committee of Council which has the job of reviewing and approving regulatory initiatives. The special committee itself will be given increased authority and responsibility for regulatory matters under the new policy.

The Minister responsible for regulatory affairs and the Special Committee of Council will be supported by a distinct regulatory affairs secretariat to be located in the Privy Council Office with a net saving of person years by virtue of the closing of the two offices heretofore responsible for regulatory expertise; namely, the Office of Regulatory Reform and the Technical Advisory Group, both of which were located in the Treasury Board.

Today my purpose has been to launch our new regulatory reform strategy and to underline the importance which the Government attaches to meaningful regulatory improvement. There are several additional and quite distinct dimensions to the over-all concept of regulatory reform which will be made clear over the next few months. These include special provisions for public participation and access, a package of regulatory improvements, system reforms, a federal-provincial initiative, and important reforms affecting regulatory agencies. Taken together, the various elements of the Government's regulatory reform strategy will comprise the most comprehensive and coherent regulatory reform initiative ever undertaken by one administration in any jurisdiction in Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Nielsen:** It will place Canada's federal regulatory policy and practice in the forefront of western countries. Most important of all, Sir, the regulatory reform strategy provides a further demonstration of this Government's commitment to economic renewal through more efficient, more open, more accountable, and less intrusive Government.

**Some Hon. Members:** Hear, hear!

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I will try to match the excellent performance of the Deputy Prime Minister (Mr. Nielsen) *en français* by making some of my remarks in the language of Shakespeare.

First, I would like to thank the Deputy Prime Minister for providing us with a copy of his statement well in advance. This has not been customary for all Ministers on the other side of the House. This is a very good example which should be adhered to by other members of the Cabinet when they have statements to make in the House.

This being said, I would like to thank the Government for letting us know that it intends to do something about regulation in the country. This document says just that. It says the Government intends to do something, but it does not say much about when or how it will do it. In fact, without being too vicious, I have rarely seen so many words—12 full pages of them—that say so little on the specific direction and methods the Government will take to solve the problems that have been outlined. Some directions are shown, but little is said about how the objectives are going to be attained and when.

On the first page of his statement the Minister gives us the impression that this is the first time the Government of Canada is doing something about the proliferation of regulation. The Hon. Member for Simcoe-North (Mr. Lewis) is nodding in apparent agreement with this statement. Memories are short. I am certain that if the Deputy Prime Minister and other members of the Government looked back they would remember that regulatory reform was started under the Liberal Government awhile ago, not only with rhetoric but with specific measures. For example, perhaps they will remember the Office of Regulatory Reform which was put in place by a previous Government. That organization had the mandate to publish regulatory agendas of Departments showing plans as to when regulation was to come about and inviting public input. Perhaps the Government has taken some inspiration from these past moves. There is one thing which we would like to know which is not in this statement. I understand that this program has been stopped. If I am right, as I think I am, I would like to know why that is.

Finally, I would like to go into some specifics. Let us look at the 10 guiding principles on pages 8 and 9. This is where the meat, if any, is found. I do not want to go through all of the items, I just want to indicate how some of them are vague. The first item simply says that the Government intends to "regulate smarter". What else does the public expect from the Government? However, if the Government intends to become smarter, that may be welcomed by the public.

The second big guiding principle is that the Government recognizes the vital role of the marketplace and wishes that regulation should not impede those values without justification. We all agree with this. I would say that this is sort of a motherhood statement. The same applies to number five: "The Government will ensure that regulatory benefits will cearly exceed costs—". We would not expect the Government to say the contrary.

Let us move to number six where, I believe, we find an important point. It says: "Regulations will be brought more fully under the control of elected representatives". This is definitely welcomed. It is needed and would be an improvement, but why is the Government saying that at the specific time it is doing exactly the contrary? For the past few days, and even today in the House, we have seen Members attacking the Government, especially the Minister of Employment and Immigration (Miss MacDonald), because regulations regarding unemployment insurance have been changed, something that affects people in the country. The Deputy Prime Minister

knows that. He has written his colleague a letter. Members of Parliament were not consulted. As a matter of fact, back-bench members of the Government are angry at their own Ministers for having proceeded in such a fashion.

● (1530)

I hope the Government will state not only that it wants elected representatives to have more control over regulations but that it will end up doing that instead of the contrary. If the ordinary back-bench Member of Parliament is to have some input in regulation, may I suggest, as an improvement, that instead of having one committee of the House looking after regulations arising from legislation maybe the Members of Parliament who have passed a certain Bill in a certain committee should be the ones to look after the regulations that follow a certain Bill. It makes sense to me. Maybe the Deputy Prime Minister (Mr. Nielsen) would like to look into this suggestion.

Another item of these guidelines says that the federal regulatory system will be streamlined and made more efficient. I am all for this. I believe it is again some sort of motherhood statement, but let us be wary and make sure that streamlining regulations will not again bring us tainted tuna, buffalo meat that is not proper for consumption, veal that has been injected with steroids or wine adulterated by antifreeze or other products. It is very important that regulations be stringent enough so Canadians are protected. I am sure the Government would like to bear this in mind when looking at the way regulations are made.

Finally, there will be the appointment of a Minister for regulatory affairs. This may be a good thing. I am not sure. It will depend upon the relationship between the Minister and other members of the Cabinet. I presume the new Minister will be co-ordinating the efforts of other Ministers. Obviously each Minister will have to have some responsibilities with regard to regulations arising from Bills that his Department brings forward in the House. It may be good, it may not. The whole scheme may be good.

I am going to put an old saying on the record. The proof of the pudding will be in the eating. Let us wait and see.

[*Translation*]

Finally, Mr. Speaker, I will sum up my remarks by saying that we have before us a document which expresses good intentions in the area of regulations, a document which remains somewhat vague all the same. As I said, it is a shower of words in a vacuum of ideas. There is not much specifics in there. We have to go through a dozen pages before finding three or four points which give a certain direction to what the Government intends to do.

As a matter of fact, this document can be summed up this way: The Government has apparently decided to act in the area of regulations, and the general thrust seems to that be of reducing their quantity.

It does not say how or when the Government will act.

The Deputy Prime Minister's statement in fact seems to be saying: We will seek to do what is right and avoid what is wrong. Yet, it does not provide much infomation on the way the Government will achieve this.

Perhaps the Government could have thought this thing over before coming to the House, in order to give us better indications on what it is really planning to do.

Nevertheless, this is a first step, and I want to congratulate the Deputy Prime Minister for bringing to the House this important document.

[*English*]

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I read the statement provided in advance by the Deputy Prime Minister (Mr. Nielsen). I want to thank him first for having done that. It is a practice the Government has been following that is a very useful practice in the preparation of some reasonable responses.

I want to begin by saying that, in a sense, this reform, like many reforms, is acceptable. The idea of reform itself is a good idea. I think the Government in bringing forward the reforms is, in many ways, in step with the public's desire to see things being changed that have been in place for a very long time. There is no question that there are a large number of regulations. The Deputy Prime Minister makes that point in his report, and he is absolutely right.

Over the years we, in this Party, have advocated such things as tax reforms and reform of labour standards. We have advocated and supported reform of Parliament. We will in a very general way certainly be interested in participating in the reform which the Deputy Prime Minister has indicated he intends to have the new Minister for regulations or some similar name undertake.

It is a positive step if Members of Parliament are involved in the process all the way through. There is no question about it that regulations have a way of growing on their own without any checks and balances, and the necessity to review those regulations and to determine the effectiveness, appropriateness, usefulness or necessity for the regulations is a process that we in this Party would subscribe to.

Having said that, I want to discuss for a moment or two the whole question of regulation, and put to the Government some concerns that we have about possible courses of action which might be taken that would not be desirable.

It is not always easy to identify the more positive aspects of something. The Deputy Prime Minister I am sure would agree that it is easier to identify the possible negative effects. I want to highlight those in order that we do not run afoul of them during the process of review of regulation and deregulating, as the Government has indicated it will do.

Let me read from a document that we prepared in response to the freedom to move document. It is an extract from what the Canadian Labour Congress put in its brief in that regard dealing with regulation. It reads:

Government regulation is an attempt to state certain minimum social standards of behaviour that apply to any activity in our society. These minimum standards are a reflection of the social nature of economic activity, the role of Governments and taxpayers and workers in making that activity possible and the minimum rights that accrue to them as a result. Regulation, then, is not a "cost" that can be measured against a hypothetical unfettered market situation, but an assertion of general social rights that are as legitimate as the right to engage in business or the right to earn a profit.

I say that because it must surely be against that kind of a backdrop that the Government undertakes its review and undertakes its new approach. Clearly we cannot see regulations simply as a cost to be borne. We have to look at them in terms of the benefits one derives, that society derives, from certain kinds of regulations. Although it may be that certain regulations do in fact impose a tax, that tax being a cost, or that certain other regulations do inhibit freedom of choice, by their very nature they are necessary to protect the public from inappropriate actions that can and, sometimes have in the past, been taken by others who do not have but themselves in mind when they make their decisions.

Many of the regulations were brought about as a result of actions in the market-place or in other parts of society that were deemed totally inappropriate by society as a whole.

**Mr. Riis:** Pollution.

**Mr. Deans:** As my colleague says, pollution regulations for example. For many, many years we were unable to identify the sources of much of the illness that is created in certain parts of the country. It only came laterally to the minds of many that these illnesses were the result of pollution that had been unrestricted. Therefore, regulation of one kind or another has to be put in place. We must keep that in mind as we look at the whole question of regulation, what it is intended to do, where it came from in the first place and what caused it to be put there. We cannot rely solely on the goodwill of others to ensure that safety standards and protections will automatically be maintained if regulations are eliminated or abolished. That will be the way that this Party will approach the question of the review of the many regulations which are in place. In fact, I would venture the opinion that, although the Minister says that there are countless volumes of them, we have to look carefully to try to understand what caused the regulation to be put there in the first place and then make sure that there is in place some alternative means of protecting the public from an unacceptable action taken either against them or by someone inadvertently which causes them harm.

● (1540)

There is potential danger to Canadians in a wholesale program of deregulation. We have seen evidence of that in other parts of the world. We have to guard constantly against the tendency of Governments on the right to believe that somehow or other getting the Government off the backs of people, which is the phrase most frequently used, frees those people to do things they would be desirous of doing without any detrimental effect to themselves or to anyone else.

For example, the deregulation of banks by its very nature causes people to have concerns about whether or not banks are safe, stable and using good and sound practices. That is not necessarily a particularly desirable thing for Government to do. If the deregulation of trucking, as it inevitably does, means that we will be able to send something more cheaply from point "a" to point "b", there will not be any guarantees of the safety standards necessary to guarantee that if we happen to be on the same highway we will not be the unwilling victims of accidents caused by a lack of proper maintenance. We must weigh that, and I come to the conclusion, therefore, that the deregulation of trucking, if it takes place in any wholesale way, has to be measured carefully against the potential for danger.

There is no doubt that one will be able to take a cheaper flight from here to some other point if the airlines are deregulated. However, will the airplanes be as safe? Will the necessary maintenance have been done? Will the checks and balances still be in place to guarantee that when we are up there we will get down safely? I think the record shows that there are some serious safety questions emerging in the United States now as a result of the deregulation of the airlines.

Over the course of the last few days we have been dealing in the House with a very serious accident. The Government has indicated, through the Minister of Transport (Mr. Mazankowski), that it intends to move toward deregulation of the railroads. But at what cost? It is becoming increasingly more apparent that the safety standards and inspection procedures are questionable even now. I predict that the deregulation and the necessity for cutthroat competition, which will supposedly result in lower costs, will result in a very dangerous situation. There is the potential for a very dangerous situation when it comes to safety and maintenance of the rolling stock and rail beds.

What good does it do to be able to buy a cheaper can of tuna if in fact it is cheaper as a result of not having been properly inspected? Of course that would flow from deregulation within that particular industry. While I accept the need to look at regulations very carefully and the proposal for reform of the regulations and the regulatory system, I caution the Minister that reform must always take second place to safety, that reform must always take second place to consumer protection, and that reform must always take second place to the paramount importance of guaranteeing that the public of Canada will be protected from abuses which flow from a market system that makes it very difficult to maintain a proper level of safety and maintenance. What becomes at risk, particularly in certain consumer areas when one starts to attack regulations, is the reputation built up over many years and acknowledged by the world of the quality of Canadian produce which we sell. As we are looking at the potential for deregulation, we must always bear in mind that there are other costs far greater than the cost of maintaining, updating and publishing the regulations which protect us from abuse.

I do not envy the Minister his role, not for one moment. It will be a very difficult task. To the extent that the Government is sensitive about the matters I have raised—and I have only touched the tip of it—there may well be room to reduce the amount of regulation which is currently within our society. I

will be the first to applaud when we uncover the areas where it can be done without social costs. However, I suggest that the Minister bear in mind that the free market system, the one which he and his colleagues are so eager to promote, carries with it certain dangers that can and have in the past resulted in inferior product and inferior work. With that in mind, the cost to Canada of deregulation in certain areas and the cost to individual Canadians of deregulation in certain areas, therefore, could turn out to be far greater than the cost of maintaining the regulation now in place which has been identified by the Deputy Prime Minister in his statement.

With those few words, I say that obviously we will want to take part because we believe that there must be a watchdog function. There is an absolute necessity for a vigilant review of what the Government proposes to do, of why the regulation was put there and of what would be the consequence of its removal, before we will subscribe to any change. I wish the minister well. I do not know where in heaven's name he will find the time to do this in addition to the responsibilities he now has. I know, from dealing with him on a daily basis, that it is difficult enough to find time to meet now. How we will find time to meet after he assumes this responsibility is somewhat confusing. However, I want to tell him, as I always do, that I am available at six o'clock in the morning for House Leaders' meetings. I am always here or hereabouts. If he cannot make it to my meeting at six o'clock in the morning, perhaps he can plan other ones.

**Mr. Prud'homme:** Are you not just arriving home by 6 a.m.?

**Mr. Deans:** No, I am on my way back.

• (1550)

We are in support, but it is very qualified and the qualification that I place under the qualifications that I have mentioned—there are so many of them that I could stand all day and list them, I do not want to do that, it is not necessary. I think I have made my point.

* * *

## PETITIONS

### LICENSING OF SATELLITE TELEVISION SYSTEMS IN CONDOMINIUMS

**Mr. Alan Redway (York East):** Mr. Speaker, it is my honour and my duty to present to the House a petition signed by 1,555 residents of the Crescent Town community in my riding, calling on the House to amend Bill C-20, the communications Bill, in order to exempt satellite television communication systems of condominium corporations from the requirements of licensing by the CRTC so the condominiums will be treated in the same way as homeowners.



[*Translation*]

### POSSIBLE CLOSURE OF CN MONCTON SHOPS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, it is once again my pleasure to present today petitions supporting the initiative undertaken by the SOS—"Save Our Shop"—Committee regarding the future of CN shops in Moncton.

Over 200 people from the federal constituencies of Westmoreland-Kent and Moncton have signed these petitions, Mr. Speaker, in order to express their deep concern and demand that the jobs at CN shops in Moncton be protected.

[*English*]

### REINSTATEMENT OF FUNDING FOR KATIMAVIK PROGRAM

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, I have received a large number of letters from a variety of young people who have been involved in Katimavik, and they all call upon this Government and the House to reinstate full funding for the Katimavik Program for young people of Canada, as its value to them is very great. We would like to pass it on to other young Canadians.

### FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is my pleasure to present a petition on behalf of a number of people from Kamloops, British Columbia, who are still hoping that the Government will come to its senses and reinstate full indexation of universal family allowances and rescind the unfair tax increases that were in the last Budget as we await day by day now the tax increases in the new Budget. Nevertheless they continue to try.

### POSTAL SERVICE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present a petition signed by about 600 residents of Winnipeg and other parts of Manitoba who demand that Canada Post Corporation make improved and expanded postal services its number one priority. The Government should refrain from interfering with the operation of Canada Post so that it can expand into revenue-generating services which will lessen the dependency on Government subsidies to offset the deficit of the corporation.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 477 will be answered today.

*Order Paper Questions*

[*Text*]

CSIS BUDGET

Question No. 477—**Mr. Robinson:**

1. Did the Government recently allocate a budget of $116 million to the Canadian Security Intelligence Service (CSIS) and, if so, what portion of the budget was used for the surveillance of groups and individuals in (*a*) Canada (*b*) the Province of Quebec?

2. How many CSIS officers were designated for surveillance of groups and individuals in (*a*) Canada (*b*) the Province of Quebec?

3. How many files on groups and individuals in (*a*) Canada (*b*) the Province of Quebec are kept by the CSIS?

4. Does the CSIS keep files on (*a*) the Société Saint-Jean-Baptiste de Montréal (SSJB-M) (*b*) the Mouvement national des Québécois (MNQ) (*c*) Mr. Gilles Rhéaume of the SSJB-M and the MNQ (*d*) the Groupe de recherche sur la paix et le désarmement de l'Université Laval (GRPD-UL) (*e*) Mr. Louis O'Neil and Mr. Eric Poole of the GRPD-UL?

**Hon. Perrin Beatty (Solicitor General of Canada):** 1. The Government has allocated a budget of $116 million to the Canadian Security Intelligence Service (CSIS) to fulfil its duties and functions under the CSIS Act.

(*a*) and (*b*) It is not in the national security interest, however, to specify what portions of the budget are allocated regionally or to specific threats to the security of Canada as defined in s.2 of the CSIS Act.

2. (*a*) and (*b*) As specified in s.12 of the CSIS Act, the Service collects "by investigation or otherwise, to the extent that it is strictly necessary" . . . "information and intelligence respecting activities that may on reasonable grounds be suspected of constituting threats to the security of Canada". It would not be in the national interest for security reasons to reveal any specific details in relation to CSIS' investigations.

3. (*a*) and (*b*) S.12 of the CSIS Act authorizes CSIS to "retain information and intelligence respecting activities that may on reasonable grounds be suspected of constituting threats to the security of Canada". It would be improper for security reasons to comment further on separate files held by the Service.

4. See response to question 3 above.

[*Translation*]

**Mr. Lewis:** I suggest, Mr. Speaker, that the other questions be allowed to stand.

**The Acting Speaker (Mr. Charest):** The question indicated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Environmental Affairs—Lake Ontario—United States program to clean up chemical dump; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Justice—Inquiry why anglophone appointed instead of available francophone; the Hon. Member for Broadview—Greenwood (Ms Lynn McDonald)—Status of women—Portrayal of women in the media. (b) Apppointments to CRTC and CBC.

## GOVERNMENT ORDERS

[*Translation*]

### HOUSE OF COMMONS

STANDING ORDERS—PROPOSED AMENDMENTS

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

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and futher to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

**The Acting Speaker (Mr. Charest):** I wish to inform the House that because of the minister's statement, the sitting today will last 41 minutes longer. Therefore, the Private Members's Business hour will start at 5.41.

When the House adjourned at one o'clock, the Hon. Member for Saint-Denis (Mr. Prud'homme) had three minutes left.

**Mr. Prud'homme:** Mr. Speaker, I shall ask for a minute of two at the end.

But earlier today, when I finished at 1 p.m., and I was saying that all Members in the House—

[*English*]

—in a very orderly fashion find a way by which at long last we will stop sitting on Friday afternoon for the reason that I expressed this morning. I have received a lot of support for that from many Members, especially from the majority over there. I think that instead of finishing at five o'clock, because it looks bad if we do not, Members should go to their district. A federal Member of Parliament needs to be here five days a week and to look after his constituency on the weekend. I think we could find some consent on this.

There is another subject I would like to touch on because the famous McGrath Report did not touch on it. It is the question of the prayer in the House of Commons. Ever since I have been a Member of Parliament nobody has wanted to touch it because there was no agreement on it. Everybody agrees that we should change the prayer of the day because it does not reflect the multicultural population of Canada, but no one can agree on a prayer.

When I was at the Ottawa University in 1957 I created quite a shock and a scandal because I felt that in recognition of the multiconfessional aspect of the people attending the University of Ottawa we should have one full minute of silent prayer, so that everyone could call on whatever God they believed in to help them in their deliberations. Here we do it in secret; we do not even do it with the door open. I wish Canadians would ask for it. I have no objections to praying for the entire Royal Family, but it is difficult to believe how unCanadian and unmulticonfessional the prayer is.

If I had more time I would have liked to speak about the election of the Speaker. I believe very strongly in the sense of reform.

I see a very prominent member of the Standing Committee on Management and Members' Services, and I think the time has come to ask the Chairman of that committee, whoever he may be—at the moment I have the honour of having been chosen but I am not talking for myself—with your kind indulgence, Mr. Speaker if I could finish in an orderly fashion—

**The Acting Speaker (Mr. Charest):** I understand the Hon. Member for Saint-Denis (Mr. Prudhomme) requires unanimous consent to proceed. Is there unanimous consent?

**Some Hon. Members:** Agreed.

**Mr. Prud'homme:** I will not abuse the privilege which Members are giving me.

I would think that now that we have a new Board of Internal Economy, in order to have some input by the real back-bencher, the Chairman of the Standing Committee on Management and Members' Services should also sit on it. It is for the advantage of the Members.

I would also like to speak about the question of the lobbyists disclosure. I can imagine how strong the lobbyists are in this country because they succeeded in lobbying so strongly that the law that we were to see brought in will not take place.

There is also the question of conflict of interest of Members of Parliament conflict of interest that we are looking into in our Members' Services Committee. I think this is quite a severe task to do and we would have liked to speak about that.

I will conclude by saying that the committee has done an excellent job. We are very happy with the majority of its recommendations. I would hope that those who are deliberating with each other about what will be changed will have the necessary flexibility to allow us to dispose of this package. I know that while we are talking at the moment there is some deliberation taking place at another level where the three Parties are represented, so we may find some agreement in order to develop new rules. I will conclude by thanking you for having given me a little more time to put some of my thoughts in front of my colleagues.

• (1600)

[*Translation*]

**The Acting Speaker (Mr. Charest):** Questions or comments. The Hon. Member for Bourassa (Mr. Rossi).

**Mr. Rossi:** Mr. Speaker, the Hon. Member for Saint-Denis (Mr. Prud'homme) mentioned the committee proceedings, what takes place in parliamentary committees. I would like to ask the Member for Saint-Denis if he could comment or be more specific on the work of parliamentary committees.

**Mr. Prud'homme:** Mr. Speaker, very briefly, so that we can entertain as many questions as possible, yes indeed, I think that the difficulty might be to reconcile the idea that from now on there will be smaller committees—

[*English*]

—that from now on there will be smaller committees but at the same time we do not know how many legislative committees there will be. I suppose we always start with what we know best. I would like to have the honour of chairing, at the request of the Speaker, a legislative committee on the employment equity Bill along with a good group of people.

At the same time as there are legislative committees, there is also a multiplicity of other committees. There are 211 Government Members, so we must have that kind of flexibility. Canadians, in a very democratic way, chose 211 Government Members and only 40 official Opposition Members and 30 NDP Members. We must have the necessary flexibility and we must not have too many legislative committees.

The other committees, the standing committees, sit at night. This makes no sense. A Party's expert on a standing committee is of course the best Member to sit on the legislative committee. When I was a younger Member, I was happy to report to my electorate that I was the only Member of the House of Commons sitting on seven standing committees, until I received a letter from an oldtime Member of Parliament who told me to start looking into my work in an orderly fashion. He

told me that if I tried to be an expert in everything, I would end up being an expert in nothing. He was absolutely right. I liked to please my Whip, so there I was running around. The Whip told me he needed a Member in this committee and I arrived at the committee and adjusted to the subject matter of it. Then the Whip said he needed someone to vote in another committee and I went. That made no sense.

We like to believe that we know everything, but I think we should become experts in a few subjects. If we really know the subject matter, we will be able to defend the interests of Canadians who elect us and want us to defend them. That is why we are here.

I look forward to having the kind of flexibility in the system that will not allow legislative committees to multiply unduly. Even though standing committees and legislative committees are not supposed to sit at the same time, a member of a legislative committee will have to attend committee meetings while the House is sitting and then at night he will have to attend meetings of the standing committee. This makes no sense.

[*Translation*]

**Mr. Robichaud:** Mr. Speaker, I have listened with great interest to the Hon. Member for Saint-Denis (Mr. Prud'homme), and you will agree that he is acting wisely, based of course on his intelligence as well as his long experience of representing his constituents. In his wisdom, the Hon. Member told us that it was most important for each Member of the House to spend time meeting people in their constituencies, and he in fact alluded to a rescheduling of the fridays. I would like the Hon. Member for Saint-Denis to elaborate somehow on this restructuring of Fridays which would enable Hon. Members to spend more time in their constituencies.

**Mr. Prud'homme:** Mr. Speaker, we have indeed discussed that matter for years, but a prominent Member of Parliament was always reluctant and said: No, we should sit five days a week. But I have the feeling that we could now reach a conclusion, as I have noticed this morning a lot of support in favour of rescheduling our sittings so that on Fridays Members of Parliament could be free at least by 2 p.m. without the Government wasting time that it considers appropriate.

It is therefore just a matter of rescheduling the sittings of the House. The people of Canada do not have to tell us . . . The Canadian people are surprised that Members of Parliament are not even able to organize their own schedule.

It would just be a matter of meeting at 10 o'clock on Fridays, or even 9 o'clock and adjourning at 1 p.m., or starting at 10 o'clock and adjourning at 2 p.m., instead of 5 p.m. when there is no one left in the House or just three or four Members, which is often nerve-wracking for the whips because a Member might just decide to ask if there is a quorum, and that is most annoying.

And I strongly believe that as adults—

[*English*]

I strongly believe that we should put our own house in order and be flexible regarding Fridays without taking any time away from the Government or from private Members. All we have to do is to look around us on Friday afternoons between four and five o'clock. It is a disastrous afternoon.

[*Translation*]

**Mr. Gauthier:** Mr. Speaker, I have three or four questions I would like to ask, and I will try to be very brief.

I wish the Hon. Member would tell us what he thinks about registration of Members' trips? Second, electronic vote versus recorded vote. I know his views on the subject differ from mine. Perhaps he would like to elaborate.

Third, the Government proposal includes a recommendation to limit the number of questions that can be put on the *Order Paper*. The number will be limited to four, and the Speaker will be able to say to a Member: your oral question should be placed on the *Order Paper*, and invite him or her to do so.

What happens if the Member in question already has four questions on the *Order Paper*? Will his oral question have to wait or has the Hon. Member already considered it might be possible to maintain the present formula, which has not been abused by Members, and also that one should not limit the number of written questions on the *Order Paper* of the House of Commons?

**Mr. Prud'homme:** Mr. Speaker, I am starting to regret the fact I did not put in my name for the McGrath Committee, because then I would have had a chance to elaborate on all these questions.

It is true that as far as the vote is concerned, my Whip and I do not see eye to eye.

• (1610)

[*English*]

The Party Whip would like to go on as is, and I think we should have electronic votes with the exception of votes on matters of great importance, on which all Members should have the opportunity to rise and be counted. I will not say which issues are of great importance. Each of us has our own issues which we feel are of great importance including the death penalty, abortion, the Budget and votes on non-confidence. Yes, I believe there should be electronic voting but with exceptions. Therefore, I am not totally in agreement with my very competent and tough Whip who does a good job.

[*Translation*]

As to trips by parliamentarians, I think the time has come to stop all this hypocrisy. For years I have wanted to do this, because people see it as a big mystery, and Mr. Speaker, I really do want to answer that particular question, because it affects all parliamentarians, and I am sure that I will have the

unanimous consent of the House for saying what my experience has been in the last twenty years.

We are federal Members—

[*English*]

We are federal legislators. If I were not interested in international affairs, I would have run provincially. As a Member of the House at the federal level, I believe that it is my duty to be interested in international affairs. I am sure we would be able to explain that to the people who question these trips taken by Members. I am not afraid to explain that to members of the press if they give us a fair trial and I am not afraid to explain it to the people if we are given a direct connection, as we have now on television, with the people.

It is important that federal Members get to know the world and it is important that they introduce Canada to other parts of the world. I am not talking about Europe but more especially about the non-allied countries. When a Parliamentarian meets a counterpart in the eastern part of the world, he knows that that counterpart is directly connected to power.

[*Translation*]

Mr. Speaker, that is my experience. When we meet parliamentarians in all the international bodies, usually they are directly connected to the Head of State or to those who run their countries. These issues are not as sophisticated as all that. And the contacts parliamentarians can make can only benefit Canada, and they can also be useful in showing others how we operate in this country.

We are being asked everywhere: How do your parliamentary committees operate? What does such a thing mean? What does that mean, officers of the table? Those people have not experienced the same development as we have in Canada which is a very fortunate country. Therefore we should not be afraid to go on those trips. And then on our return to the House, we should be given the opportunity to use 20 minutes of House time to report.

[*English*]

That is what there is in the Senate. Every parliamentary group which travels abroad has the flexibility to report back. In this way people can read what went on while it was away. Accordingly, I think the time has come to cut off the secrecy with respect to parliamentary trips. We are grown up men and women; we can take our responsibilities seriously. We can explain. If we cannot, and if we chicken out, then all we have to do is not to accept a trip abroad. If there is some mystery involved, then one does not have to go.

I believe that a book should be kept somewhere, perhaps in the Speaker's Chamber or even with the Clerk of the House, in which Members would write: "I, so-and-so, was the guest of such-and-such government", or: "I, so-and-so, went to such-and-such as a member of a delegation". I do not think this record book should be kept just for certain trips. For example, this Friday I am going to represent my Party at the Francophone summit.

[*Translation*]

With respect to the Francophonie Summit, I have been asked to represent my party. There will be 1 NDP member, 8 PC members and four ministers. I do not see why that should be registered in a book even if it is an official delegation. Then all the members are treated on the same footing.

[*English*]

On the question of trips, it is a well known fact that every time a Minister goes abroad he or she brings along what I used to call the favourite Member. Nobody knows of this until several months after the trip when a colleague will say to the Minister: "I heard you went to such-and-such with so-and-so". Why should that fall under this veil of mystery, as if something not quite kosher had taken place? I appreciate the openness. I think that is what we should defend. Canadians want openness. I believe the men and women of the press will know what openness means. They will also know that everyone is being treated equally.

My colleague asked me questions with respect to electronic voting and trips taken by parliamentarians. As far as questions on the Order Paper are concerned, I agree with the Hon. Member. I have not made up my mind so I will leave the matter to the House Leaders who, at the moment, are deliberating on the matter.

I conclude by saying that the time has come for us to deal with these matters. Last night I spoke with God and she told me that she would prefer Members of Parliament to pray in public. What is so mysterious about the prayers of parliamentarians? I think we should have open doors and an open confessional which will truly represent the multicultural aspects of our country.

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I rise with some hesitation because of the eloquence and inspiration which has been provided by the Hon. Member for Saint-Denis (Mr. Prud'homme). It is always a pleasure to listen to a Member, who has such great experience and longevity in the House of Commons, give us the full benefit of his wisdom. I mean that with all sincerity. It is unfortunate that the rules of this place allow only a 20-minute presentation. We could have spent much more time listening to someone who has such a great wealth of ideas and views expound upon how we can improve our working place and how we can make it a better and more effective arena for the representation which we are all here to perform.

I offer my more limited credentials in this debate. The other night while I was picking up some papers from my home town, where I was reporting on the recently called election, it dawned on me that it has been some 13 years since I first found myself in an elected assembly. While that may not be long by comparison to the time which my friend, the Hon. Member for Hull-Aylmer (Mr. Isabelle), has spent here, the fact of the matter is that 13 years does give one a certain sense of both the privileges which one has in being a member of an elected chamber and the strangeness of life which ensues once elected. As we all know there can be no greater honour than

having a group of one's fellow citizens choose one to come to this place full of grand hopes and expectations about what we can achieve, only to find oneself convoluted and convulsed by all the strange and exotic mysteries of how to make it all work.

After 13 years one thing which has impressed me greatly is how, over the years of evolution of parliamentary procedure, a remarkable balancing act has taken place. What we do not recognize is that Parliament is really a whole series of dichotomies, a whole series of opposites. There is the Government versus the Opposition, which is the standard type of see-saw we see. There are many others. There is the executive branch versus the legislative branch. One tries to make decisions while the other tries to hold the decision accountable. Obviously, there is an important balance between the interests of the individual Member of Parliament and those of his or her caucus. These factors also have to be balanced out. Every day that we show up for business in this place there is a balancing act taking place. There is an attempt at trying to find some type of harmony of symmetry with the issues of the day. There is an attempt at trying to find some way of making it all work so that things do not get out of balance. That is why a debate with respect to the rules is so important. The rules can substantially shift where the priority, the emphasis, the weight, the power and the influence lie in Parliament. If one makes a wrong choice with respect to the rules, if one shades them too far in one way, then one gives distinct advantage to one of the particular balancing acts about which I spoke. We know, for example, that if a football league decides to change the rules which apply to wide receivers and it prevents the defence from bumping them as they come off the scrimmage line, then one immediately gives advantage to the offence. Similarly, one can change the rules and all of a sudden the defence will have an extreme advantage.

The questions we have to ask are: Where do these rules come down? How do they affect the balance in terms of the workings of Parliament? How do they affect the rights of individual Members versus those of the collegiality to which they belong? How do they affect the balance between the Government and the Opposition? How do they affect the balance between the executive branch which makes decisions and the legislative branch which holds them accountable?

Certainly, the stated purpose of these rule changes as articulated by the special committee and the Government House Leader in presenting them to the House is to give greater emphasis to the individual Member of Parliament. Of course, that strikes music to the ears of individual Members, which is why I think that in many cases there is a natural inclination to support these particular proposals. We must also ask ourselves to what degree they may shade or push even further out of balance some of the other legitimate and important functions of this place. The role of Parliament is not just to have individual Members arrive here to present their own particular case. Obviously, the most important function is to hold accountable the actions of the Government. That is what makes us so distinctly different from any other form of Government.

The other day the Prime Minister (Mr. Mulroney) said that he wishes he had the same rights as the President of the United States and that he would not have to show up for Question Period every day. I suppose anyone who serves as a Minister would share those feelings. For them, Question Period is like the Garden of Gethsemane. It is the time when one is held to account. Anything which would change that would not only be unnecessary but it would cut into, and erode, some of the central principles of Parliament. However, when one looks at the changes about which we are speaking there may also be similar problems with respect to accountability. It must be asked: To what degree the law affects this place, as it does from time to time, in terms of keeping Government honest, open and responsible? It must also be asked: To what degree will the ability of a combined mass of Members coming together, whether in Question Period or in debate, be affected by these rule changes?

This is why the Hon. Member for Windsor West (Mr. Gray) raised some serious cautions in his presentation. He raised them with respect to the functions of the committee and of the individual Member. He said that, in fact, we may be eroding or drawing down the capacity of Parliament to work as it should from time to time as the great crucible in which the issues of the day are exposed and in which the Government is held accountable.

• (1620)

Let me talk for a moment about the role of committees. I have been a member of many different committees and have seen how they operate. I believe that these rule changes fall short of achieving the objective that was established. Let me give some examples.

I thought that the committee in the last Parliament dealing with the problems of the handicapped played an invaluable role. It was chaired by the former Member for Don Valley West and was very much influenced by the former Member for Brandon-Souris, the late Walter Dinsdale, who died in office. He had a very sincere and incredible knowledge of this area. Those two Members were able to use that committee as a forum for drawing public attention to a series of issues that had been long neglected. As a Minister of that previous Government, I can testify as to how influential that committee was in putting those issues on the table and setting them on the agenda for Cabinet discussion. That committee achieved a remarkable record of success over three and four years of bringing forth legislation, regulation and initiatives on behalf of handicapped people.

Similarly, I can think back to my days in the provincial House when I was a member of the family law committee that worked for two years to overcome an incredible wealth of prejudice that had long existed in terms of property rights of men and women in marriage. Over a period of time, through the force of its public exposure, it was able to mobilize public opinion and eventually bring about major legislative change.

I also think of the recent action of the Joint Committee on Canada's International Relations, whose chairman is in the

House today. Last summer that committee served as a forum in the debate on star wars for a number of concerned Canadians. It gave them an opportunity to present their views and it ultimately mobilized public opinion, which obviously influenced the Government's decision about whether it should take part in star wars research.

These are issues in which parliamentary committees played an important role. They were able to fulfil that role because they had the ability to link with a high level of public identity and exposure. These committees were able to attract the attention of the media because of their partnership with the public on specific issues, which also mobilized the public constituency in the country.

I am concerned that there is nothing in these rule changes that will allow the new committee structure to provide for that kind of link with the public. One of the problems in the House of Commons is the incredible focus that is placed on Question Period. It is generally referred to as "show-biz time" because that is where all the media attention is focused. I defy Members to find any report of speeches made in the House or the work in committees reported in the local news, the national television news or even in the newspapers. It seems that Parliament has been turned on its head, and I suggest that the committee and these rule proposals have failed to address how to put Parliament back into its proper perspective as a debating forum rather than the show-biz arena with 45 minutes of comedy routines.

I understand the attraction of Question Period. Television has made the difference because the television audience does not enjoy talking heads, it enjoys conflict. That is why wrestling and other sports events are so popular; people like the one-on-one, hand-to-hand combat. To a great extent, Question Period has that quality.

I doubt very much whether people are educated or better informed by watching Question Period, because the question and response system is presently designed as a partisan form of game playing, with some rare exceptions. It is like a game show on television, competing for audiences during that particular time slot. This detracts from the role that Parliament should play in its committee and its debate on legislation.

We are concerned that the rule changes should not be implemented in an *ad hoc* manner but should reflect the broader perspective in order to make his place a far more relevant and significant institution for the debate of public issues. That is what I believe Canadians want, rather than relegating Parliament to the level of a game show or soap opera. It may be advantageous for attracting audiences, but ultimately Parliament must be a place for debate. I do not believe that the rule changes have addressed that issue at all.

We have heard much rhetoric about the role of committees but I suggest that those committees are only as good as their individual members. Furthermore, those members are only as good as their access to research, their staff and their ability to present informed questions about issues of importance to them.

We know that the daily routine of Members of Parliament makes it difficult for them to find the time to do the necessary research to prepare for committees. They have far too many phone calls and constituency problems and caucus meetings to be able to obtain that substantial and useful information. Yet, the Member of Parliament is expected to become a paragon of wisdom under the new committee system and to take on new legislative initiatives and new levels of accountability. The rules do not take into account how the Member of Parliament will be able to get better access to research information and better staff resources. Unfortunately, this involves spending money and increasing the bureaucracy of Parliament.

I believe it is self-defeating to provide more responsibility to a Member of Parliament without providing the wherewithal to meet that responsibility. We are not taking a great leap forward if these reforms cannot be achieved because there is no capacity to meet those demands. That is why I believe parliamentary reform must take more than greater responsibility into account. We must also provide the means of meeting that responsibility.

What about the role of individual Members of Parliament representing their constituents? I was a Minister for almost five years, particularly in the portfolio of Employment and Immigration, in which there are numerous requests from Members of Parliament concerning immigration cases, unemployment insurance cases and job creation cases. Much of my time was spent acting almost like an ombudsman, trying to arbitrate the decisions of the bureaucracy brought to my attention by Members, as they legitimately should.

I ask all Hon. Members if they are satisfied that the system works effectively and they are able to deal effectively with the case work they receive in their constituency offices on the weekend? My colleague, the Hon. Member for Saint-Denis, said that if you are one of the Ministers' favourite sons or daughters, you may get a response. However, there are 282 Members in this House and all of us, to a greater or lesser degree, have individual cases of concern, whether it be immigration, pensions or unemployment insurance. What is the turn-around time? Three months? Four months? Some go on for six or seven months. Some immigration cases go on for a full year. I would suggest that if we are really concerned about how to achieve a greater role and responsibility for the individual Member, we have to recognize that a large part of the role is acting as a court of last resort for individuals frustrated by the bureaucracy. They cannot get access or fair decisions. The time honoured role of an MP is to provide that court of last resort and bring the issue to this Chamber or a Minister's attention.

• (1630)

However, the process, once the issue is brought here, is archaic and obsolete. Some Government Departments have two or three hundred correspondence secretaries handling these cases and telling people that, yes, the Minister has received their letter and we will get back. I do not have to go through it; any Minister knows exactly how the game is played. This is

wrong. It is ineffective, and there are better ways of doing it. One technique we began to experiment with in the Department of Transport was establishing the office of Inspector General. That officer did not report to the Deputy Minister, but rather had direct access to the Minister and any level of the bureaucracy. Grievances and complaints could be raised in that way, and it would at the same time provide a focal point for Members of Parliament to refer these cases. That would be that persons' full-time job. When a particular problem in a given bureaucracy is identified, then they would have the right and responsibility to get it corrected. Why are we not doing that kind of thing to make the job of an individual Member of Parliament more successful?

I would just use the time remaining to say that I welcome with relief the opportunity of dealing with government appointments in committee. As Members of this House will know, we have been asking for close to five months to have the new trade negotiator, Mr. Reisman, appear before the committee so we can find out what his mandate is. We have been told consistently by the Prime Minister and others that that would not happen until these rules were established. Perhaps the time has now arrived and the day of reckoning will soon be here for Mr. Reisman and his points of view on trade. However, why do we have the power simply to hold hearings? I think we all realize that something like this is only significant when there is some power attached, some decision-making responsibility. The U.S. Senate has a very important function, it is called advise and consent. It is that ability to consent which is a very important bargaining point in establishing the rights of the legislative branch to hold the executive branch accountable. We have not gone that far. We have not given our committees the opportunity to restrain or restrict an appointment they consider to be totally unacceptable. Therefore, the process is, in part, meaningless. It may make certain information public but it will not give us the opportunity to ensure bad appointments can be withheld or stopped.

With those thoughts about where Parliament should go, I would say that the steps we are taking here are useful, but they are by no means the reforms which are necessary to make this place a modern place of work for all of us.

**The Acting Speaker (Mr. Charest):** Questions or comments.

[*Translation*]

**Mr. Rossi:** I should like to congratulate the Member for Winnipeg-Fort Garry (Mr. Axworthy) for his statement and ask him his views and his position concerning the power given to the Chair to suspend a Member for up to five days as a result of a decision.

[*English*]

**Mr. Axworthy:** Mr. Speaker, I have to confess to some concern about that kind of power. As we know, the Speaker is the servant of the House.

**Mr. Gauthier:** First Commoner.

**Mr. Axworthy:** The extremely serious decision to deny a Member the privilege of occupying his seat should be taken by the House. Presently the Government House Leader must present a motion to expel a Member. While some may say that this is almost automatic, it is not necessarily so. I have been in this House when the Speaker's ruling was obviously seen to be the wrong one. After tempers had cooled, we found ways to rework or rearrange the decision. The Speaker is human, and all too human at times. We recognize that. I would refer to the comments made yesterday by the Hon. Member for Hamilton East (Ms. Copps). She asked what would happen if a Member was expelled at the time when there was a major crisis in the Member's riding which was of extreme importance and he or she was denied the opportunity to speak.

I think in this case the changes have gone too far. Our House Leader on this side took the position that some rule changes should be carefully reviewed again before they are agreed to by this House.

**Mr. Gauthier:** Mr. Speaker, I join with my colleagues in congratulating the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) on his remarks. I know him to be a hard-working Member and he has assiduously tried to fulfil his House, committee and constituency duties. I would like him, as a Member from Western Canada, to comment on the challenge to a Member in trying to cope with a series of legislative, standing and special committees, as well as task forces. This is in addition to the many other functions he has as Member of Parliament. How does he reconcile this with an increased workload for every Member of the House? Does he not think we should adopt the British system of queuing our legislation so that we have at the maximum seven or eight committees instead of 15 or 20 sometimes?

**Mr. Lewis:** Without the staff you used to have.

**Mr. Axworthy:** Mr. Speaker, I thought for a moment our Whip was going to ask me how I, as a Liberal Member from western Canada, get by. It is a matter of sheer survival. In some ways the rules in which I am much more interested are those concerning the game laws in the Provinces of Manitoba, Saskatchewan and Alberta, in order to stay alive.

The Hon. Member raises an important point. About two weeks ago I had a conversation with a former Member of Parliament who represented a Winnipeg constituency back in the 1940s and 1950s. We bumped into each other. He was reminiscing about his days in the House and he talked about the time when Members would get on the train to go back to their constituency, having been in Ottawa for three or four months. The conclusion he came to was that modern-day communications have not been of great help to Members of Parliament, that they have in fact substantially increased our workload. We are overloading the system. I do not think that the human psyche, temperament or physiology are really built to handle all the responsibilities a Member of Parliament is expected to handle, to say nothing of a Minister of the Crown with administrative duties. We have to be a little more realistic and recognize that to do a good job you need the time and the

resources. It is foolish and foolhardy to think that somehow you can have an ever-expanding set of demands without having something to give. So what gives, the time you spend in your constituency? The time you spend with your family? That, quite frankly, is what usually gives. That is the real poison in the system. When you have a highly efficient and demanding Whip and a highly demanding set of committee responsibilities, you start shaving off time spent with your wife, children, and friends. You can no longer find extra moments for reflection and thinking. That must, after all, ultimately be the basis of strength.

• (1640)

We need a way of organizing the committee system to allow forward planning of one's time as well as much more careful consideration of travel requirements. There is a psychology that virtually every committee which is established must cover almost every city, town, village, and hamlet. If a committee does not go to a particular town, that town feels it has been ignored. As a result, there are many travelling road shows. Sometimes Members are expected to join three or four of those a year. Not only does the time spent in your office diminish, but the lack of personal time becomes a very major impairment.

In the consideration of these rules I strongly urge that one be more realistic and fair to Members of Parliament with regard to the responsibilities of committee work. If we are not going to do that, the least we can do is to ensure that Members have the resources to meet those demands, which resources we certainly do not have at the present time.

**Mr. Gauthier:** Mr. Speaker, I want to pursue the point of having numerous standing committees going about their work while, at the same time, there are legislative committees dealing with the same subject matter. That makes it very difficult for Members as it is impossible to be in two places at the same time. I am thinking of the de Havilland committee, for example, which had expertise available to it. Members who were interested in this very important subject were called upon to attend legislative committees dealing with subject matters related to trade, the high technology industry, and the aviation industry at the same time.

We would like the assurance of the Government that these new rules will be put into effect with some sensitivity to the fact that Members of Parliament cannot be in two places at the same time. If a committee studies a subject which is of importance to Members who are required to attend other committee meetings at that time, we would like the Government to postpone making its decision until that committee has reported. I know the Member has experience in these matters. What is his experience in terms of task forces and special committees and how they should relate to House business?

**Mr. Axworthy:** Mr. Speaker, as we have observed many times in this House, there are occasions when it becomes more like a three-ring circus than a serious legislative forum. Our Party Whip has put his finger on one of the serious flaws in this package of proposals. It is not realistic to believe that that can happen.

I suggest that there should be some machinery for administering the special legislative committees, whether through a committee of Whips or delegates from each caucus. If we are seriously talking about Members of Parliament having more control over their own destiny and time, it should be worked out in a way that is equitable and fair to all, rather than simply leaving it to the whims of the Government House Leader who is under pressure from his Cabinet colleagues to get legislation through. There must be some countervail to that. Perhaps a formal committee of the House, set up under the House Leaders, to administer the allocation of time for committees would be a proper way of ensuring that it is not abused.

[*Translation*]

**Mr. Gaston Isabelle (Hull-Aylmer):** Mr. Speaker, first of all, I welcome this opportunity to take part in this debate on the parliamentary reform proposals. I am sure that over the years, the experience I have acquired here in the House is quite considerable, but unfortunately, it would take more than fifteen or twenty minutes to elaborate on its various aspects.

However, I can inform my hon. colleagues that parliamentary life is a very complicated one, and that I am delighted the Government has finally decided to try to improve and enhance it, especially in terms of the role of the individual Member.

I must of course congratulate the members of the McGrath Committee, and especially the Hon. Member for St. John's East (Mr. McGrath), who so ably chaired the Committee's meetings, who produced this weighty and well-structured report, and who, I hope, will be ready to guide parliamentarians whenever further parliamentary reform will be necessary.

I have always maintained that the Hon. Member for St. John's East is a great Canadian parliamentarian, and he has demonstrated this, not only in the way he drafted and structured his report but also ever since he became a Member of the House of Commons. I have seen him at work for over twenty years. He is a lively speaker, a very active parliamentarian whose speeches are often colourful and always well-crafted. I would suggest his time and talents could be put to good use in areas other than his present concerns, and I think this would certainly benefit the House as a whole.

I wish him every success for the future, Mr. Speaker, and he has my full confidence and high esteem.

We talk about enhancing the role of the individual member, because that role has lost much of its effectiveness in this House.

If we take a brief look at the history of Parliament, I think that the British parliamentary system or at least the rules within the Commonwealth have formed the basis for the Canadian parliamentary system, except that over time, the Mother of Parliaments has introduced improvements and

reforms which we may have overlooked in Canada, although our Parliament is so closely modelled on that of Westminster.

I always tell my colleagues, and I was listening to my hon. friend from Saint-Denis (Mr. Prud'homme) with whom I have had the pleasure of sitting in this House for many years, I have always said that to any Member who has been sitting in Parliament for a number of years, the happiest day of his life as a Member is the night of his election when, in the middle of an enthusiastic crowd, he is on cloud nine, with music and dancing and a general euphoria all around. It is absolute heaven.

However, after the enthusiasm of the election campaign fades and he buys a new suit to pose for the cameras at his swearing in, his first session in Parliament begins.

I think that this Member, now sitting in his seat, probably lost in a single week all his illusions about his role as a Member in the House of Commons. The very same Member, who during his election campaign said what he was going to do and how he was going to make Parliament sit up and what he was going to tell the people who are responsible for forming the Government. Now all of a sudden he feels useless, and his feelings of inferiority will become harder and harder to hide, and that is why over the years, we have seen many legitimate complaints by newly elected members who become frustrated with the role they have to play in Parliament.

● (1650)

Today, being a parliamentarian is very exciting. It is a very important task but it is also very frustrating. There are a number of reasons for this, Mr. Speaker. First of all, there is the whole matter of the constraints put on the Member by his political party. Allegiance, the convention of confidence, and the structuring of Government Members all mean that these Members can do absolutely nothing unless they bow to those constraints. A Member may not, for whatever reason, vote against his party, especially if he is on the Government side, unless he wants to lay himself open to severe disciplinary action or even suspension from his party.

I can tell you that during the years I sat in this House I had occasions to vote against my Government on certain issues which were very important to my region and the riding I represent. There was some knuckle-rapping all right, but I was not alone, four of five Members from the National Capital Region did the same, a gesture which was then described as being odious. But I must say that things would be different if Members had more leeway, especially when a problem crops up in a region; the problem might be solved through a private Member's Bill, all the more so if the Member has been able to convince his colleagues that it will benefit not only that region but the country as a whole. I think that the Member's role would be immediately enhanced, and he would be able to make Canada a better country to live in because he would then be echoing the aspirations of the great population of Canada from sea to sea.

Well, we do not have that much leeway. More often than not the Member feels quite powerless, he cannot even have a railway crossing removed even after campaigning on that issue in his riding. You are practically helpless, and all you can do is to attempt through a hard lobbying campaign to convince certain Ministers to make the change you are fighting for to improve the life of your fellow citizens or your constituents. But even that does not work out, Mr. Speaker, because the shackles are still there, the technocrats wield unbelievable power. Even when it comes to drafting legislation and deciding what should be in it you cannot get to first base, you are at their mercy for the simple reason that the technocrat is the one who decides the kind of political direction to be taken with respect to certain problems in Canada.

I am quite pleased to learn that Members will have more power, particularly in committees which are, in my view, the backbone of the House of Commons. The House of Commons is nothing more that a forum where bills are debated, analysed and screened as much as possible, a place where the remarks and views of Members may or may not lead to improved legislation.

I said earlier, I think that it is time for us to find a way, and I am very glad that this is being done, to make the role of Members of Parliaments more relevant, because we have all had this feeling of uselessness in the House of Commons and often in the committees. Even though we say to our constituents that we must be visible, that the role of a Member of Parliament is to be visible and present in his constituency, we know quite well that the House of Commons sits about 10 months each year, five days a week. How can a Member of Parliament be attuned to the needs and demands of his constituents and his region? It is impossible, Mr. Speaker! This is why, as statistics show, many Members are elected to the House of Commons, but few remain for long, maybe not through any fault of their own, but because they did not have the time to do the job of a real Member of Parliament, which is simply to be an ombudsman and a representative of his constituents in the federal Parliament. They are not able to do so because they spend all their time in Ottawa, because, often, they have to move their family to Ottawa, because they do not have any time to go back to their constituency. After four or five years, they are defeated simply because they have been completely cut off from reality and from the aspirations of their own constituents. This certainly shows a weakness in our parliamentary system. When we bring about reforms, we have to be very carefull not to be in too much of a hurry for the simple reason that reform often requires other reforms, but those are not brought about and this often unbalances the whole system. I am very happy that the role of Members will be increased, but I am really anxious to see how this will be done because the recommendations of the Committee have not

all been implemented. I hope that many others will be because it would benefit Canadian Parliament. I also hope that Members of Parliament will regain the role they had early in the Confederation, that of representatives of the people. We have become second-class citizens inside this House. We all legislate by lobby, by consensus, by Gallup poll, through the technocrats, through those who provide guidance and even political advice to the Government. We should give more influence and more relevance to the Member of Parliament so that when we legislate, it is in the best interests of Canadians. Perhaps one day, Mr. Speaker, we should perhaps even stop trying to legislate during four or five years and try to go back to improve the statutes which have already been adopted to correct the abuses and restrictions that some of them may have imposed on some groups in our society. In think that, in this way, everyone will take part in the development of Canadian legislation and will be happy to have been able to do so. It is essential for the Member of Parliament to regain his former role, and in this way, we can build a better Canada.

• (1700)

We will have fewer protests, fewer claims, because Canadians will be happier about the situation.

In the years 1930, 1933, 1935, 1940, and I could go as far back as the early years of Confederation, Parliament was not sitting ten months a year, Mr. Speaker. It used to sit three or four months. Perhaps, what with a larger population, greater organization, Parliament can do with six or seven months of session.

But we cannot govern Canadians by legislating ten months a year. If we legislate without knowing the aspirations of the people—and the aspirations of the Canadian people are only expressed here, in Parliament, through their representatives, Members from the 282 constituencies that make up Canada's electoral map.

I tell you in a non-partisan way that many Members realize their uselessness in this House because they have not been given a sufficiently important role.

I appreciate the intention to increase the efficiency and role of the committees, Mr. Speaker. But there again, it is recommended that 26 committees be created, I believe. There are 18 standing comittees, and the other ones, with seven members. This meant that quite a number of Members will still be sitting on those committees. If we add the legislative committees, and God knows how many legislative committees may be sitting at the same time, it then means that you are keeping almost all of Parliament busy, excluding the Ministers! There is nobody left in the House, because everybody is kept busy elsewhere . . . You might say this is hypothetical, because all committees cannot sit at the same time. I agree. But I am also sure that if we had the facilities needed to have Members sitting, and I am talking about rooms that could be made available to committees, there would be days when 25 to 30 committees would be sitting at one and the same time.

Mr. Speaker, this is why I am very pleased to see that the Member's role will be enhanced, "revalorise" in the French version, and I like the word very much because it means the Member was not of a very great value before we came to use the word "revaloriser". I am therefore very happy that the term was used by the Prime Minister (Mr. Mulroney), if I am not mistaken, and that the House will become what it should always have been, an essential body for governing all Canadians by making laws, drawing up laws that meet the aspirations of the Canadian people.

And if we do not reach that goal, if again Members are prevented from fully playing their roles—I heard speeches, and almost everybody is singing the same song, it is absolutely vital to enhence the private Member's role.

Before I conclude, Mr. Speaker, I heard among other things, remarks concerning the suspension of Members. It is my view that Members will have their way because this is part of parliamentary life. There are people who are more aggressive than others. There are people who feel more strongly than others that they are being wronged, for the simple reason that they are under heavier attack or because problems come up in their constituencies and apparently the Government cannot or will not listen to them.

I even read in the committee report that the intention was, that it was being considered that it might be better to pass legislation in this House to fine them, like when you go through a red light.

It should be realized, as this has been suggested, that Members are grownups, and responsible people, the proof being that they were elected. When we are told that Members are not very relevant, it must be kept in mind that there are 282 of us from all across Canada. If you divide our total population of 26 million people by this number, I think it shows that each one of us represents a very substantial segment of the Canadian population. Well, Mr. Speaker, that was the modest contribution I wanted to make on the subject of these proposals for parliamentary reform, which I hope will be put into effect as soon as possible—time tell how important these reforms will have been—and if they are not, I hope they will be discarded without further ado.

**The Acting Speaker (Mr. Charest):** Questions and comments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

**Mr. Gauthier:** Mr. Speaker, I would like to put a very brief question to the Hon. Member for Hull-Aylmer (Mr. Isabelle). In the course of my research on the subject of the Speaker's authority to name a Member and to suspend him from the service of the House for the remainder of the day, I was able to find only one instance in the history of this House. It was in 1942, when the Member for Laval-Deux Montagnes was

suspended from the House for the entire day, and a second time for seven days. Never in the history of this House, either before or after, as the Hon. Member for Hull-Aylmer is aware, has this disciplinary measure been used more than once. I wonder . . . I am not sure whether the Hon. Member for Hull-Aylmer was for or against the five-day suspension. Could he tell us exactly where he stands on these additional powers of the Speaker? Does he think it is putting the Speaker in a rather embarrassing situation, when we realize that the Government has never used this particular measure?

**Mr. Isabelle:** Of course, Mr. Speaker, I think the question asked by my colleague from Ottawa-Vanier (Mr. Gauthier) is both important and delicate. I would not want the Speaker of the House to experience problems in the discharge of his difficult duties, but the one thing I can say for sure—and I said so when some Hon. Members showed aggressiveness for reasons I would rather not delve into—is that a temperamental Member may get carried away at times, but I do not see why anyone should be thrown out or suspended for five days. I think that is more than anyone can say about a Member who has been suspended for five days, but I would rather see him pay a fine. I would like that to be left to the discretion of the Chair, we should maintain our time-honoured tradition whereby the Member is suspended for the rest of the day, but no more.

[*English*]

**Mr. Speaker:** On debate, the Hon. Member for Gander-Twillingate (Mr. Baker).

**Mr. Baker:** Mr. Speaker, I have just a few comments to make, because I understand someone else wishes to participate.

**Mr. Speaker:** I apologize for interrupting the Hon. Member, but at this point I should like to give notice of The Royal Assent.

* * *

## THE ROYAL ASSENT

**Mr. Speaker:** Order. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

February 13, 1986

Sir:

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 13th day of February, 1986, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,

Leopold H. Amyot,
Secretary to the Governor General.

**Mr. Waddell:** Mr. Speaker, I rise on a point of order. This being Friday—

**Some Hon. Members:** It is Thursday!

**Mr. Waddell:** This being Thursday, I was going to ask Your Honour how you pronounce p-u-i-s-n-e.

**Mr. Speaker:** I was going to ask the Hon. Member the same question. Resuming debate with the Hon. Member for Gander-Twillingate.

• (1710)

**Mr. Baker:** Mr. Speaker, before you interrupted me I was about to suggest that one of the first changes that should be made to the rules of procedure is to have a permanent Speaker, but that came off my time, I think.

**Mr. Speaker:** Let me be very clear. If the Hon. Member feels that way, it will not come off his time.

**Mr. Baker:** Just a few words, Mr. Speaker. I say in all honesty that I think one of the primary things that should take place in a legislature under the British parliamentary system in the 1980s is certainly to have a full and complete debate on the proposition of having a permanent Speaker. Perhaps that is one of the two important subjects that should be dealt with in a debate in this Chamber such as this.

The other thing that should be dealt with is a subject that some Members do not want to deal with, and it is this. I was listening to the Prime Minister (Mr. Mulroney) the other day when he said that he would like to restore the power to Members of Parliament in this Chamber. He said that he would like to bring this House of Commons into the 20th century in the great British tradition. The other part of the question that has to be dealt with, if that is what the Prime Minister wants to do, is, first and foremost, that Members of Parliament will have to allow an impartial body exterior to this Chamber to have the power to make changes in the procedures of this House.

Members here in this House and members of the committee would say, "Well, that's a terrible thing to suggest". Not so, Mr. Speaker. If you were going to follow the British tradition or the traditions of any legislature under the British parliamentary system you would, first and foremost, have to accept that as being necessary for complete change, because that is exactly what the other legislatures—if I can refer to them generally—have done. They are Parliaments, but they are more than Parliaments—from the French word to speak—because they do more than that, they legislate. That is their primary function. How is that accomplished, Mr. Speaker? It was accomplished, first of all, by that body of Parliamentarians saying, "If we only allow ourselves to be restricted by our own suggestions, then we will never change and we will never get to the point where this Parliament become a legislative body". When the Prime Minister said, "Well, now, we would

like to get back to what the British parliamentary system was in this country", what he would have to be suggesting, in order to do that, to do what the British and the Australians have done, is to do what any legislature has done, and that is, to have an outside body recommend and implement rule changes in this legislature.

The other aspect is the question of a permanent Speaker. I think that all Members will agree that we have been particularly fortunate in this country over the last 10, 12, or 15 years. I believe that at any moment in time during that period either political Party could have instituted the position of permanent Speaker and there would not have been objections from the other side of the Chamber. I do not think there would be objections, because if you examine the role of the Speaker and what the Speaker is asked to do in this particular legislature, it is to try to provide a mix of customs in this House supported by the Standing Orders, the traditions of rules and procedures, and then you find, and I am sure you will agree, that he is in a particularly precarious situation. I would like to read into the record *Beauchesne's Parliamentary Rules and Forms*, Fourth Edition, 1958, at page 147: It reads as follows:

A question oral or written must not: be ironical, rhetorical, offensive, or contain ephithet, innuendo, satire or ridicule.

That's rule number one. Now, let us take number two:

A question oral or written must not: be trivial, vague or meaningless.

If that weren't enough, it says:

A question oral or written must not multiply, with slight variations, a similar question on the same point.

Then you have to look at the next one:

A question oral or written must not: repeat in substance a question already answered, or to which an answer has been refused.

An answer that has been refused, that's about all the answers you get here, the answers that are refused. Then it says:

A question oral or written must not: inquire whether statements made in a newspaper are true.

Now just imagine, Mr. Speaker, you have not really been doing your job, have you?

**Mr. Speaker:** No.

**Mr. Baker:** It continues.

A question oral or written must not: contain an expression of opinion.

Mr. Speaker, you are supposed to rule 90 per cent of the questions out of order. A question cannot be hypothetical or contain inferences. Then it cannot be framed so as to suggest its own answer. It cannot refer discourteously to a friendly foreign country. It cannot contain or imply charges of a personal character. It cannot relate to matters which passed outside the walls of the House, or relate to any Bill or motion before the House. It cannot ask the Government's opinion on matters of policy. It cannot ask what advice the Minister proposes to give the Crown. It cannot seek information about matters which are in their nature secret, such as decisions or proceedings of the Cabinet.

Mr. Speaker, I am sure you would have to agree that you have broken every single rule in Beauchesne in this Chamber. I suppose, Mr. Speaker, what is on your mind is, "You, Member for Gander-Twillingate, you have broken them yourself in asking the questions". Mr. Speaker has just said, in case it was not picked up, that I should read the section about relevance in debate. If I cannot read from Beauchesne on the rule changes I would like to know what is relevant and what is not in this debate. Mr. Speaker, I could go on. If we look at our rules of procedures—

**Some Hon. Members:** Go on.

**Mr. George Baker (Gander—Twillingate):** Go on? Okay. Here's a good one on page 5 of the same edition:

No member shall walk out of or cross the House, or make any noise or disturbance.

Then:

When a member is speaking, no member shall pass between him and the Chair, nor interrupt him . . .

The next one reads as follows:

When the House adjourns the members shall keep their seats until Mr. Speaker has left the Chair.

Now, Mr. Speaker, if you were to follow the rules in Beauchesne that you should be following as the Speaker of this House then, of course, Mr. Speaker, you would have some difficulty with our traditions, with our customs, but you have to provide a mix. It is a very subjective position. You make a value judgment, Mr. Speaker, with practically everything that happens in this Chamber. As to the proposition about making rule changes for Members of this House, I would like to disagree with that very briefly. The rule changes to be made in this Chamber are not for Members of Parliament, they should be for the people of Canada. They should be for the Parliament of Canada. Members of Parliament come and go, as you know. They are here one year and gone the next. The turnover here is 30, 40 per cent with each election. Some Cabinet Ministers think that they have not been appointed, they have been anointed for life. Certain Members of Parliament actually believe that. The changes to be made in this Chamber should be for the benefit of the people of Canada for all time and for the benefit of Parliament. There is an overriding principle here that we agree with in opposition. That basic principle of our democracy is that a Government is elected to govern.

• (1720)

**Mr. McMillan:** How profound.

**Mr. Baker:** The Minister is saying that that is profound, but sometimes it is forgotten that a Government is elected to govern. Therefore, the entire principle of our democracy is that the Parliament of Canada has only one function, and that is, to make the Government accountable to the people.

With the flow of legislation and the interruption in actions of the Government, the Parliament of Canada—

**Mrs. Sparrow:** He's really winding up.

**Mr. Baker:** The Hon. Member is saying that I am getting wound up here. It is a very important subject, Mr. Speaker, and I am sure you will agree with me.

We have to remember that the Government has to govern. The Parliament is not here to prevent the Government from governing but to make the Government accountable to the people of Canada through Parliament, and that is the main point.

How do we go about making the Government of Canada accountable to the people of Canada? It has to be done through Parliament. A Minister should never be able to rise in the House to make an announcement on a policy change or change through Order in Council that will affect people throughout the country with no accountability to the people of Canada.

Nowhere in our rules of procedure or in the operation of Parliament does it say that a Minister has to answer to anything. Not in Question Period, in a committee or elsewhere does a Minister have to answer to the people of Canada on a policy.

**An Hon. Member:** Election day.

**Mr. Baker:** The hon. gentleman reminded me of election day. If that is the only way Ministers can be accountable, what is the purpose of Parliament?

I would return to my original suggestion that we look at other legislatures which are under the British parliamentary system. There we see a system which is completely contrary to the one which has evolved here. The actual action of accountability takes place in various forms, but it certainly does not take place in a chamber such as this. It takes place in committees that can originate their own terms of reference and in customs that have been developed in those legislatures.

If Hon. Members were to watch Question Period occurring in another legislature under the British parliamentary system, they would see that Government Members are just as critical of the Government as Opposition Members. You know that to be a fact, Mr. Speaker. Because of that, the tradition of the Speaker being able to recognize first a Government Member, then an Opposition Member, another Government Member and then another Opposition Member evolved. Is that not correct, Mr. Speaker? Of course it is. That would certainly not work in this Parliament with Government Members who have planted questions that waste the time of the people of Canada.

Hopefully we will arrive at such a stage one day. However, what I have to say is very basic and it is that if we really want to change the rules and procedures of Parliament, we should allow an outside body to make recommendations. It may be terrible that I am suggesting this to Members of Parliament, but I am only doing what the Prime Minister (Mr. Mulroney) said he was doing the other day. I am looking at the great traditions of our parliamentary system. We should allow an outside group to make recommendations on the condition that they be implemented by Parliament.

Let it not be forgotten that our function is to make the Government accountable to the people of Canada. Members of Parliament should realize that they are only here for a short period of time. Hopefully, opposition Members will be here a lot longer than government Members.

**Mr. Waddell:** Mr. Speaker, I would like to comment on the matter the Hon. Member raised regarding the Speaker. While you are in the chair, Mr. Speaker, this is a good opportunity to do so.

I am one of the Members of the House who have perhaps had some run ins with the Chair in the last couple of weeks when posing questions.

**Mr. Gauthier:** Run outs.

**Mr. Waddell:** I am not going to run out of the House. You have my confidence, Mr. Speaker, and I want to say that now since you are in the chair. I do not like the fact that some of the newer Members of the House are running to the press with critical comments about the Speaker. I do not think that that is the way Parliamentarians should handle things and I do not think that that is the way we should treat the Speaker of the House because the Speaker is our servant.

Perhaps Hon. Members will say that I should not talk about this because I have had some run ins with the Speaker, and it is true. However, I have never been publicly critical of the Speaker and I never will. Quite frankly, there have been occasions on which my supplementary questions have been too long.

**Some Hon. Members:** No, no.

**Mr. Waddell:** It is true that we should be cutting back on them.

The Hon. Member made some remarks about a permanent Speaker. I do not think that we should have a permanent Speaker. I think we should choose our Speaker from among us because the Speaker has to be part of the House and part of the living House. There is a danger that a permanent Speaker would become a bureaucrat on the job.

**Some Hon. Members:** Hear, hear!

**Mr. Baker:** Mr. Speaker, the Hon. Member who just spoke and who received the support of some Hon. Members has just disagreed with the most respected authorities in the area of political science and parliamentary review in the British Commonwealth and certainly in North America—

**Mr. McMillan:** Name one, George. One author.

**Mr. Baker:** The Minister says that I should name one. I suggest that in his spare time, he read the journal entitled *The Parliamentarian* or any of the recent literature—and by recent, I mean written in the last 20 years—that has been written on the subject.

It is interesting to see that a Cabinet Minister is disagreeing with me. Now I think I really have a point. It would be like

arguing that the Officers of the Table should only enjoy tenure of office while Parliament is in session and be dismissed when Parliament is not in session. That is the same thing, no matter how we look at it. The more one reads about it and studies it, the more one realizes that there is only one solution to the problem.

**Some Hon. Members:** Oh, oh!

**Mr. Baker:** It is not a problem, but I think, Mr. Speaker, you would have to agree that it is funny that the same Cabinet Minister who is disagreeing with me now is the very person who disagreed with having an outside body propose changes to our procedures in Parliament.

**Mr. Waddell:** Mr. Speaker, I wonder if the Hon. Member could assist me as I pore through those learned journals by giving me the name of one author so that I could find the relevant material more quickly.

**Mr. Baker:** Mr. Speaker, the Hon. Member does not realize this, but while I was the Chief Clerk—

**Mr. McMillan:** Name one.

**Mr. Baker:** Just listen now. While I was the Chief Clerk of a provincial legislature—

**Mr. Prud'homme:** You wrote them.

**Mr. Baker:** —and the Secretary of the Canadian Branch of the Commonwealth Parliamentary Association, I did, under my own name, write an excellent article in *The Parliamentarian*, and I would recommend it to the hon. gentleman at any time.

• (1730)

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I rise in the House to express my support, of course, for reform generally and the principle of reform, and if I am somewhat hesitant to declare my support for the amendments as submitted, it is because I have some reservations, and I think they are quite justified, about three or four points which I consider very important. Mr. Speaker, the main goal of these reform proposals should be to enhance the role and powers of each Member of the House, especially the backbencher.

Mr. Speaker, I think that to a certain extent we are just deluding ourselves and others by claiming that the individual Member or backbencher will have greater powers as a result of reforms like the proposals before the House today. When I say we are deluding ourselves, I say this because I have been sitting in the House for thirteen years, and the British parliamentary system is designed in terms of parliamentary groups and not in terms of individuals. And in this House, it is the parliamentary groups,—the group of the party in power and the Opposition party groups,—who conduct the exchanges in the House and debate the questions of the day. The role of the individual Member is, as we said earlier, to hold the Government accountable to the Canadian people, and that forms the basis of our democratic system which harks back to the British system and British traditions. So when we say that we are going to enhance the powers of the individual member, I think we are in fact deluding ourselves, and perhaps dangerously so, because in my view, we as Members of this House, as full Members, have the power to use the rules and traditions and to do whatever else we can in the way of influencing the order of business in the House, to obtain from the Government the accountability we need to be able to carry out our task.

That being said, Mr. Speaker—I said so earlier, and I know I do not have much time to repeat this—I would simply tell the House that as Whip of my Party, the Liberal Party and the Official Opposition, I did run into some problems with the provisional Standing Orders of last June. There were quite a few difficulties concerning legislative committees, for instance. I think it was necessary to review the legislative committee system over the past six or eight months, and we were unable to change or modify this approach because both sides were reluctant to do so and the Standing Orders made no provision for this.

So I see in this reform an opportunity to ask the Government—to demand, if need be—to guarantee that during the ten month period when these Standing Orders will be in force we in the Opposition will be able, with the Government guarantee, to reconsider now and then some of the measures to be adopted which might indeed need to be adjusted as we go along. Therefore I think that if the Government is in good faith, if it is prepared to give us the assurance that it will listen to us and perhaps even take part in improving the rules or helping smooth out some of the difficulties, then I would consider that a very constructive step.

The second point, Mr. Speaker, and it has been debated at length over the last three days, is the question of allowing the Chair to suspend a Member for five days after he has been called to order for the second, third or fourth time and been named by the Speaker.

Mr. Speaker, I have no problem with the Chair's power to name a member once and ask him or her to withdraw from the House. But I have quite a problem with the additional power which you would have to exclude a member from the House for five consecutive days. I suggested earlier that this change is not in line with our practices, customs and traditions either as the House of Commons or Government. I just cannot see why you should be given this power or authority.

Mr. Speaker, I see that that the President of the Privy Council (Mr. Hnatyshyn) is back. I am told that he is about to make a few remarks. I am quite willing to defer to him at any time. Of course, I could certainly elaborate on the problems which I foresee concerning for instance the Private Members' Hour. I suggest adjustments will have to be made so that every Private Member's Bill be dealt with equally and equitably,

that no committee should have the authority to limit the number of hours devoted to the consideration of a bill, but that every bill should be debated for a minimum time and for a maximum of five hours.

Mr. Speaker, I see that the President of the Privy Council wishes to rise, so I willingly defer to him. But I want first to thank the Chairman of the committee who has prepared the reform report we are dealing with today. I congratulate all the members who sat on this committee, especially the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Cochrane-Superior (Mr. Penner) for their contribution. Mr. Speaker, we are very much interested in the reform and we will listen gladly to what the President of the Privy Council has to say.

[*English*]

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I rise on a point of order to seek the unanimous consent of the House to have myself, the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Hamilton Mountain (Mr. Deans) address the House at this time and conclude this debate. I would now ask for that consent.

**Mr. Speaker:** May I be clear that, if the Hon. Members go beyond 5.41 p.m., it is the intention of the House to guarantee Private Members' Hour, even if it should begin two or three minutes later than might otherwise have been provided? If that is the unanimous consent sought, fine.

Is it agreed?

**Some Hon. Members:** Agreed.

**Mr. Prud'homme:** Mr. Speaker, I know there have been agreements. We have participated in the debate. If some Hon. Members would like to ask brief questions after the House Leaders have concluded, will it be possible to do so?

**Mr. Deans:** Yes, of course.

**Mr. Hnatyshyn:** Yes.

**Mr. Speaker:** I think I have a sense of the request. We will now proceed to hear the Hon. President of the Privy Council (Mr. Hnatyshyn), after which we will proceed to Private Members' Hour.

**Mr. Hnatyshyn:** Mr. Speaker, I have listened with great interest to the points which have been raised during the course of this debate. I wish to congratulate every Member who participated in it. I think it has been a full debate, which was asked for by many Members of the House. We have had the benefit of hearing a number of points of view.

As I mentioned earlier, I have had the opportunity of consulting with my opposition House Leader colleagues about the way in which we could respond to the matters which have been raised in this debate. As a result of those discussions, we have been able to arrive at a consensus. There is a disposition to conclude the debate at this time.

I would like to indicate at the outset that I will be seeking consent at the time that the package is adopted to have the following changes deemed to be adopted in the proposed Standing Orders. I think the best way of doing this is to read them. They state:

That the proposed amendments to the Standing Orders laid upon the Table, Thursday, February 6, 1986. (Sessional Paper No. 331-7/37A0) be amended

(*a*) at page 1646 of the Votes and Proceedings of February 6, 1986, by striking out the lines thereon relating to Standing Order 16 and substituting the following therefor:

"(6) (*a*) The Speaker shall be vested with the authority to maintain order by naming individual members for disregarding the authority of the Chair and, without resort to motion, ordering their withdrawal for the remainder of that sitting, notwithstanding Standing Ordere 8".

● (1740)

(*b*) at pages 1649 and 1650 of the Votes and Proceedings of February 6, 1986, by striking out proposed Standing Order 38(2) and substituting the following therefor:

"(2) Unless previously disposed of, selected public bills at the second reading stage or selected motions shall receive not more than five hours of consideration and, unless previously disposed of, an item having been once considered, shall be dropped to the bottom of the order of precedence and again considered only when it reaches the top of the said order.

Provided that, unless otherwise disposed of, at not later than fifteen minutes before the end of the time provided for the consideration of the said item any proceedings then before the House shall be interrupted and every question necessary to dispose of the selected motion or of the selected bill at the 2nd stage, shall be put forthwith and successively without further debate or amendment."

The effect of those changes will be evident from the document itself, inasmuch as they deal with two aspects of concern that have been raised. One was to assure that in terms of Private Members' Business there will be no arbitrary curtailment of the time available for discussion of Private Members' Business unless it is done by the consent of the House. I believe that is a fair and reasonable proposition. We will then make sure that we will be guided by the wish of the House with respect to the length of that debate.

The second is one which, I think is fair to say, I have have spoken to you about. You indicated that you were quite happy and satisfied with respect to the change. We are removing any second naming offence under the rules of the House of Commons. We will proceed on the basis that you will have the power and ability to name, as recommended by the committee chaired by the Hon. Member for St. John's East (Mr. McGrath).

That is the effect of those two items. These changes address the concerns raised during the debate with respect to the extended expulsion of Members for breaches of order and with respect to the length of time to be provided for the consideration of Private Members' Business.

Members have also raised concerns with respect to the length of time to be provided for statements under S.O. 22, the selection of report stage amendments and the number of questions that Members will be permitted to place on the Order Paper. The provisional Standing Orders are being brought forward on an experimental basis for a trial period because we are all aware of the fact that there will be a need from time to time to modify or make improvements in the

rules as we gain experience with their operation. I simply want to reiterate the comments that I made in opening this debate, that the Government will carefully monitor the workings of the House rules and I, in co-operation with the Opposition House Leaders, will not wait until the end of the trial period to make any necessary changes. Instead, in the true spirit of reform, we will attempt to fine-tune the rules from time to time to ensure the success of this experiment.

Some Members have suggested that information about Members travelling on Government-sponsored business should be required to be disclosed to the register of Member's travel. I thought, at this point, that it might be useful to remind Members that the public disclosure of that information is currently required under the provisions of the Senate and House of Commons Act. In order to conform to the provisions of the Act an Order in Council is required to be passed every time that a Member travels on a Government-sponsored trip. Upon passage of the Order in Council, the information is made public.

I know that Members on all sides of the House have raised concerns about the matter of monitoring legislative committees and the demands on Members' time. The House Leaders have discussed this matter and we have agreed to monitor committee activities on an ongoing basis to ensure the smooth scheduling of committee work. We will undertake this work as part of our regular negotiations on the legislative agenda.

In summary, I believe that with the changes that I have outlined and with the commitment of all House Leaders to co-operate to ensure the success of reform, the House is now ready to proceed with the proposed Standing Orders and with what I believe to be a very important turning point in the development of the Canadian House of Commons.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, when I opened the debate a few days ago on behalf of the Official Opposition, I said that as far as I and my colleagues were concerned, if we and especially the Government were serious about the role of the private Member, then the test would be the extent to which the Government was willing to listen to what private Members, particularly in the opposition, had to say in the course of that debate on the Government's formal and latest proposal for amending the Standing Orders.

During the course of that debate private Members, particularly on the Opposition side, raised a number of concerns. Principal among those concerns were the ones enumerated by the Government House Leader in his statement. Of course, some of these concerns were greater than others and those which appear to be of immediate concern are reflected in the Minister's proposal for amending the draft Standing Orders.

With respect to the others, I must say that as far as we are concerned, the changes in the rules are very much on trial. The period of 10 months in which they will go into operation is not necessarily, in our view, just the first step in making them permanent. We will be watching the entire package very closely, not only the measures the Government House Leader says he will keep under review. The test of any organization, whether it be a legislative body or a country, for that matter, is the way minorities in that system are treated.

Therefore, we believe that the litmus test for assessing the way these rule changes work is the way individual Members of Parliament on the Opposition side fare under the rule changes both as individuals and particularly as members of organized Party groups. As I said in my remarks a few days ago, our system is not based on Government facing off with private Members but on Government facing off with Members organized in Parties. We believe the litmus test will be not only how this system works for us as individual Members in Opposition but, in particular, how it works for us as Opposition Parties.

Therefore, it is important that we be ready to assess how it is proceeding and to make changes as soon as problems are seen to arise. We will be assessing how ready the Government will be to respond to our concerns. In particular, we will be looking to see how effectively the House Leaders, as part of their ongoing work, are able to monitor the operations of the committee system, particularly the legislative committees, to avoid the conflicts and proliferation which have disturbed so many of us.

• (1750)

As well, Mr. Speaker, and I am coming to a conclusion, the Government House Leader properly pointed out that travel by Members of the House on Government business has to be recorded and disclosed under the House of Commons Act through Orders in Council. However, I invite him to work with us on a system whereby these Orders in Council, as a matter of course, are brought into the hands of the Registrar of Members' travel so that they will be as available for inspection as the material which Members file directly with respect to other kinds of travel.

Having said all that, I want to conclude by stating that what we have seen today is very much the result of all of us, especially the Government, taking into account what was said during this debate by Members of Parliament, particularly on the Opposition side. I am glad to see this response and I look forward to the test period for these rules being fruitful and useful. However, I say to the Government: Please do not think that this is for us merely a first step toward making anything permanent. These rules are very much on trial and the test for us will be how fairly we see these rules waching for us as members of the Opposition, both individually and in groups.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I did not intend to speak twice in this debate. However, let me say simply that I think what you are seeing here today is the result of parliamentary reform. It is the change in attitude which is necessary if we are to make parliamentary reform acceptable to everyone. I have no doubt at all, if the mood which prevails now continues throughout the year, that we will resolve whatever problems arise. We will find a way to accommodate the needs of the Government, taking into account the needs and desires of the Opposition. I look forward to the challenge of the new rules. I hope they work in the way which the committee that worked so hard to draft them intended them to work. I

hope they provide for back-benchers and others a better opportunity to participate in the process. It certainly would be my wish, and I am sure that of the other two House Leaders, that that would be the case. I look forward to the end of this year, when we are asked to review them, to a review which may require some further adjustment but which will make these the permanent rules governing the actions and efforts of Members of the House of Commons.

**Mr. Gauthier:** Mr. Speaker, before we proceed I would like to ask a question of the Government House Leader. If we adopt the motion, the standing committees as they are now, as well as the legislative committees, will fall. Does the Minister have a motion to reinstate these committees as they are now for the rest of the week or until this is operative? Has he given that any thought?

**Mr. Hnatyshyn:** Mr. Speaker, that is a very good point. These rules come into effect on our return from the recess on February 24. We are now preparing the necessary motions with respect to the transitional requirements. By way of example, there are certian references to existing standing committees. In order to get over this transitional period we will suggest to the House tomorrow, probably after Routine Proceedings, that we have the consent of the House to make certain extensions. We will then reorganize the rest of the committees on the new basis.

With respect to Private Members' Business, there will have to be a period of time in which the Table Officers can organize things under the new rules. We will be proposing tomorrow, and I have discussed this with the Hon. Member's House Leader, that we extend Private Members' Business rules for a sufficient period of time to allow the Table Officers to implement the new system. We will have transitional motions which I hope to bring forward to the House after Routine Proceedings tomorrow in order to cover the various problems the Hon. Member so correctly identifies.

**Mr. Gauthier:** Mr. Speaker, I still need one explanation because members of my Party will be asking me about this. Questions on the Order Paper, I take it, will be proceeded with in the traditional manner and allowed to stand as they are now?

**Mr. Hnatyshyn:** It is a matter of negotiation.

**Mr. Gauthier:** Suppose a Member is allowed four questions on the Order Paper. If the Speaker decides that a question being put should be referred to the Order Paper, how do we cope with that directive when the Member already has his four questions on the Order Paper? I am just putting that to the Minister because I think it is going to cause some problems and I had wanted to mention that in my speech.

**Mr. Hnatyshyn:** The new rules clearly limit the number of questions any one Member can have on the Order Paper at any one time. Those rules also obligate the Government to respond within a certain time. There is an exchange of friendly services there. I do not want to get involved in a procedural discussion right now, but I am not aware that the Speaker can direct a Member to put anything on the Order Paper. He can suggest that it be put on the Order Paper. Without attempting to articulate the Speaker's ruling, I think that probably is the situation that applies here.

**Mr. Speaker:** I take it there is consent that the motion regarding the amending of the sessional paper shall be put?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Shall the amendment carry?

**Some Hon. Members:** Agreed.

Amendment (Mr. Hnatyshyn) agreed to.

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

**Some Hon. Members:** Question!

**Mr. Speaker:** Mr. Hnatyshyn, seconded by Mrs. McDougall, moves:

That the proposed amendments to the Standing Orders, laid upon the Table on Thursday, February 6, 1986 (Sessional Paper No. 331-7/37A) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Orders shall be in force from 11.00 o'clock a.m. Monday, February 24, 1986 until the House adjourns on the last sitting day in December, 1986;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof, or relating thereto in respect of the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion (Mr. Hnatyshyn) agreed to.

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## THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned:

**Mr. Speaker:** I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name,

the Royal Assent to the following Bills:

Bill C-59, an Act respecting Customs—Chapter No. 1.

Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act—Chapter No. 2.

Bill C-46, an Act to amend the Divorce Act—Chapter No. 3.

Bill C-47, an Act respecting divorce and corollary relief—Chapter No. 4.

Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada—Chapter No. 5.

Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act—Chapter No. 6.

Bill S-6, an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a convention between Canada and the Cooperative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax—Chapter No. 7.

## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### CRIMINAL CODE

AMENDMENT RESPECTING CHILD ABUSE

**Mr. Bob Corbett (Fundy-Royal)** moved that Bill C-261, an Act to amend the Criminal Code (child abuse), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is indeed a pleasure for me to have this opportunity, finally, to present to the House of Commons Bill C-261 for the purpose of giving it second reading. The purpose of the Bill and this opportunity is to draw the attention of the House of and the public to the serious concern we have as Parliamentarians and that we should have as Canadians about the seemingly rising problem of child abuse.

● (1810)

I would hope that the utilization of the material in the Bill will heighten the awareness of the House and of the various committees associated with it to the problem of child abuse and to the fact that it is time that we as Members of Parliament did something and took some action.

I understand there is a disposition at some time during the proceedings to move a motion to have the Bill withdrawn and to move the substance of the Bill to the Standing Committee on Justice and Legal Affairs. I am also aware that because of the Royal Assent that has just been given our allotted time is shortened somewhat. I hope all those who wish to speak on the matter will bear that in mind when making their comments.

I would like to give a brief background of how I became aware and concerned about the substance of the Bill. On my arrival in Ottawa as a Member of Parliament some seven and a half years ago I noticed what seemed to me to be the



alarming incidence of reports on child abuse contained in the national newspapers. This Bill is my response to the issue.

I can tell you, Mr. Speaker, that it took a substantial amount of time to prepare the Bill after much research and consultation with fellow Parliamentarians and with people who were and continue to this day to stress the importance of dealing with this serious issue.

I would like to pay tribute to the office of the Law Clerk, who co-operated substantially in the drafting of the Bill, and to the Parliamentary Counsel. In addition, I would like to thank my parliamentary assistant, Miss Pike, who spent countless hours helping me in the development of the Bill and working with me to ensure that this day finally came to fruition.

It is also appropriate at this time to state unequivocally that the Badgley Report contributed significantly to the drafting of the Bill and to the terms and conditions of it. I want to acknowledge the efforts of the Hon. Member for Outremont (Mrs. Pépin) who participated not only on the Badgley Commission but who has been a ceaseless and tireless worker in her efforts to ensure that the plight of helpless children is brought to the attention of the proper authorities.

I hope that at the end of my remarks the House will recognize that I am simply requesting that it take the material in the Bill into consideration. It is not perfect. It does have some warts and I recognize that but the purpose of the Bill is to make the House and the country aware of the concern we share.

I anticipate that sending the subject matter to the committee by withdrawing the Bill will accomplish the concern expressed in the the Bill itself.

As the Badgley Report indicates, the special legal status of children is based primarily on three considerations: first, the special needs of children who, by reason of their age and immaturity, need the care and guidance of others in order to develop into healthy, responsible adults; second, the substantial vulnerabilities of children to persons older and in many cases more powerful than they; and, third, the actual or presumed incapacity of children to perform legal acts of daily life.

Child abuse can range from being exposed to sexual intercourse, to deprivation of basic needs and to death. There are three main types of abuse: physical abuse or battering, failure to thrive or neglect, usually involving food or water deprivation or inadequate hygiene, and sexual abuse involving incest, violent molestation and pornographic exploitation.

Child abuse knows no bounds. It cuts across all economic, religious and geographic levels. The myth should be dispelled that it happens in only low-income, uneducated families. The facts speak differently.

Child abuse, both sexual assault and battering, is still largely a whispered crime. Many people choose to ignore that it happens or choose to make excuses for it. More people are beginning to address the issue, but for the most part, victims live in an aura of silence and fear.

[*Translation*]

Mr. Speaker, the basic principle should be that everyone must be able to live in complete security in his own home. The home should not be a place where there is violence or sexual abuse.

[*English*]

Statistical evidence from all regions in Canada indicate an alarming increase in child abuse cases coming to the attention of the authorities. The question exists: Do the rising figures show a growing rate of child abuse, or are they a reflection of growing awareness of the problems that exist and a willingness to bring these incidents to the attention of the authorities? The secrecy of the crimes make the proportions of the problem an unknown quantity.

The concept of child abusers as strangers largely underestimates the type of people who abuse children. Abuse is inflicted by relatives, such as parents, aunts, uncles, cousins, by people in guardian positions such as step-parents, legal guardians, or by those in a position of trust, such as baby-sitters, teachers, family friends and acquaintances.

Abuse manifests itself in a wide variety of social, psychological and behavioural ways. An abused child may suffer from an inability to form social relations. It may have difficulty relating to authority. It may suffer from child-parent conflict, have a poor self-image, become suicidal, suffer a variety of health problems, and even suffer sexual diseases. It can develop phobias, have eating problems, suffer mental health problems, have trouble sleeping, turn to drugs or alcohol, become aggressive and assaultive. Unfortunately, some of these problems can continue throughout a lifetime no matter how much counselling the child may receive afterwards.

The Committee on Sexual Offences Against Children was established to examine the adequacy of our laws to protect children from sexual abuse and to offer recommendations on our legal shortcomings. The report offered specific recommendations to be implemented in the law as well as revisions that would clean up outmoded concepts or gender discrimination. The findings of the Badgley Report were influential in the development of the sexual abuse portion of Bill C-261.

● (1820)

The report indicated that one out of every two females and one out of every three males are at some point in their lives victims of unwanted sexual activity. In a substantial number of cases, this occurs under the age of 18 years. The Badgley Report indicated the following:

> There is no basis for the alleged harmlessness of unwanted sexual acts committed against children or for the belief that most of the offenders are harmless individuals. We have found that young victims are encouraged, seduced and intimidated by sexual offenders. Some of these children sustain physical injuries. Many experience enduring emotional and social harms. Our findings clearly show that these children have special needs and vulnerabilities which must be recognized and protected by the criminal law and that existing provisions do not adequately accomplish these purposes.

The principal victims of sexual offences are children and young people, and females are twice as often victims as are males. In the majority of cases a sexual offence against a person occurs before that person is 18 years of age. The age of battered children is dropping, and pre-school children are particularly vulnerable to abuse as they are not subject to the watchful eye of teachers or of other authorities.

The Badgley Report provided alarming figures regarding the relationship of children and youth to their offenders. Almost one in four of the sexual offences was committed by a person prominent in the child's life or to whom the child was vulnerable. About three of every five offences were committed by persons the victim either knew well or was acquainted with.

Badgley also reported that young persons were at greater risk from blood relations and persons in positions of trust than from other persons. The greater proportion of sexual offences committed by persons in a position of trust was against a child under the age of 12. A full 86 per cent of offences by a person in a position of trust concerned a child 11 years of age or under.

Reports of child abuse are growing. Last year, in Ontario, reported cases jumped by 19 per cent. This figure includes five deaths as a result of abuse. In Nova Scotia, the number of reported cases doubled in 1984 over the previous year. Authorities in Saint John, New Brunswick claim sexual offences against children and young people are among the fastest growing crimes. In Saskatchewan, there was a 300 per cent increase in the number of reported cases of abuse between 1979 and 1984. This figure also includes a dozen abused-related deaths. All across Canada abuse statistics are jumping. Sexual assault homicides are also on the increase in both real and proportional terms. These figures have more than doubled between the early 1960s and the late 1970s.

My Bill can be divided into two parts. The first part introduces new provisions regarding sexual abuse to a person under the age of 16 years. The second part lengthens the terms of punishment for assaults inflicted upon persons under the age of 16 years.

I should like to take this opportunity to deal in depth with the fundamental provisions of the Bill, but time does not allow me to do so. In conclusion, let me indicate that immense frustrations are felt by people all across the country. There is a concern that most cases of child abuse go unreported. Efforts must be made quickly to protect children in conjunction with efforts to make the public more aware. They must complement the efforts of our social agencies and our law enforcers. It is my hope that the Bill will bolster and contribute to the deterrent aspect of the law. Deterrence is a part of our justice system and is a major factor in the arrest of this crime. If awareness is created because of the Bill, it will be a positive step forward. My position is simply that if the Bill or awareness of the material contained in it, which will hopefully be referred to committee, should save one child from abuse, the substance of the Bill and my efforts will have had some purpose.

**Some Hon. Members:** Hear, hear!

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I congratulate the Hon. Member for bringing forward this initia-

tive. I should also like to congratulate the Hon. Member for Outremont (Mrs. Pépin) who has been extremely constructive in her work on this issue, not only here in Parliament but when she was in fact a representative on the Badgley Commission. I am speaking today as a private Member, but the Hon. Member for Outremont has expressed extreme regret that she could not be here because of a prior commitment and has certainly armed me with a number of facts, figures and questions which I will bring to the attention of the House in anticipation of this particular matter being referred to committee.

One question the Hon. Member for Outrement would like the Government to answer concerns the amendment dealing with the issue of imprisonment of clients of young prostitutes. A number of Members sat on the committee looking at the changes in the prostitution laws. In fact, the Hon. Member for Outrement presented an amendment to the committee studying Bill C-49 which would have included imprisonment of two years for clients of young prostitutes. It was an attempt to suggest that the clients of prostitutes should face certain sanctions, particularly clients of young prostitutes. That is one issue with which this particular Bill deals, but it is also an issue which was rejected by the Conservative Party only two months ago. If the Hon. Member for Outremont had been here, I think she would have said the following:

[*Translation*]

This is exactly what I wanted to do in my amendment, but it was rejected out of hand by the Conservatives.

Mr. Speaker, my colleagues opposite have an unfathomable logic, it is true. The problem is that, two months ago, when the Government had a chance to amend Bill C-49, it decided to reject the amendment proposed by the Hon. Member for Outremont (Mrs. Pépin), maybe because she is not a Government Member. The Government has finally accepted this idea, and we are pleased to support it. However, I would like the Government to say for the record why this same amendment was rejected two months ago.

[*English*]

I have a couple of concerns about the reference of the Bill. Hon. Members who have studied the issue will no doubt share in my concerns and questions. Let us look at Bill C-261. In Clause 1 there is a call to increase the age of consent for a person to have sexual intercourse from the age of 14 years to the age of 16 years. Bill C-261 calls upon the Government to amend Section 140 of the Criminal Code so that it will become illegal for a 14 year old or a 15 year old to engage voluntarily in sexual intercourse. However, in the same Bill it is suggested that the age of consent should be raised to the age of 16 years, except if the partner is three years older or younger than the person in question. We find ourselves with the rather confusing situation of the law saying that it is all right for two consenting teenagers to have intercourse, but if one teenager is four years older than the other one, it is wrong. We should address the issue of the age of consent. If the age of consent remains at 14 years, as it is in the current Criminal Code, that is one particular point of view. If the age of consent is raised to 16 years, that is another particular point of view. We cannot bring in a Bill which changes the age of consent to 16 years except when two 15 year old teenagers are involved in a relationship. Essentially that is the effect of that particular provision. I think there is some confusion and inconsistency which will be dealt with in the reference to committee.

In trying to develop laws which we perceive as flexible, sometimes we create labyrinths that would be an absolute horror show for the courts to pursue and, in fact, would be in violation of the Charter of Rights and Freedoms. To suggest that the age of consent be 16 years except under circumstances where either of the parties are within three years of the age of the other is incomprehensible to most people.

• (1830)

As well, I hope this reference to committee will spur the Government on to begin its response to the Badgley Report, something which has been a long time coming. I know that the Hon. Member for Outremont has been promoting this issue in the House for the last number of months. In fact, she was waiting with eagerness to hear of the news release issued by the Minister of Justice (Mr. Crosbie) only yesterday and received by Members on all sides of the House today, the day before Valentine's Day. In this news release, the Minister of Justice announced a contribution to the Canadian Council on Children and Youth. He announced that he will be setting up a fund for a private-sector mechanism to follow up on the major concerns raised by the Badgley and Fraser Reports and that he is giving $25,500 to the Canadian Council on Children and Youth of Ottawa. This $25,500 is to be used to have the Council reach out to the private sector and find out about its response to the Badgley Report.

It seems to me that in seeking a private-sector response to a problem which is of incredible public dimensions is carrying the Conservative notion of privatization a little too far. There have been extensive consultations, as evidenced by the Badgley Report. We have heard from community groups and individuals from across the country. Now is the time for the Government to bring forward some specific changes to the Criminal Code. I would hope that the reference to committee of this Private Member's Bill would precipitate the receipt of some answers from the Government rather than another study to look into the private sector's response to the Badgley Report.

Certainly, the Hon. Member who presented the Bill has the will to get to the root of the problem with the legislation. However, I would further point out that all of us, in our daily lives, have to reach beyond the simple issue of changing laws. Again, the Hon. Member for Outremont has said:

[*Translation*]

Obviously, the answer to family violence does not reside simply in a new definition of existing criminal offences, but in a change of attitudes as concerns enforcement of the law.

This means, Mr. Speaker, that if the rules are changed to say that someone will be sent to prison for 10, 14 or 15 years,

this will not change public attitudes to this problem because, as mentioned by the Hon. Member for Fundy-Royal (Mr. Corbett) most of the incidents and cases of abuse occur within the family or among people who know these children and who will never be reported to the authorities.

In my opinion, one thing that we should begin doing in our constituencies is to become more open to discuss these problems and be better informed of the fact that these children or families need our support. It is by changing attitudes, not by changing the law, that we can bring about real change. For instance, when I was sitting about two years ago on a provincial committee examining family abuse and violence in Ontario . . . Mr. Speaker, even two years ago . . . it is a good thing that the situation has changed, and it did because of our study. However, two years ago, when police officers were sent to school to get acquainted with the problem of family violence, they were told to consider the problem as a private and domestic problem and not as a criminal act.

Conditions are now changing. Heavy pressures are brought to bear not only by legislators but also by people who say: "Abuse or violence in the family is illegal. It is not a matter or a problem that should remain within the family".

Mr. Speaker, I think that public conscience about child abuse in 1986 has reached the same level as attained by domestic violence five years ago, that is domestic violence is now being discussed more openly by authorities and by people.

We are always rather discreet when discussing sexual abuse especially when families are concerned. This is what we should do and I think this is a good reason to make that order of reference to the committee since we will begin to discuss not only an amendment to the legislation but also an attitudinal change in Canada. This will emphasize a problem so enormous that many people will not acknowledge its existence.

I think, Mr. Speaker, that even if there are some deficiencies and a few problems with the Bill as it now stands, the Members of our party are surely ready to defer it to the committee because we would like to ask the Government where the answers are to the Badgley Report. Where are the answers for families with problems? Amendments to the legislation will not be enough but social services should also be made available. We know, for instance, that the federal Government is reducing transfer payments to the Provinces as related to social welfare and education.

Mr. Speaker, this will have a far greater direct impact on the offer of services for families. The advice for instance, the possibility of somebody stepping in when parents abuse their children. This will have just as clear and strong an impact as would have any committee. I therefore think, Mr. Speaker, that this is a step in the right direction, but we should also have the financial support of the federal Government, with that referral to a committee, with the work that is still being done in that area by the Hon. Member for Outremont (Mrs. Pépin), and I think we will get there little by little. But there are still a number of things to be done, and I appreciate this opportunity to take part in the debate.

I am disappointed that the Hon. Member for Outremont could not be here, but I am most confident that all my colleagues from the Liberal Party will support the referral to committee of that most important issue, which is a partial response to one part, the legislative part, of course, not the economic and social part, but we require changes if we are to meet the needs that have been most clearly identified in the Badgley Report in 1984.

[*English*]

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I am very pleased to have the opportunity to speak on behalf of the New Democratic Party on this private Member's Bill dealing with child sexual abuse. I would like to commend the Hon. Member for Fundy-Royal (Mr. Corbett) for bringing this important subject and on the whole very reasonable proposals for changes in the law to the House for discussion. I will certainly support the reference of the Bill to committee for further study.

In reading the recommendations, the survey results and the vast amount of research that came from the Badgley Report, most people were struck by the extent of the problem of child sexual abuse. We all know that it exists, but I do not think the people understand just how pervasive it is. One-half of Canadian women and one-third of Canadian men have at some time been victims of a sexual offence. In the great majority of cases, 80 per cent of the time, these offences have occurred during childhood. It is children who are particularly vulnerable, and an increasisng number of them are very young children.

This is not to say that the problem itself is increasing. Badgley warned against being alarmist about this. The problem has existed for many, many years. It is not getting worse, but it has always been bad and very vigorous measures are needed to deal with it.

Of the victims, three-quarters of the women and nine-tenths of the men did not seek any assistance or make a report after the event in question. Many of the offences committed did not cause physical harm, but the psychological harm caused has been enormous. People suffer for years and years after the fact with psychological problems, emotional problems, problems in marriage and problems with relationships. Child sexual abuse often results in alcohol and drug abuse among victims.

Some of these offences are themselves physically serious, although these are a minority. Four per cent of girls were raped and a similar number of boys were homosexually raped. Twenty per cent of females were victims of exposure and 9 per cent of boys were victims of exposure. Some people may think that that is always a harmless offence, but the Badgley Report tells us otherwise. It tells us that it is a myth that exposure may be an unpleasant event but is not something to worry about. Eight per cent of the females and 4 per cent of the boys who were victims of sexual exposure were also sexually assaulted. In spite of the great seriousness of these offences and the importance of the Badgley Report, in the time the

Government has had we have not seen the action which we should have seen. I would point out to Hon. Members that the Government has had a year and a half since Badgley reported in the summer of 1984. I would now like to quote from the conclusions of the report which state:

● (1840)

Sexual offences are committed so frequently and against so many persons that there is an evident and urgent need to afford victims greater protection than that now being provided. The findings of the National Population Survey clearly show the compelling nature of the fears and stigma associated with having been a victim of a sexual offence.

Badgley continues:

What is required is the recognition by all Canadians that children and youths have the absolute right to be protected from these offences. To achieve this purpose, a major shift in the fundamental values of Canadians and in social policies by Government must be realized.

The report adds that if no action is taken, or if only token action is taken, then the risk is intolerably high that sexual abuse will continue.

Among the recommendations in the Badgley Report, the first two are of particular importance. They have been singled out throughout the report for comment. The first proposal was that owing to the complexity of the problem because of the number of agencies, the levels of government, the different professions, the medical people and police who deal with victims of sexual abuse, there be an office of commissioner for the implementation of these recommendations. This commissioner would report to the Prime Minister, would be responsible for legal and social reform and co-ordinate the work with voluntary agencies and other government Departments. The second proposal is that there be extensive public education and health promotion on the issue for prevention purposes.

I stress these two very positive recommendations of the report which Badgley recommends become law. Of course, the proposals we have before us today are with respect to changes in penalty. That is one way in which a society can say: "We disapprove of this. We do not want you to do it and we will punish you if you do". So society can make its views very clear.

Education is also extremely important, as are all types of support services. I regret to say that the Government has been very negligent in not acting on these matters. Unfortunately, the Hon. Member is not in a position with a Private Member's Bill to spend any money, nor is he in a position to advocate further reforms. What is needed is vigorous Government attention to the problem.

I would now like to deal with some of the specifics in the Bill. First, I would like to deal with Section 146(1) regarding the position of authority offence. This is interesting new concept. It breaks new ground in terms of our legal provisions. It is similar to the recommendation Badgley makes but it is not exactly the same. The wording is not as specific as that of Badgley who warned against the continued use of vague language. The position of authority offence is an important one because so much of sexual abuse is committed by people in positions of authority, whether it be authority by age, authority because one is a parent or some other adult in the family, or because someone is known to a child and is in a position of authority. This makes children particularly vulnerable. The stigma is great, as is the aftermath, because the victim has to continue to interact with the aggressor in the situation.

Section 158(1) would give protection to the victim. This is similar to those provisions which forbid the evidence of a victim of a sexual assault, generally, having had previous sexual activity with another person brought into court except under particular circumstances. My concern here is that the wording is not strong enough to protect victims of sexual assault. We have a long history of victims who have been placed on trial and their past history has been brought up and related at great length to the courts. Thus, the victim becomes the person being scrutinized.

Section 140 deals with the age of consent. The Bill would have the age raised to 16. There is also a proviso with respect to a three-year age difference. This is, of course, a contentious matter which could clearly have enforcement problems, especially with the three-year difference. Badgley recommends an increase in the age of consent to 16 but does not recommend the three-year difference. The reason for raising the age of consent to 16, even in a time when sexual mores are changing, is because of health considerations, quite apart from any moral ones, which are sometimes debatable in that some people share them and some do not. However, the health requirements apply to everyone. The dangers of pregnancy are much greater for girls under 16, as are complications in cases of abortion for young women who are pregnant.

Section 146 deals with physical contact for the purposes of sexual gratification or sexual stimulation. It provides for different levels of penalty depending upon the age of the victim. This provision is a gender-free provision. I would like to note that the gender-free world in criminal law can be rather foolish and sometimes go too far. We certainly want equality of opportunity. We want men and women, boys and girls, to be free and equal members of society. However, there are physical differences between the sexes. I am disturbed by some of the criminal cases we have seen in which judges have said: "This is discrimination in the law because it is an offence for a sexual act against a girl under 14 but not for a boy under 14". The judges have said that this is discrimination against men who commit these offences against girls. It is absolutely preposterous. Boys under the age of 14—boys at any age—do not get pregnant. There is a physical difference which requires that there be particular protection for girls. One hopes that the legalists will not be so caught up in the concept of equality and that they will treat this as a challenge, a vision, and not miss the important fact of life that protection is really needed for young girls.

Finally, I would like to deal with Section 245. This is a section which specifies a higher penalty for sexual assault of child victims as compared to older victims. This is the area in which I had the most reservations because sexual assault is reprehensible no matter what age the victim is. I think we would probably find some sexual assaults more repugnant than

others, especially in the case of very young children, disabled persons who are unable to defend themselves or, similarly, very elderly people who are unable to defend themselves. Otherwise, I do not see why age should be a factor. Sexual assault is repugnant in any circumstances. I have reservations about making differences in penalties.

I would like to make a final comment on the issue of penalties. They are high in the Badgley Report and in this Private Member's Bill. We must realize that raising penalties for offences will not necessarily give people any greater protection. We know that people receive greater protection from the probability of being detected and dealt with as an offender. That seems to have more effect than the length of the penalty. Raising the penalties should not give us a false sense of security. It should not make us think that this will somehow give people protection. I do not think that differences of this sort will have any kind of impact. We know that if 10-year imprisonment penalties were brought in for parking offences, then people's parking offences would certainly go down since that type of difference would make people change their ways. However, an offence with an already heavy penalty will not be much more of a detriment if two or three years is added to the penalty. People do not read the laws and check to see whether penalties are 12, 14 or 15 years and gear their behaviour accordingly. People do not make decisions in that way.

If we want to give protection to children, which I am sure all Members would want to do, what we have to do is provide education, prevention and work with the provinces and the voluntary agencies to do all of those things in order to provide a really safe environment for the children of Canada.

● (1850)

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, with your permission, I would like to move a motion with respect to this Bill. I move:

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

"Bill C-261, An Act to amend the Criminal Code (child abuse), be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs."

I would also like to make some comments on this Bill, time permitting.

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. Do I take it that the motion is before us at this time and, if so, who has seconded the motion? Did the Hon. Member actually put the motion or is it just for discussion purposes?

**The Acting Speaker (Mr. Charest):** Before the Hon. Member for Ottawa-Vanier (Mr. Gauthier) rose to bring this matter to the attention of the Chair, I believe the Hon. Member for Scarborough East (Mr. Hicks) seemed to indicate to the Chair that he was putting the motion forward for the purposes of discussion. That is my conclusion. It not being seconded at this time.

Putting it forward for discussion will enable him to continue to speak until 57 minutes, otherwise he would not be able to speak. That is the inference I draw from his putting the motion. Perhaps the Hon. Member can help the Chair, if I am correct in that sense.

**Mr. Hicks:** I believe so, Mr. Speaker. But for clarification, can the Bill be seconded and voted on at 7:56 p.m.?

**The Acting Speaker (Mr. Charest):** It can be seconded and voted on at 7:56:59 p.m., as long as the Hon. Member watches the clock, and, as the Hon. Member for Ottawa-Vanier will tell us, there is a seconder.

**Mr. Gauthier:** And with seeing the clock at 6:57 p.m., rather than 7:57 p.m., Mr. Speaker.

**The Acting Speaker (Mr. Charest):** The only real clock in the House is the Speaker. The Hon. Member for Scarborough East.

**Mr. Hicks:** For a moment I thought I had an extra hour to speak on this Bill. It gives me great pleasure to have the opportunity to address this subject because I have spent 30 years in education. With such a background, I think one becomes very aware of some of the problems. I want to congratulate the Hon. Member for Fundy-Royal (Mr. Corbett) for bringing this Bill forward to the House after a great deal of hard work.

I also want to congratulate the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Broadview-Greenwood (Ms. McDonald), both of whom appear very concerned and made some very worthwhile comments.

The purpose of this Bill is to provide further protection to children under 16 years of age from sexual offences. Several new, non-existent offences would be created, based principally on the prohibition of physical contact with children for the purpose of sexual gratification or stimulation.

A few years ago, the Department of Justice, together with the Department of National Health and Welfare, appointed a committee to consider the problem of sexual offences against children and youths. The committee, under the chairmanship of Dr. Robin Badgley, reported in August, 1984. While this committee was working, a special committee was formed by the Minister of Justice (Mr. Crosbie), under the chairmanship of Mr. Paul Fraser, to report on issues in pornography and prostitution. Several Members have already alluded to many of the facts outlined in these reports.

The Badgley committee assumed that the principal way in which to deal with the sexual abuse of children would be to invoke the criminal law. Consequently, the Badgley committee proposed the reform of the sexual offences as part of their recommendations. The Badgley committee recommended that the offence of under-age sexual intercourse be retained and treated as almost self-evident that having sexual intercourse with a girl of 13 years or less should continue to be a crime. It was also recommended that the Criminal Code be amended to specify that the consent of a child under 16, rather than 14 as

at present, is no defence to a charge under Section 146. I believe that was also alluded to very well.

Although I have many other comments, I will sit down and allow this Bill to be seconded and voted upon.

**The Acting Speaker (Mr. Charest):** I understand that the Hon. Member for Scarborough East is now putting his motion. The motion is as follows: Mr. Hicks, seconded by Mr. Redway, moves:

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

"Bill C-261, An Act to amend the Criminal Code (child abuse), be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Is it the pleasure of the House to adopt the amendment to the main motion?

**Some Hon. Members:** Agreed.

Amendment (Mr. Hicks) agreed to.

**The Acting Speaker (Mr. Charest):** Is it the pleasure of the House to adopt the motion, as amended?

**Some Hon. Members:** Agreed.

Motion, as amended, agreed to.

**The Acting Speaker (Mr. Charest):** Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

Order discharged and Bill withdrawn.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

### ENVIRONMENTAL AFFAIRS—LAKE ONTARIO—UNITED STATES PROGRAM TO CLEAN UP CHEMICAL DUMP

**Mr. Alan Redway (York East):** Mr. Speaker, as you are aware, some 20 per cent of all Canadians draw their drinking water either from the Niagara River or from water that has passed through the Niagara River. Along the shores of the Niagara River on the American side there are many toxic chemical dumps, but four in particular stand out in my mind, and I suspect the minds of most people who are familiar with that problem. Those dumps are the Love Canal site, the Hyde Park dump, the S Area dump and the 102nd Street dump.

All of these create a great potential danger for Canadians and Americans who draw their drinking water from the



Niagara River, Lake Ontario and down the St. Lawrence River to the Atlantic Ocean. I have described those dumps as four obscenities on the American side of the Niagara River. I also think of them as a gigantic catastrophe that is waiting to happen.

In November last year, the United States Government, the Government of the State of New York and the owners of the Hyde Park dump, Occidental Chemical Company, came to an agreement relating to the clean-up of that particular dump with a view to ensuring that there would not be the potential of seepage of these toxic chemicals into the Niagara River and Lake Ontario.

Shortly thereafter, on November 28, I addressed a question to the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) about that agreement. He indicated to me at that time that first, the agreement provided for the clean-up of certain chemicals in those dumps and for the containment and destruction of certain of those chemicals. However, we are all aware that there are a great many chemicals in that dump, at least 25 toxic chemicals. We are concerned whether all of those toxic chemicals or just a portion of them are being cleaned up.

The Hon. Parliamentary Secretary indicated at that time that the position of our Government, as we all hope and desire, is that the agreement is not just to contain the chemicals but to remove and destroy them. He also indicated that the Minister and the Department of the Environment in Canada were assessing the whole agreement to see whether or not it solved the problem of the Hyde Park dump as far as we in this country were concerned. He also indicated that there were 60 days after the agreement had been reached before the American Courts had the opportunity to approve or disapprove that agreement. That period of time has obviously passed since November 28, so I hope the Parliamentary Secretary is going to shed some light on this situation.

• (1900)

First, will he tell us whether or not that agreement was satisfactory to Canada, whether it will contain not just the toxic chemicals but also provide a mechanism for destroying them. I hope he will also tell us the details, if any, of the approval by the U.S. Courts on this subject.

Since I asked that question, there have been other developments. The head of the Environmental Protection Agency indicated his concern that the Super Fund which the American Congress set up to clean up chemical dump sites across the U.S. is in danger of running out of money. He indicated the money will probably run out in April of this year, and no more funding will be available. There are, of course, three proposals for providing more funds. There is a proposal before the U.S. House of Representatives which would provide some $10 billion by way of a tax on the petrochemical industry. There is a proposal before the U.S. Senate for a fund of some $7.5 billion financed by a manufacturing tax. There is a proposal by President Reagan for a fund of $5.8 billion to be funded by a petrochemical tax as well.

When I was in Washington in September of 1985, this matter was up in the air and there has not been agreement since then. We are now six months along the road and if there is no agreement now or in April of this year, the Super Fund money will disappear. That includes the funding to clean up some 2,000 dump sites in the U.S., 105 of which are around the Great Lakes. I hope the funding to be provided by this agreement we are talking about for Hyde Park is not dependent on the Super Fund. If it is, we are going to face another potential setback, or even disaster, before we can get the Hyde Park site cleaned up.

That site, of course, is only one of the potential problems along the Niagara frontier. The other three I referred to are just as dangerous. I hope we will hear from the Parliamentary Secretary tonight some words of wisdom, encouragement and hope, indeed, definitive words concerning a clean-up, first of all of the Hyde Park dump site, a clean-up of the Love Canal dump site, the S Area dump site, as well as the 102 Street dump. If we are going to have safe water for about four million Canadians who draw their water from the Niagara River and the Great Lakes, we have to get those dumps cleaned up, and fast.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I doubt any Member of Parliament could have made the point more forcefully or clearly than the Hon. Member for York East (Mr. Redway). I will try and deal with the specific points he has raised.

February 24 is not 60 days from November 28. It happens to be the end of the 60-day period which the U.S. Court defined for public comment on the proposal. I regret to have to inform the Hon. Member that our position and the final determination of the U.S. Court is keyed to February 24. I cannot offer him any more specific comment than I did on the day he asked me the question.

The second point, to amplify and precisely explain what the Hon. Member said concerning the danger which exists in the four areas referred to, in fact in the Hyde Park area alone there is probably a ton of dioxin. As the Hon. Member has mentioned, this is one of four specific areas, but there are many other point sources that have been identified along the American border as well as the Canadian border. On balance, probably about 90 per cent is coming from the American side. However, we both take water, and that area serves between four million and six million people for drinking water supplies. It then runs down through Lake Ontario and out into the St. Lawrence River. The Member has very clearly identified the situation in the United States.

• (1905)

The dependency of the super funding for this, as far as I know, is not really an issue for this specific resolution. This is a court determination of a settlement with a chemical company that has a responsibility. This is really what is being worked through now. The EPA is very much involved, as are the American courts. My understanding is that the total job is very much dependent on the Super Fund. One of the Bills which the Member mentioned has passed one of the Houses. We do not know where they will all end up.

Finally, Mr. Speaker, I want to make it very clear that we are talking about a very complex and untried type of situation in terms of the technologies and the clean-up that needs to be done. I will correct any impression that was left that we are only interested in some of the chemicals. The final position of the Canadian Government is that none of the chemicals which exist in that dump site or other dump sites can be allowed to escape through the dump sites and into the Niagara River. That is our final position and that is what we must aim for.

The question is how we are going to reach that goal and how effective is the initial stage of the solution that is being discussed. What is being discussed is a containment proposal which, along with the containment, removes chemicals that would have otherwise seeped through which will, in turn, be destroyed.

The technologies that are important here have to do with the problems that will exist in dump sites in both the United States and Canada in terms of massive volumes of contaminated soil that would have to be transported if we were talking about excavation and removal. We must develop technologies that will extract the chemicals from those sites so that we can avoid other serious dangers involved in transportation. We would still end up having to eventually destroy those chemicals. It is a continuum, Mr. Speaker. Our position is final. We do not want any more of these toxic chemicals in the Niagara River.

[*Translation*]

## JUSTICE—ENQUIRY WHY ANGLOPHONE APPOINTED INSTEAD OF AVAILABLE FRANCOPHONE

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, on February 4, 1985, we asked the Minister of Justice why he failed to appoint six bilingual francophones to the Court of Appeal of Ontario, in view of the great number of French-speaking lawyers and judges available. That question, Mr. Speaker, was in no way aimed at disparaging a judge who is known for his qualifications and credibility. It was simply aimed at understanding the behaviour of a Government that ignored the dearly acquired rights of 500,000 French-speaking Ontarians. In any event, Mr. Speaker, the Minister answered that the important thing was to appoint a first-class person, in other words there was no first class person among our Francophone jurists.

Mr. Speaker, since 1953, the tradition in Ontario was that at least one bilingual French-speaking judge should be appointed to the Ontario Court of Appeal. Although this gave no additional rights to the Francophones, French-speaking Ontarians were proud of having such a representative, until their rights would finally be recognized.

It was therefore in May 1984 that the Ontario Government finally passed the Courts of Justice Act, 1984. As we know,

that Act allowed the 500,000 French-speaking Ontarians to be heard by a judge or judges speaking their own language. For French-speaking Canadians, that new Act was a giant stride along the road to rights they had always been denied.

The Mulroney Government comes to power and with it a 33-year old tradition disappears. In fact, by appointing Justice Horace Krever to the Ontario Court of Appeal, the Minister of Justice of the Conservative Government has broken with this tradition and, I feel, violated the right of Franco-Ontarians to have a sufficient number of permanent Francophone judges to hear their cases in their own language.

Mr. Speaker, the next day, on February 5, in reply to another question, the Minister answered: There are 18 judges at the appeal level in Ontario, three of whom are bilingual, or 17 per cent. There are an additional four bilingual judges who can be used on appeals from the High Court. Of these seven, four are Francophones. In 1985 there were two appeals among 1,400 applications which required a French panel. What the Minister omitted to say was that of those 18 judges, 16 are permanent and two are supernumerary. Of the 16 permanent judges, only two are bilingual, while three judges are needed to hear a case, to form the minimum quorum of three judges at the Court of Appeal—what is referred to as a panel. The Minister therefore admitted that he felt like using a supernumerary judge or the bilingual judges from the Superior Court to constitute the so-called panel.

• (1910)

Mr. Speaker, this is absurd, especially since the problem could easily have been avoided by appointing a bilingual Francophone judge to the Court of Appeal! Furthermore, when he stated that only two appeals had been heard in 1985, the Minister of Justice (Mr. Crosbie) forgot that the 1984 Courts of Justice Act is not in effect throughout Ontario, but will be by the end of July. By his comments, the Minister also quantified the rights of Canadian Francophones. He, of all people, should know that one does not quantify a right and that rights are given freely and generously to all.

Mr. Speaker, on February 5 last week, I also asked the Prime Minister what he thought of this appointment and whether he agreed with his Minister of Justice that no bilingual Francophone could be found for this position. I was frustrated if not shocked at the Prime Minister's reply. He claimed he had personally contacted a Francophone judge or lawyer—he was not sure—he said he was distinguished and that for health reasons he had been unable to accept the appointment. He had to decline, according to the Prime Minister.

Mr. Speaker, these comments do not make sense, to say the least, when we know that in the Province of Ontario we have at least fifteen very good lawyers and fifteen judges in the courts at the present time who could easily fill the position of Judge of the Court of Appeal and would make very competent and, incidentally, very healthy legal experts.

The Court of Appeal of the Province of Quebec has a total of 15 bilingual permanent judges, four of whom are Anglophones, while the 1984 legislation on judicial courts in Ontario gives Francophones the right to be heard in their own language by a judge who speaks that language. Why do we not have at least one judge—one is not very much to ask for—one permanent bilingual French-speaking judge to the Court of Appeal? Is that not a blatant injustice to French-speaking Ontarians?

Mr. Speaker, in an interview with the media, the Minister of Justice claimed that all the fuss about the appointment of a French-speaking judge to the Court of Appeal is nothing but a charade to discredit him for being unilingual. That statement goes to prove that actually the Minister does not understand anything about Francophones. He does not understand anything about the daily reality of 500,000 French-speaking Ontarians. Francophones are not concerned about the Minister of Justice being unilingual. What francophones care about is the rights they are being deprived of by the Minister of Justice. This is not a political issue but a matter of justice and equity, supported by the non-political, and I repeat non-political association of the French-speaking legal profession in Ontario, by the once again non-political Commissioner of Official languages of Canada, and also by one of his own colleagues, the Hon. Member for Richelieu (Mr. Plamondon).

Mr. Speaker, for all those reasons, it is clear the Minister of Justice does not care about French-speaking Canadians. By gulping his words, the Prime Minsiter has shown that Francophones cannot depend on this Conservatives Government to safeguard their rights. This could not be more tragic, when we think of the numerous efforts of the French-speaking community in Ontario to acquire those rights.

By appointing a unilingual English-speaking judge to a seat that was traditionally reserved to a bilingual French-speaking judge, the Minister has broken a 33-year tradition. It is sad that this Government's vision, in the context of a bilingual country, is very much different from the approach and views of that government.

Mr. Speaker, I would conclude by saying that we do not ask for much, we are only asking for justice, we are asking that one of the members of the Court of Appeal of Ontario be a bilingual francophone.

**Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, it is amazing that the Hon. Member for Ottawa-Vanier (Mr. Gauthier), whom I was told had a reputation for being a defender of the rights of French-speaking minorities not only in Ontario but all across Canada, to see him use the appointment of Mr. Justice Krever to score political points on the back of the Government, tell all Canadians that the Conservative Government does not care about francophones outside Quebec, and suggest that only the

Liberal Party cares about them. As Parliamentary Secretary and also as a French-speaking Member of Parliament from outside Quebec and an Acadian from New Brunswick, I can assure the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that, as long as the Government Members will remain alert, which they have always been, as I can see every day, Canadians have nothing to fear.

When someone rises as the Hon. Member has just done to embarrass someone who has been appointed to the Court of Appeal, in this case, Mr. Justice Krever, whose ability the Hon. Member is not questioning as he speaks only of tradition, he should also look at what services are available to Franco-Ontarians. Everyone is entitled to be heard in French by Ontario courts, French-speaking magistrates are always available. Seven members of the Ontario Supreme Court are perfectly bilingual and four of them are francophones.

The appointment of Mr. Justice Krever is the result of consultations with the Chief Justice of Ontario and the Attorney General of Ontario, Mr. Ian Scott, who has even supported publicly the appointment of Mr. Justice Krever and confirmed that he was consulted from the very beginning about the whole procedure. The Ontario Attorney General even added, Mr. Speaker, that he did not understand why the federal Liberal Party was raising this issue and using it to try and suggest that we do not care about francophones outside Quebec.

Mr. Speaker, when someone speaks about an obvious injustice, we have to look at what is in fact happening. The information at the Department of Justice is that Franco-Ontarians can be served properly in their own language by the Court of Appeal and the Ontario Superior Court, and the appointment of Mr. Justice Krever was approved by chief justices throughout Canada, including the Chief Justice of the Quebec Superior Court. This attack on the character of Mr. Justice Krever is sure to be embarrassing for a man who has devoted so many years to the service of justice. He was appointed because of his ability and because he was the best choice.

Finally, I can assure you that the rights of all francophones in Canada are a priority consideration for the Minister of Justice, whatever the Hon. Member for Ottawa-Vanier might suggest, and that all francophones can be heard in their own language in Ontario.

• (1915)

[*English*]

STATUS OF WOMEN—PORTRAYAL OF WOMEN IN THE MEDIA. (B) APPOINTMENTS TO CRTC AND CBC

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, on February 3, I raised a very important question with the Minister of Communications (Mr. Masse) regarding the report on industry self-regulation entitled "Sex Role Stereotyping in the Broadcast Media". The report shows that effectively there has been no progress made in improving the portrayal of women and participation of women in the broadcast media. The Minister did not care to comment upon the report, although previous reports have also shown no progress. They have been available for many months, particularly the "Media Watch" report and the report by the CBC itself.

The Minister gave his assurance that decisions of the Government would be based upon discussions held in hearings which are to be scheduled in three Canadian cities. I have to ask: Why three more hearings? The question has been studied far too long without action. The problems have been documented for years. I asked him another question about action the Government could take immediately and had entirely at its disposal, and that is with the appointments to the CRTC and the CBC, which should be half and half, men and women, according to our notion of equality of the sexes.

• (1920)

The Minister gave a very poor reply here as well. He mentioned the name of one woman whom he had appointed. Well, there are seven men and five women on the CBC board, and there are three vacancies. There is certainly an opportunity to have equal representation. I hope that among the next appointments there will be people who know something about the subject of the failure to give adequate portrayal of women and who will use that opportunity to put pressure on the CBC. This is one thing Government can do in its appointments. It cannot interfere in the operations of the CBC. That would be entirely improper. However, it could appoint people who will say that equality for women demands fair treatment in the broadcast media.

With regard to the CRTC, there is also an underrepresentation of women. There are currently 14 men and seven women appointed. Canada, in making recommendations to the United Nations for the plan of action, recommended in its communication section that half the appointments be of women to Government appointed boards in that field. It is quite wrong that the Government has not acted here. It is hypocritical when we consider that this was a Government of Canada recommendation to the United Nations.

What are the facts? In the two years of so-called self-regulation, which industry asked for, they said: "We don't want Government regulation, don't touch the Broadcasting Act, don't make us do anything. We will reform on our own and in two years we will show you what a wonderful job we have done". It has done almost nothing, and some statistics show a deterioration of the situation.

Let me begin with CBC English channels. I will start with one statistic in the area of drama; how men and women are shown at the place of work. Who is the supervisor and who is the employee reporting to a supervisor? In 1981, 71 per cent were male supervisors, 26 per cent female. In 1983, the number of men had increased so it was 81 per cent male and 16 per cent female. On *The National*, the major newscast of the country, in 1981 there were 8 per cent women reporters. It rose to a grand total of 18 per cent, one of the few statistics to show any increase. That is only to 18 per cent. Of the

interviewees, 16 per cent were female 1981 and only 13 per cent in 1983, a deterioration. The anchor people were all men and all the substitutes were men.

On the expert witnesses, we do not get information year by year, but the average is 5 per cent. It is certainly an insulting notion that 5 per cent of the expertise in Canada is female and the other 95 per cent is male, that somehow women are not as capable as men.

Even for random interviewees, only 36 per cent were female. Women, who only have to be alive and have a comment to make, are underrepresented. For the French network, in drama the situation in 1981 was 77 per cent male, up to 78 per cent in 1982. Women were badly underrepresented.

[*Translation*]

On the French network in 1980-1981, announcers on newscasts and other current events programs were men and women, respectively 57 per cent and 43 per cent. In 1981, 1982 and 1984, 82 per cent were men and 18 per cent were women, therefore a drop in the representation of women. In 1980, 29 per cent of interviewees were women, but that figure dropped as low as 15 per cent in 1984.

The percentage of women reporters in 1980 was 20 per cent, dropping to 12 per cent in 1984.

[*English*]

These are appalling statistics. For children, the cartoon characters are 61 per cent male and 16 per cent female. Even the portrayal of who is alive and doing things in cartoons for children overrepresents men. To add to those statistics, 23 per cent of neither sex. Therefore, women are very, very badly underrepresented. Voice-overs in English advertising, 91 per cent had a voice-over, of these 90 per cent were men and only 6 per cent women and four of both sexes.

[*Translation*]

And the same thing goes for French advertising.

[*English*]

Women are twice as likely as men to be shown partially clothed. Women are shown as sex objects on television. As far as age distribution goes, there are fewer women and younger women as well. The study showed very few trends because it was an expensive study and it would be very hard to replicate. We are concerned that the CRTC has not provided the material in a way that it can be replicated so that progress reports can be made.

There have been vigorous recommendations for action. I would hope that the Government would begin to act on this serious question. If women are to be equal in Canadian society, they must have equal access to the airwaves. Women's events must be covered equally with those of men and women must be seen as experts and as full participants in Canadian society. There are many recommendations from Media Watch and other women's organizations as to practical measures the Government could be taking to that end.

• (1925)

**Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, the Hon. Member has raised an important issue and we are all, I am sure, appreciative of her concerns about the problem of sex-role stereotyping in the broadcast media. I would like to provide some background information on this issue to the House.

In September 1979, at the request of the Government, the CRTC established a task force on sex-role stereotyping. In September 1982, the task force released its report entitled "Images of Women" which called for industry self-regulation with public accountability to improve the portrayal of women in the programming and commercial content broadcast by the Canadian broadcasting system. This report was the culmination of three years of co-operative effort among members of the broadcasting and advertising industries, the public and the CRTC.

As recommended by the task force, a two-year period of industry self-regulation, beginning September 1, 1982, was undertaken. The CRTC has recently released a report summarizing the initiatives taken during this self-regulatory period as well as the results of an independent content analysis of Canadian broadcast programming conducted at the request of the CRTC.

[*Translation*]

The Hon. Member asked the Minister of Communications what was the Government's position with respect to the report on the self-regulation period which has just ended. I would like to repeat the remarks made by the Minister in the House, and more particularly that it is too early for the Government to make any comment about it. The third phase of the process recommended by the CRTC task force is that the report be used as the basis for public discussions on the efficiency of industry self-regulation. With that in mind the CRTC has announced that public hearings on that subject will be held in April and May in Vancouver, in Montreal and in the National Capital Region. After these hearings the CRTC will assess the efficiency of self-regulation and decide whether new measures might be considered.

Mr. Speaker, the Hon. Member also asked the Minister of Communication about the Government's intention concerning the appointment of women to the CRTC and the CBC board of directors. The Minister clearly indicated that increased woman representation and participation in these areas was a major consideration and that he would keep that in mind when vacancies occurred. In this connection, the Minister mentioned the recent appointment of Mrs. Lorraine Duguay as Director of the CBC. I am sure that the House shares the Minister's eagerness to appoint competent women such as Mrs. Duguay to important positions.

[*English*]

Finally, Mr. Speaker, I would like to make clear to the House that the Government recognizes that the problem of sex-role stereotyping is a broad and complex one and one that

will not disappear overnight. Indeed, as members of the CRTC task force have noted, societal attitudes toward women must change dramatically before that goal is entirely realizable. I would, however, like to reassure the House and the Hon. Member that the Government is following the CRTC's activities in this regard very carefully.

[*Translation*]

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 11 p.m., pursuant to Standing Order 3(1).

The House adjourned at 7.30 p.m.

# HOUSE OF COMMONS

**Friday, February 14, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 22

[*English*]

### THE PRIME MINISTER

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, the Prime Minister (Mr. Mulroney), seeing his popularity and that of his Party decline on a daily basis, has decided that he has had enough of bad news. From now on it will be good news, even if he has to make it up himself. He no longer wants reported by the Parliamentary Press Gallery how incompetent are his cabinet Ministers and how terribly annoyed he is that the press will not partake of breakfast at Brian's. From now on the message will be brought directly to the regional media, bypassing the Parliamentary Press Gallery.

Over the last few days cabinet Ministers have been seen ducking the media, leaving the House by the side door, the back door, or a crack in the wall—everything except the front door. The assistant to the Minister of Transport (Mr. Mazankowski) has even sent a letter to the local media explaining how they could benefit from media clips directly—not that second-hand stuff from the Parliamentary Press Gallery, in other words, the unbiased truth according to Brian.

Lately the Prime Minister extolled the virtues of the U.S. system where the Leader of the Government does not answer to the legislature at all. The Tories during the election campaign promised that they would be accountable. A little more than a year later, Ministers do not answer the press, the Prime Minister avoids answering in the House, and substance has been replaced with pre-recorded clips to be sent to the regions of Canada.

Perhaps the most interesting development in the media strategy is the fact that the Prime Minister, who does not have time to be accountable to Parliament—

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

* * *

### HOUSING

PLIGHT OF HOMELESS IN TORONTO

**Mr. Dan Heap (Spadina):** Mr. Speaker, the death of Drina Joubert is being examined at an inquest which opened on Wednesday in Toronto. Drina Joubert died on December 16 of cold and exposure in the cab of an abandoned truck in downtown Toronto. Toronto residents, who are shocked and shamed by her death and the three other deaths this year from exposure of homeless people, have formed a coalition called "Housing not Hostels". The concern is for the 6,000 to 10,000 homeless people in Toronto who cannot find accommodation now that the low rental places have been converted or destroyed. The coalition organized a march on Tuesday to City Hall to remind the public about these unnecessary deaths. It was led by several leading church people of the city of Toronto. The coalition is appearing at the current inquest, through a lawyer, in order to cross-examine witnesses, because of its conviction that it was not exposure that killed Drina Joubert but the impossibility of her getting a decent home in which to live.

Hostels are not the answer, they are the last resort. They give no privacy, no room to store belongings, they are overcrowded and there is no security while staying there. What they are demanding is that this Government and the other Governments of Canada provide housing, not hostels.

**Mr. Speaker:** I should like to advise the Hon. Member that his time has expired.

* * *

### NATIONAL CAPITAL COMMISSION

SUGGESTION WESTERN PARKWAY BE RENAMED SIR JOHN A. MACDONALD PARKWAY

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I would like to say a few words about the lack of recognition in Canada of our first Prime Minister, Sir John A. Macdonald. In most nations, a country's early leaders are honoured through national holidays or the naming of a prominent landmark in the capital city after them. In the case of Sir John we have neither. There have been several unsuccessful Bills introduced since 1979 to designate a national holiday in honour of Sir John A. Macdonald. The failure to reach agreement on these Bills may have had something to do with the fact that no one could agree on the exact date of Sir John's birthday, which is either January 10 or January 11, 1815.

As the Member of Parliament for Ottawa West I have the honour of representing essentially the same area that Sir John did toward the end of his political career. It appears to me that, if we cannot agree on a holiday, surely we could agree on designating an Ottawa landmark in his honour. We have, for example, Colonel By Drive in the city of Ottawa. In my opinion the time has come to start thinking about naming one

of Ottawa's other federally administered roadways after Sir John A. Macdonald.

I therefore call upon the National Capital Commission, at the earliest possible opportunity, to designate the scenic western portion of the Ottawa River Parkway, mostly located in my riding and Sir John A's old riding of Carleton, as the "Sir John A. Macdonald Parkway". At the same time I would suggest to the Commission that it consider naming the eastern portion of the Parkway after that other great Father of Confederation, Sir Georges Etienne Cartier.

**Mr. Speaker:** I would advise the Hon. Member his time has expired.

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## HEALTH

### YOUNG PEOPLE'S NEED FOR BETTER ENVIRONMENT AND QUALITY OF LIFE

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, I should like to draw the attention of the House to the conclusions of a study made public by the Department of National Health and Welfare on February 6 last. This study by a Queen's University social programs assessment group focuses on the troublesome problems experienced by Canadian youths. Among other findings, Mr. Speaker, nearly 50 per cent of young Canadians aged 9 to 15 do not eat properly; 25 per cent of 15-year-old teenagers smoke cigarettes and 30 per cent of them regularly drink five or more glasses of alcoholic beverages at a stretch. In addition, Mr. Speaker, 10 per cent of youngsters aged 12 smoke cigarettes, and 20 per cent of 15-year-old youths admit using cannabis.

Mr. Speaker, there is no denying that it is a social problem which concerns us all. Governments must co-operate and work together with health organizations, parents and school authorities, but it is even more imperative and urgent for each and everyone of us to do the utmost so that our troubled youths might live in a healthier environment and enjoy a better life.

* * *

[*English*]

## NATIONAL RESEARCH COUNCIL

### GRANT MADE TO GRAND CANAL COMPANY

**Hon. Chas. L. Caccia (Davenport):** The question is how to throw away $30,000 of taxpayers' money? The answer is, it is very simple. You just give it to the Grand Canal Company to conduct a study on water diversions and water exports. This is the strange way the Government goes about cutting the deficit.

The Minister of State for Science and Technology (Mr. Oberle) cannot hide behind the excuse that this money was given by a regional office without his knowledge.

The Minister is responsible for the operations of the National Research Council. If he does not want to throw away $30,000, if he does not want to squander taxpayers' money, if he really is serious about cutting the deficit, then he has a clear choice and the power to make the necessary decision: to rescind the $30,000 grant and to ensure that the National Research Council, or any other agency under his responsibility, will not squander money on studies dealing with the export and diversions of our water resources. The message should be loud and clear. There should be no wasting of public funds to study projects that will wreak havoc on the ecology, on native lifestyles, and on Canada's long-term water interests.

* * *

● (1110)

[*Translation*]

## WOMEN

### PROTECTION OF RIGHTS

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, five years ago today, women from all parts of the country came to Ottawa, spontaneously and with great enthusiasm, to show their interest in improving women's legal rights as they have evolved since the suffragette movement.

By their sheer numbers, they showed politicians how determined they were to ensure the Constitution would be an effective tool for the advancement of the status of women.

[*English*]

We in the New Democratic Party are proud to say that we worked together with the women of Canada to ensure that Section 28 was included in the Constitution. We are continuing to speak up with the women of Canada to make the legal promise of equality an equality in fact. Unfortunately, even the progress toward formal legal equality has been painfully slow. Much remains to be done.

On the occasion of the fifth anniversary of the *ad hoc* conference on the Constitution, we are challenging the Government to provide stable funding to the Legal Education and Action Fund, implement the recommendations of *Equality for All*, establish an ongoing equality audit of laws and practices, give more importance to judicial education on equality, and appoint more women judges. I was part of that movement five years ago here in Parliament and I hope we will be seeing many more women who were part of the women's move to Ottawa here with us in the House.

[*Translation*]

## INDIAN AFFAIRS

SIGNING OF ACCORD WITH WHITE BEAR BAND OF SASKATCHEWAN

**Mr. John Gormley (The Battlefords-Meadow Lake):** Mr. Speaker, I am pleased to announce in this House that an age-old problem with the White Bear Indian Band in Saskatchewan has been resolved.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) and Chief Brian Standingready, accompanied by 12 advisers, signed an agreement on Indian land claims representing a total value of more than $19 million.

[*English*]

The original grievance arises from alleged irregularities in the sale of former reserve lands of the Pheasant Rump and Ocean Man Bands when they were amalgamated with the White Bear Band in 1901.

[*Translation*]

The settlement shows the federal Government's good faith in its negotiations with official band representatives.

I want to congratulate the Minister and the band leaders on concluding this agreement.

[*English*]

As part of the settlement, the band will reacquire part of the former reserve lands when property known as the Lee's Ranch, comprising some 12,000 acres, is added to the reserve holdings of the White Bear Band. This land, coupled with a sizable cash compensation and other benefits, will pave the way for the White Bear Band to channel its skills and energies into achieving its goals of self-government and economic independence.

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## THE BALTIC STATES

LITHUANIA—COMMEMORATION OF INDEPENDENCE

**Mr. Andrew Witer (Parkdale-High Park):** Mr. Speaker, on February 16, 1918, Lithuania became an independent kingdom, and by November of the same year Lithuania became an independent republic. For years following this historic declaration, Lithuania resisted attacks by Bolshevik troops and mercenary forces.

The years that followed were hard for this tiny nation that experienced the ravages of war and dislocation of its economy. Yet, despite this hardship, Lithuania maintained her dignity and resolve. By 1940, however, the Soviet Union overran the three Baltic States and forcibly annexed them to the Soviet Union. The popular Soviet version of these events is that the peoples of the Baltic States joined voluntarily. Historical fact is that this revision of history in Soviet textbooks is nothing more than a hoax.



To Canadians of Lithuanian origin, this day commemorates the brief period of democracy enjoyed by their homeland. This day also gives reason for all Canadians to recall just how precious the gift of democracy is and how swiftly it can be lost. Let us join with Canadians of Lithuanian origin to commemorate this day and to pay tribute to their national courage and resilience. Freedom and democracy are non-negotiable commodities and they must be restored wherever they are denied.

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## AGRICULTURE

SUGAR-BEET GROWERS—CALL FOR ANNOUNCEMENT OF GOVERNMENT POLICY

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, today Manitobans learned that the Manitoba Sugar Company, the only operational sugar refinery in western Canada, will lay off 70 of its 95 employees unless the federal Government announces a new sugar policy. Mr. Bill Siemans, President of the Canadian Sugar-beet Growers Association, has stated unequivocally that time is running out. If sugar-beet growers do not have an answer by March 1, the whole industry will be in jeopardy.

In western Canada this industry provides close to 1,600 jobs. Over the years growers have invested heavily in specialized machinery to make their industry efficient and productive.

The Minister of State for the Canadian Wheat Board (Mr. Mayer) has had over a year to find an answer to this issue. Yet his office can give the sugar-beet growers or refineries absolutely no assurance that there will be a policy decision by March 1. By this inaction, the Minister and his Government threaten the livelihood of hundreds of communities in western Canada. The western Ministers of the Government obviously do not have the clout to get a sugar policy through Cabinet.

All Members on this side of the House call upon the Government to give this issue immediate consideration and announce a decision before the Budget so that we can continue to have a thriving sugar-beet industry in western Canada.

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# ORAL QUESTION PERIOD

[*English*]

## THE ECONOMY

INTEREST RATE LEVELS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, my question is for the Minister of Finance. The prime rate is at 13 per cent, nine percentage points above the rate of inflation. Canadians want to know what is going on—small businesses, farmers, and people entering into mortgages. My colleague from Winnipeg-Fort Garry told me that a restaurateur in his riding has to serve 800 more breakfasts per

week to pay the costs on his renewed mortgage. The Minister said yesterday that interest rates would return to normal levels. What, in the Minister's view, is a normal level? When will we see it?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have commented on this matter in the House before, as Hon. Members well know. I am not able to be precise about it, as the Hon. Member also knows, since he has tried this type of question on me before.

The point I would like to make to the Hon. Member is that once we are able to achieve stability we will return to more normal levels. That will be achieved once we try to withdraw ourselves from some of the instability in the international market, about which the Hon. Member is only too well aware. Canada will always be a part of that because of the open economy which we have.

PRIME RATE IN UNITED STATES

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the United States is certainly a big part of the international market. The prime rate in that country has held steady at 9.5 per cent, some 3.5 percentage points below the rate in Canada. With the size of the U.S. deficit and with the inflation rate there approximately the same as here, why is the Government inflicting this interest rate hardship on Canadians?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there are two ways which we can go here. We could allow the speculative pressures to take a much heavier toll on the market-place, which would lead to a higher level of inflation. That in itself would lead to a permanent level of higher interest rates than we have been experiencing prior to this upset in the market-place. What we have done is we have taken short-term action in order to put things back on a more normal and more stable basis which, I am sure, will come about in due course. I am sure the Hon. Member will be able to display some patience.

[*Translation*]

BANK RATE—GOVERNMENT POSITION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, speculation is the result of a lack of confidence in the Government's policies.

If the Minister is so confident about his policies, could he give the House the assurance today that he will keep the bank rate from going up again next week, and that the rate will be allowed to fall immediately after the Budget is brought down?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have the greatest confidence in the policies of our Government, and I have here a press release in which this Government announces the creation of 2,500 jobs in the Montreal area at SPAR Aerospace and Pratt & Whitney, and that is our Government's policy.

CANADA SAVINGS BONDS RENEGOTIATION—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, a few months ago in the House, the same Minister of Finance and the Prime Minister were bragging that the prime rate had gone down since they came to power. After 16 or 18 months in power, it is back to where it was in September 1984. All interest rates in Canada have gone up, while in the United States they have remained stable. Only one rate did not go up and that is the interest paid on Canada Savings Bonds.

I would like to ask the Minister of Finance when he intends to adjust the interest rate on Canada Savings Bonds. This morning we heard that more than 1 billion dollars' worth had been redeemed last week. Why penalize Canadians who opted for savings bonds and are now being forced to redeem them and buy Treasury bills with a return of 3.5 per cent more?

• (1120)

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I share the Hon. Member's concern about the small investors who have put their savings into Canada Savings Bonds. This is something we are looking at at the present time. As we see how things develop, we may well have an announcement to make.

[*Translation*]

INTEREST RATES ON SAVINGS BONDS—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have a supplementary. Does the Minister realize that every day the Minister delays adjusting the interest on savings bonds means he will have to add 300 million more to his weekly Treasury bills this week, on which the interest is very high, nearly 12 per cent? Why doesn't the Minister announce today he will adjust the interest rate on savings bonds, which would mean a saving for the Treasury and at the same time would give Canadian taxpayers who have opted for this type of investment a little more equity in the system?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I don't know that I can add much to the first answer I gave to the hon. gentleman. It is basically the same question.

INCREASED INTEREST RATE SOUGHT FOR CANADA SAVINGS BONDS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister of Finance. It concerns the astronomical change in interest rates as well. The Minister

knows that the banks increased their prime yesterday to 13 per cent, which is the highest in 17 months. That means that the Government is now hitting homeowners, farmers, and those right across the country who are looking for jobs. What happens to the holders of Canada Savings Bonds? Given the fact that tens of thousands of Canadians bought those bonds in good faith and they are now cashing them in at the rate of $1 billion a week, will the Minister announce today an interest rate increase for the holders of Canada Savings Bonds?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I guess the Hon. Member prepared his question before he heard the previous question.

**Mr. Broadbent:** No, not at all.

**Mr. Wilson (Etobicoke Centre):** The question is identical; the answer is identical.

**Mr. Broadbent:** Mr. Speaker, the Minister has said that the answer is identical but, as someone has just pointed out, he did not answer the other question.

REQUEST THAT GOVERNMENT ANNOUNCE INTEREST RATE CHANGE

**Hon. Edward Broadbent (Oshawa):** The Government has already hurt thousands of Canadians because of its high interest rate policy. It is now taking this irresponsibilty out on the holders of Canada Savings Bonds. Will the Minister give us a commitment by the end of the day that the Government will announce some change in the interest rate for the holders of Canada Savings Bonds?

**Mr. Benjamin:** Say yes, and sit down.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have responded in what I thought was a pretty full way. I indicated that I had the same concern expressed by the hon. gentleman about the small investors who are holding Canada Savings Bonds. As we study this situation over the next little while, we may well have an announcement to make. In the meantime, surely the Hon. Member can give me some time to review the matter in view of the current market conditions.

**Mr. Broadbent:** Mr. Speaker, if he is not going to give us any early action which will help the holders of Canada Savings Bonds, perhaps the Minister of Finance can deal with another question.

COST TO ECONOMY OF INCREASED INTEREST RATES

**Hon. Edward Broadbent (Oshawa):** The Minister of Finance has said for weeks now that this constant increase in interest rates was simply a matter of a "blip", a temporary action by the Government.

**An Hon. Member:** Question.

**Mr. Broadbent:** Since for at least six weeks we have had a remarkable and alarming increase in interest rates, is the Minister of Finance now prepared to tell the people of Canada exactly what it is going to cost us?

**Hon. Michael Wilson (Minister of Finance):** There will be a Budget which will come down—I think we have a date and time now—at 4.30 p.m. on February 26.

**Mr. Axworthy:** I hope so. Will you be here for it?

**Mr. Wilson (Etobicoke Centre):** I would encourage the Hon. Member to be in his seat in the House so he can receive all of the—

**Mr. Broadbent:** You will be here for it, eh?

**Mr. Wilson (Etobicoke Centre):** Yes, I will be here for it.

**Mr. Axworthy:** Don't forget, now.

**Mr. Hnatyshyn:** They are just worried because they are not all there.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member must realize—and I am sure he does—that this Budget is not going to be an easy Budget for us all. It is going to be a Budget which faces up to the realities of the country, realities which previous Governments have ignored, but realities which must be faced if we are going to have a healthy economy and if we are going to get the level of interest rates back down to the level which I think the Hon. Member would like to see.

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## UNEMPLOYMENT INSURANCE

EFFECT OF REGULATION ON EARLY RETIREES

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Minister of Employment. Two members of the Forget Commission have now publicly disagreed with her unfair changes to the UIC regulations which deny benefits to early retirees looking for new jobs. Several members of her own caucus, including two senior cabinet Ministers, disagree with her stand.

Does she not realize that every day she lets her pride stand in the way of withdrawing those unfair regulations, the more she is hurting Armed Forces and RCMP retirees, as well as others in the public and private sector forced to look for new jobs in mid-life? Why does she not withdraw these unfair regulations now? Where is the justice?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member is sitting on the opposition side of the House because of what happened to this country during many years of Liberal mismanagement. There are 211 active Members on this side, and they are making a tremendous contribution in the views they put forward and in the way they represent their constituencies. They were elected

to come to grips with the economic mess this country was in, and they are doing that.

Not all the decisions to be taken are easy ones. Not all our decisions will be easily acceptable to Members of the Opposition. However, we are trying to turn this economic mess around and we are making gains. Jobs are being created and confidence is being restored. Unemployment is down, and that is the best way to come to grips with the problem.

**Mr. Speaker:** Order, please. This is becoming a speech.

**Mr. Hopkins:** She is not listening to any of those Members, Mr. Speaker. She brought in these unfair regulations before she appointed the Forget Commission and it is equally valid for her to withdraw them while the Commission is still sitting.

MINISTER'S POSITION

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, does the Minister really want to go down in history as the one who cheated Canadian Armed Forces retirees and others in the public and private sectors who have paid premiums over many years? Is that her idea of justice? Why does she not listen to her own back-benchers? She does not even listen to her cabinet colleagues.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I would hate to go down in history as a member of a Liberal Government which saddled the children and grandchildren of this country with a debt they will never be able to pay. That is the kind of legacy left by that Member's Government.

We look forward to the recommendations of the Forget Commission. We have asked them to look at all of the perceived inequities in the unemployment insurance program. We are prepared to receive those recommendations at any time. However, I will forbear to ask when was the last time that the Hon. Member for Saint-Maurice ever met and discussed matters with the Leader of the Opposition.

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## CANADA SAVINGS BONDS

REQUEST FOR ASSISTANCE FOR HOLDERS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance. We have learned that Canada Savings Bonds holders are cashing them in at the rate of $1 billion a week. He says he is going to look into that, study it and so on. The Minister acted very quickly to burn speculators, so why does he not act quickly to save CSB holders rather than simply let them fry out there?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that kind of rhetoric really does not do anyone any good. I indicated to his Leader that this matter is under active review. That is the way it is going to stand.

GOVERNMENT POSITION

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, let us remove the rhetoric. What on earth is there to review? What on earth is he looking into? What on earth is there to study? People are cashing in their bonds at the rate of $1 billion a week. They were prepared to invest in this country and now he is hanging them out to dry. What is there to study?

• (1130)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member has his figures a little bit wrong. He said $1 billion a week. That is not quite an accurate figure. There are some people who are cashing in their savings bonds. We are looking at the impact of that. We are also looking at the impact of the lower than market rate in relation to the smaller holders of Canada Savings Bonds who do not normally switch. We want to maintain their loyalty to this particular instrument. However, when that decision is made we want to be sure that it is the right one.

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## ENERGY

EAST COAST OFFSHORE DRILLING

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. That Minister and the Minister of Finance applied pressure to the consortium of Husky and Bow Valley to reduce drilling under the Petroleum Incentive Program from ten wells to seven wells off the East Coast of Canada. Through their manipulations, the two Ministers ensured that only two of these wells would be applicable under the grandfather provisions of the Petroleum Incentive Program. Will the Minister state now that all ten wells which Husky-Bow Valley proposed to drill are eligible for funding under the Petroleum Incentives Program and that the Government will approve that funding?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, this matter is before a committee of the House, so I do not know whether you wish me to respond at this time. At no time has the Government asked any company operating in Canada's frontiers to reduce its activities, as the Member well knows. We are discussing with the company which wells will be eligible for grandfathering during the remaining period of the PIP regime.

GOVERNMENT POLICY

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, the Government is retroactively applying the provisions that it wants to implement under the Petroleum Incentives Program and is contradicting testimony. Will the Minister not admit that while she was telling Canadians that she was interested in fostering exploration and development on the

East Coast of Canada, she was working secretly to cut back on drilling and exploration?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member is getting carried away. He knows better than anyone else that the reason for the slackening of activity off the East Coast has been the outlook for oil pricing and the fact that the geology has been poor. It was only under the Liberal Government that companies were encouraged to drill for dollars rather than geology. Our regime encourages them to actually look for oil and gas.

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## UNEMPLOYMENT INSURANCE

### TREATMENT OF PENSIONS AS INCOME

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is for the Minister of Employment and Immigration. She said a few moments ago in the House that she is looking forward to the report of the Forget Commission. One of the commissioners, Mr. Roy Bennett, said that the recent Government cut in unemployment insurance benefits for people on pension income was "not well founded". Since the commission has already decided that, why does the Minister not do the right thing and at least put a temporary freeze on this cut-back?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as I have mentioned on a number of occasions in the House, the decision with regard to this regulation was taken 15 months ago, long before the Forget Commission was set up. Subsequent to that we have recommended to the Forget Commission that it look at all aspects of premiums, contributions, including who pays them and under what circumstances, and to give us its recommendations. I look forward to receiving the recommendations of the Forget Commission. When the Commission is prepared to make its recommendations, I will be glad to receive them.

### EFFECT ON PENSIONERS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, that is absolutely inconsistent. The Minister is saying that she is prepared to forget the Forget Commission on this particular issue. Therefore, will she come with me tomorrow to my constituency office in Vancouver, where I am having an open house, where there are many pensioners who are affected by this terrible change? Would she come and face those people directly and listen to them?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, under most circumstances I would be glad to accompany the Hon. Member. However, I already have a very full schedule for tomorrow. Perhaps he and I can get together at some future time. This being St. Valentine's Day, perhaps he will write me a note to that effect, and I will be glad to take it into consideration.



## PUBLIC WORKS

### INSTALLATION OF RECORDING SYSTEM IN LIBERAL CAUCUS ROOM

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is for the Acting Minister of Public Works. Prior to asking the question, I am sure that all Members would want to join me in wishing the Minister of Public Works a very speedy recovery.

**Some Hon. Members:** Hear, hear!

**Mr. Boudria:** My question for the Acting Minister is with regard to the tampering with the electronic system in the Liberal caucus room. The Minister was notified over a week ago, both orally and in writing by myself, of the request for the production of documents pertaining to the installation, corrections, and alterations to that system by EMI Connors Electronics Limited. Does the Minister intend to comply with this request? If so, when, and if not, why not?

**Hon. Bill McKnight (Acting Minister of Public Works):** Mr. Speaker, I suggest that the Hon. Member could address that question and that request to the person responsible for these facilities, the Speaker of the House of Commons.

[*Translation*]

### INQUIRY WHETHER DEPARTMENT HAS AYOUB REPORT

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I have a supplementary, and I hope the Minister will listen carefully. I asked for papers in the possession of the Department of Public Works, and only those. Would the Minister inform the House whether his Department has the Ayoub Report? Does he have any other reports on the installation? Does he intend to table them in the House? My question is quite straightforward: Yes or no?

[*English*]

**Hon. Bill McKnight (Acting Minister of Public Works):** Mr. Speaker, I am sure that you are fully aware of who is responsible for those facilities. I again suggest that the Hon. Member ask the Speaker of the House for that information.

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## REGIONAL INDUSTRIAL EXPANSION

### PROPOSAL TO LOCATE ARMAMENTS FACTORY IN CAPE BRETON—MIDDLE EAST PEACE NEGOTIATIONS

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Government's Green Paper on international relations stated that Canadians have a profound interest in peace in the Middle East, and stressed our potential mediating role in that region. How can we possibly maintain credibility in that crucial mediating role if we allow a West German company to

do here what it cannot do at home, to export arms to Arab states in the Middle East region?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, in his preamble and question the hon. gentleman is leaving an absolutely false impression, for whatever motive he may have. The fact of the matter is that, pursuant to initiatives taken by the Government, as announced by the Minister of Regional Industrial Expansion, several hundred inquiries have been received with respect to the establishment of businesses in the Cape Breton area. All of these are being considered. Thyssen is one of them.

GOVERNMENT'S JOB-CREATION POLICY

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, why would such a proposal even be considered? The Government should realize that this kind of unstable military production, which is vulnerable to changes in world politics, is exactly the wrong way to develop the solid, long-term jobs that Cape Bretoners need in the future.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the Hon. Member again leaves a totally false impression through the manner in which he framed that question. He also displays a rather broad ignorance of the beneficial results that are flowing from the position taken by the Government, announced by the Minister of Regional Industrial Expansion, to bring employment, jobs, and business activity to a part of the country which is sorely in need of them.

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[*Translation*]

## ENERGY

BENEFICIAL EFFECTS OF DEREGULATION POLICY

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On November 1, 1985, the federal Government reached an agreement with the producing provinces on the pricing and marketing of natural gas. Could the Minister inform Canadians and Quebecers whether her new policy on deregulation will soon start producing results?

• (1140)

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I am glad to respond to the Hon. Member for Drummond by saying that consumers are benefiting under our new agreement because, as contracts come up for renewal, buyers and sellers can negotiate new pricing. When Mr. Ciaccia, the Energy Minister of Quebec, was here yesterday to sign the $31 million conservation program between our two Governments, he told me how pleased he was that the savings to Quebecers already amount to millions and millions of dollars. I am glad that the constituents of the Hon. Member for Drummond are sharing in that saving because it was this Government that financed the gas lateral in his riding.

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## TRADE

CANADA-UNITED STATES NEGOTIATIONS—EFFECT ON EMPLOYMENT

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, my question is directed to the Minister of Labour. Contrary to the bland assurances of his Leader, the Minister has finally admitted that a free trade deal with the United States will affect thousands of workers in every region of Canada. We still do not have the hard information upon which to base the kind of judgments and negotiations to make a proper adjustment.

Is the Minister prepared to tell us how many workers will be affected, what industries, and what regions? When will the Minister and the Government give us the facts about the dislocations and provide the House with the information we need to give proper planning for workers in this country?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, the Hon. Member's preamble is as inaccurate as the headline in *The Toronto Star* on which he bases his question. I can tell the Hon. Member where the dislocations will be. There are estimates which show that for every 10 per cent that Canada loses in its ability to export to the United States of America, some 250,000 Canadians men and women will be out of jobs. The people who want us to maintain the status quo will cause that to happen. If we lose markets to the United States, the jobs of some 2.5 million Canadians who depend on exports to the United States will be in jeopardy. I am sure the Hon. Member does not want that to happen.

**Mr. Axworthy:** In case the Minister has not noticed, this past year we had a $20 billion surplus with the United States. That is a pretty good record and I think we are in danger of losing that because of the inaction of the Government.

ESTABLISHMENT OF TASK FORCE

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, will the Minister provide for the development of a major task force of labour and business to begin looking at the potential job loss and preparing proper adjustment programs so that workers will not be the victims of the Government's actions?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, I am sure the Hon. Member is aware that the exact committee about which he talks already happens to be established under my colleague, the Minister for International Trade.

I want to tell the Hon. Member that in 1983 and 1984, through the inaction of the previous Liberal Government, some 86 single-industry towns shut down in Canada. Our Govern-

ment will take action to enhance trade with the United States and other countries in the world because Canadian jobs depend on that.

* * *

## AGRICULTURE

### MANITOBA SUGAR-BEET INDUSTRY—DELAY IN ANNOUNCING POLICY

**Mr. Les Benjamin (Regina West):** Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns threatened lay-offs in the sugar-beet industry in Manitoba.

The Government promised a sweetener pricing policy to farmers growing sugar-beets and corn, which was to have been brought forward by last September. The delay has already resulted in 70 lay-offs, with 125 more later this year.

Can the Minister account for that delay that has brought such insecurity to farmers and workers in Manitoba? When will he be announcing that pricing policy?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I thought the Hon. Member was going to rise in the House and join with thousands of other farmers across the country in congratulating the Government on the action that it took a couple of weeks ago in delivering the long-term dairy policy.

The difficulties in the sugar-beet industry are complex and complicated. They are somewhat similar to those complications that are found in the dairy industry. Therefore, if we are going to deliver a good and effective policy we must take the time to consult. We must make certain that we get the policy right.

**Mr. Benjamin:** I did not know that dairy products were being made out of sugar-beets, but I guess that is what the Minister of Agriculture is going to arrange.

### REQUEST FOR EARLY ANNOUNCEMENT

**Mr. Les Benjamin (Regina West):** Mr. Speaker, since farmers will not be planting sugar-beets and corn until they have that pricing policy, will the Minister make a commitment today that he will announce that pricing policy so that farmers can make their plans and workers can save their jobs?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, obviously the Hon. Member does not fully understand the sugar-beet industry. If he did he would know that sugar-beets are a very valuable feed source for cattle, including dairy cattle.

He should realize that there is no question about the 25,000 corn growers throughout Ontario and Quebec. They will certainly be planting a crop this year, but if it were not for the action taken by the Government last year there would not have been a 1985 beet crop planted in Manitoba and Quebec.



We are very concerned about the well-being of the 1,400 beet producers left in Quebec and western Canada. We will take the time to make certain that we get the policy right.

* * *

## FINANCE

### UNITED STATES FIXED EXCHANGE RATE PROPOSAL

**Mr. John Oostrom (Willowdale):** Mr. Speaker, my question is directed to the Minister of Finance. In his State of the Union speech, the President of the United States indicated a move toward a fixed exchange rate as a significant movement toward reform and stability in the way nations treat their currencies. The United States has been co-ordinating economic and monetary policy among its major trading partners since last fall. At what stage are the negotiations, and will we be moving toward a fixed exchange rate and burn the speculators?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the ultimate resolution to the matter of fixed exchange rates to which the Hon. Member refers is some way down the road. We are looking for a greater degree of stability in the exchange markets, and the benefits for Canada would be obvious.

I want to point out to the Hon. Member that we must deal with more than just the exchange rate problem. We must address the fundamental problems that face industrial economies, including the imbalance in the fiscal positions and the rigidities in market systems such as is the case in the European countries, and Japan to a lesser extent.

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## CANADIAN ARMED FORCES

### SOCIETY OF MILITARY SPOUSES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Associate Minister of Defence. More than four months ago the Minister promised in the House to meet immediately with the president of the Society of Military Spouses. He has not only refused to meet with them, he has been instrumental in blocking a grant that would have been coming their way from the Secretary of State. Why is the Minister afraid of Lucy Richardson and the military spouses of this country?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, the fact is that Mrs. Richardson phoned my office and said that she was prepared to attend with her lawyer to discuss a settlement of the lawsuit. Given that the Minister of Justice is in fact a party to that lawsuit, the legal advice from my officials in the Department was that it would be most inappropriate to discuss any settlement since the action was initiated by OSSMN and we feel that there is no basis at all for that particular action.

**Ms. Copps:** Mrs. Richardson happens to be in the gallery today. What the Minister has just said is an absolute lie.

**Some Hon. Members:** Order.

**An Hon. Member:** How long have you been here?

**Mr. Speaker:** Order. First, reference to the gallery is out of order, and, second, the Hon. Member knows that she must withdraw what she just said.

**Ms. Copps:** I withdraw, Mr. Speaker. It is an absolute untruth, and I would like to ask—

**Mr. Speaker:** Order. No. The Hon. Member said she withdrew that, then replaced it so that it was not exactly a withdrawal. I simply ask the Member to withdraw that, put no further preamble of that kind, and simply put her question.

**Ms. Copps:** I withdraw.

REQUEST THAT MINISTER MEET SOCIETY'S REPRESENTATIVES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, given that the Minister is mistaken, will he meet with Lucy Richardson after Question Period today along with representatives of the military spouses who are here in good faith to try to negotiate an agreement in anticipation of the response of the Charter?

● (1150)

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, I am not in the habit of doing so and I am not aware of circumstances where Hon. Members, in view of a declarative statement, would in fact make that accusation. I would ask here to provide some evidence. I can provide evidence on my side of staff members who can verify the statement I just made.

**Mr. Guilbault (Saint-Jacques):** She has withdrawn that?

**Mr. Andre:** No, she replaced it. I resent that comment from that Member who ought to know better. She has been here a few months now.

**Mr. Gauthier:** You don't need to lecture.

**Mr. Andre:** Let me say that I cannot discuss something which is *sub judice*; I just cannot discuss it. She ought to know that. It is clearly stated in our rules. Perhaps she might spend the break reading them.

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## NUCLEAR ARMAMENTS

NATIONAL REFERENDUM REQUESTED

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the contribution which Canada can make to ending the nuclear arms race. I am asking this question on behalf of Paul Gross of Carleton University in my riding, and on behalf of millions of young Canadians from coast to coast. Will the Government support a national referendum asking Canadians whether Canada should become a nuclear weapons free zone, thereby ending all research, transport, testing, production and deployment of nuclear weapons systems and their components within our boundaries?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the House has addressed itself to that question before. As a matter of fact, if I recall it correctly, it was on the basis of a motion which was placed on the Order Paper by the New Democratic Party, and the House expressed its view on that motion.

DECLARATION OF NUCLEAR WEAPONS FREE ZONES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, in view of the encouragement which the United Nations Special Session on Disarmament has given to countries to declare themselves nuclear weapons free zones, and since 50 municipalities across Canada, and now the Manitoba Legislature, by unanimous resolution have declared themselves nuclear weapons free zones, will be Government go a step further and allow Canadians, through a national referendum, to say what they think in order to declare Canada to be a nuclear weapons free zone?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, if the Hon. Member enjoys the support of his Party, which I am sure he does, all he need do, in order to bring that question to this national forum once again, is to place another motion on the Order Paper addressing that subject so that the House can express itself.

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[*Translation*]

## THE ECONOMY

LE CONSEIL DU PATRONAT DU QUÉBEC—THE DEFICIT—GOVERNMENT POSITION

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, my question is directed to the Minister of Finance.

This week, the Quebec caucus received an impressive amount of formal representations from the *Conseil du patronat du Québec*. The message was quite clear. The Council is very proud of our economic achievements, and it says that the only way to continue in this vein is to control the deficit and bring it down even more.

Is the Minister of Finance in a position to give the *Conseil du patronat du Québec* the assurance today that this is what is going to happen?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we are going to have a Budget that will have to "make ends

meet". In this Budget we are going to face up to our responsibilities. We will continue along the same path we took with our economic message in November 1984 and in the May Budget. We will not flinch from this task, Mr. Speaker, because we have major problems to deal with in connection with our fiscal position, and we will have to deal with these problems in the next Budget.

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## INDUSTRY

REQUEST THAT PETRO-CANADA SURPLUS BE REFINED BY MONTREAL GULF REFINERY RATHER THAN IN ONTARIO

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

Yesterday, when you met with your Quebec counterpart, the Quebec Minister of Energy suggested that Petro-Canada make arrangements to have the surplus that cannot be refined by the Petro-Canada refinery in Montreal East, refined by the Gulf refinery, instead of diverting the surplus to Ontario.

Could the Minister give the House the assurance that she will take action along those lines right away?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, yes, yesterday I met with the Energy Minister from Quebec and we discussed a number of issues in common. He discussed the possibility—but there was no assurance—that there might be a buyer for the refinery. I said that I would do whatever I could to be helpful. Since no deal has been concluded, it would be premature for me to say what role Petro-Canada could play.

[*Translation*]

MONTREAL GULF REFINERY—REQUEST FOR PROTECTION OF JOBS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** I have a supplementary, Mr. Speaker. I would like to know whether the Minister realizes that the Gulf refinery employees, the Government of Quebec, the people of Montreal East, and the Lavalin and SNC companies are actively trying to save 450 jobs? Could the Minister inform the House why she and her Government are not urging the management of Ultramar to sell the refinery to prospective buyers in order to save jobs and save oil consumption in Quebec?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, the Hon. Member knows there is no way the Government of Canada can enforce a company to do anything, such as he suggests, it does not wish to do. I want to remind him that today, in Montreal, our Government has announced plans for 2,500 new jobs in the Montreal region, under programs administered by the Minister of Regional Industrial Expansion and by the President of the Treasury Board.

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## REGIONAL INDUSTRIAL EXPANSION

PROPOSAL TO MANUFACTURE ARMAMENTS IN CAPE BRETON

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. Considering that Canada has a declared policy of not allowing arms exports to countries at war or in imminent danger of war, which include Jordan, Syria, Libya, Iran, Iraq and other Arab countries, will the Minister of Defence release details of the Thyssen proposal for manufacturing arms in Cape Breton and exporting to those countries and also the General Motors proposal?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, if the hon. gentleman wishes to familiarize himself with the activities of the company which he mentioned, I am sure the public relations department within that corporation would be only too happy to provide him with the fullest information on the range of its activities throughout the world.

REQUEST FOR COMMITTEE REFERRAL

**Mr. Dan Heap (Spadina):** Mr. Speaker, since the Hon. Minister knows that the Government is engaged in discussions on a matter which concerns foreign policy, I will ask him again. If he won't release the information directly, will he refer the subject matter, that is the Thyssen proposal and the GM proposal to the Canadian Government, to the Standing Committee on External Affairs and National Defence?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, as I understand the very far-reaching nature of the changes which were made to our Standing Orders last night, that option would be available to the appropriate legislative committee.

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## ENVIRONMENTAL AFFAIRS

AUTOMOBILE EMISSION CONTROL SYSTEMS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, my question is directed to the Minister of the Environment. As the summit meeting between the Prime Minister and President Reagan in Washington approaches, and as domestic car emissions contribute to the problematic question of acid rain, could the Minister assure the House that the Government will keep its promise of having new emission control systems in place for the car industry so that for the 1988 models which

will come on the market in September, 1987, these will be cleaner in reality rather than just a promise?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, I can give the Hon. Member that assurance. With all due respect to him, I think some of the statements he has been making outside the House have been misguided. The policy all along has been to introduce in September, 1987, for the 1988 model year, the new regime for exhaust emission controls. As it turns out, some automobile companies are introducing their new models for 1988, not in September but in January. In any event, the policy stands.

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## EXTERNAL AFFAIRS

### IRANIAN ATTACK ON IRAQ—CALL FOR NEGOTIATED SETTLEMENT

**Mr. Bob Corbett (Fundy-Royal):** Mr. Speaker, in the absence of the Minister responsible for foreign affairs, my question is directed to the Deputy Prime Minister. A dangerous new level of war has been reached between Iran and Iraq with Iran's latest offensive and incursion into Iraq's sovereign territory. The offensive has the potential of escalating and endangering peace and security in a vitally strategic region known for its resources. Recognizing Iraq's readiness to end the war in a peaceful manner, will the Minister express Canada's position on the offensive and call for a negotiated settlement under the auspices of the United Nations?

● (1200)

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, Canada has repeatedly called for an early end to the conflict between Iran and Iraq. The heavy loss of life and destruction resulting from recent violent fighting reinforce the need for both parties to begin to work immediately to achieve a peaceful settlement. We, as a Government, strongly endorse the UN Secretary General's call of February 11 that concerted and determined efforts be made to end that war, and we urge Iran and Iraq to take advantage of the good offices of the Secretary General.

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## UNEMPLOYMENT INSURANCE

### PROCESSING COSTS OF CHEQUES

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, my short question is directed to the Minister of Employment. Is the Minister aware that approximately 10,000 people, because of the recent change of pension income, are now receiving cheques in the minimum amount of $1 a week, and that it costs the Department $1.56 to process a $1 cheque to each of those 10,000 Canadians, and that the cost of actually processing it after it is cashed is $1.10? Is the Minister aware of that?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I am aware that many inequities exist in the Unemployment Insurance program. That is why the administration of the program is now being examined by the Forget Commission of Inquiry. We expect that there will be a much better mode of operation resulting from the Inquiry. I am also aware that during the time that that Member sat on this side of the House some 27,000 more people in Newfoundland were unemployed as a result of the activities of the Government of which he was a part. Since we have come to office 10,000 fewer people are on the unemployment roll.

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, February 13, meets the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Winnipeg North (Mr. Orlikow) on Thursday, February 13, does not meet the requirements of the Standing Orders as to form.

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## POINT OF ORDER

### APPLICATION OF *SUB JUDICE* CONVENTION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, during Question Period the Associate Minister of National Defence (Mr. Andre) declined to answer a question posed by the Hon. Member for Hamilton East (Ms. Copps) on the grounds that the matter in question is *sub judice*. The question related to the status of military spouses. I presume that the Hon. Minister declined to answer the question on the grounds that the matter of the status of military spouses has been brought before the courts for a declaration that the Government's policy towards military spouses was contrary to the Charter of Rights and Freedoms.

Beauchesne's Citation 337 says:

(1) No settled practice—

Unlike the practice in criminal cases.

—has been developed in relation to civil cases, as the convention has been applied in some cases but not in others.

(2) In civil cases the convention does not apply until the matter has reached the trial stage.

A few weeks ago we expressed concern that a Minister commented on a matter that had been brought to the attention of the Human Rights Commission. You ruled that the *sub judice* convention was to be applied in a very narrow and limited way and that—

**Mr. Speaker:** By the Chair.

**Mr. Gray (Windsor West):** By the Chair, and therefore, Mr. Speaker, I am saying that you should protect the Mem-

bers of this House who ask questions from an unjustified use or reliance on the *sub judice* convention by Members of the Government to avoid answering questions otherwise in order, because the Government cannot have it both ways. When they feel free to do so they cannot make comments about matters before tribunals like the Human Rights Commission whose decisions can actually affect individual rights through the imposition of fines, and decline to answer questions because a matter may be before the courts under the Charter of Rights and Freedoms, which simply involves a declaration as to the applicability of the Charter. I ask you, Mr. Speaker, to remind the Government about the proper use of the *sub judice* convention in line with what you yourself said a few weeks ago.

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, this is an incredible performance. The other day I heard the Hon. House Leader of the Opposition say that the Speaker had no right to decide what could be asked in the House, but now he is saying the Speaker must decide what can be answered in the House. Mr. Speaker, I answered the question. The question was, "Why don't I sit down and discuss settlement of a law suit initiated by this group?"

Perhaps the House Leader of the Opposition has been away from the practice of law for a long time, but I think even he should understand the inappropriateness of that particular behaviour if I were to do that. I answered the question. The question was put to me and I answered it. He should have heard it.

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I think if we are going to quote Beauchesne, and the House knows that my colleague, the Hon. Associate Minister of National Defence (Mr. Andre) needs no help in these matters, the House should know that the Hon. House Leader for the Official Opposition did not quote all of the citation. Under Citation 335, "The *Sub Judice* Convention" it says:

> The purpose of this *sub judice* convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

That is the point the House should look to in this matter.

**Mr. Gray (Windsor West):** The Deputy House Leader for the Government has made a constructive comment, and that is the type one would expect in this kind of exchange, rather than the petty and unnecessary comment by the Associate Minister of National Defence (Mr. Andre). If one wants to quote from Beauchesne, I want to respectfully draw your attention, Mr. Speaker, that Citation 337 of Beauchesne also goes on to say:

> (2) In civil cases the convention does not apply until the matter has reached the trial stage.

As far as I am aware the matter in question has not reached the trial stage.

**Mr. Speaker:** I think the Hon. Member for Windsor West (Mr. Gray) would allow me to indicate that he is too good a parliamentarian to use some of the language that he just used about another Member. I will leave it at that.

I will simply say to him, as he will know from the ruling I gave before at his own request, there are times when the Chair does have to intervene under the *sub judice* rule, but those times are very narrow, and it is only by convention when the Chair feels that in certain matters, criminal cases usually, some potential danger would be done by allowing the question or the answer. That is the only time the Chair would get involved in that question. I take it the Hon. Member is making a representation to the Government about the answer that is made and what he thinks the answer should or should not be, but he has not raised a point of order, in that sense.

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## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

AGRICULTURE—FOURTH REPORT OF STANDING COMMITTEE

**Mr. Lee Clark (Brandon-Souris):** Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Agriculture in both official languages to which, pursuant to Standing Order 70(16), the committee requests a comprehensive response.

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—FOURTH REPORT OF STANDING COMMITTEE

**Mr. William C. Winegard (Guelph):** Mr. Speaker, I have the honour of tabling the Fourth Report of the Standing Committee on External Affairs and National Defence. The report deals directly with all the major questions that the prospect of a forthcoming renewal of the NORAD Agreement raises among Canadians.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*English*]

**Ms. Jewett:** Mr. Speaker, the New Democratic Party members of the Standing Committee, the Hon. Member for Brant (Mr. Blackburn) and myself wish to dissociate ourselves from the NORAD Report which has just been tabled. We do not agree with the recommendations and were denied the opportunity to append our dissenting statement in the report itself. We were also prevented from removing our names from the list of members. We will, therefore, today be issuing our own statement on the NORAD renewal.

• (1210)

## PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

**Mr. Albert Girard (Restigouche):** Mr. Speaker, I have the honour and duty of presenting a number of petitions on behalf of the constituents of my riding who pray that the Government reverse its decision on changes to the unemployment insurance regulations with respect to pension earnings.

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## FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1979

MEASURE TO ENACT

**Hon. Michael Wilson (Minister of Finance)** moved for leave to introduce Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-secondary Education and Health Contributions Act, 1977.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

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## JUSTICE AND LEGAL AFFAIRS

TABLING OF SUB-COMMITTEE REPORT

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, there have been consultations and I think you will find a disposition to introduce, by unanimous consent without debate, and have the passage without debate of the following order:

That, notwithstanding the order adopted by the House on January 14, 1986, the comprehensive response requested, in relation to the report of the Sub-committee of the Standing Committee on Justice and Legal Affairs on Equality Rights, presented to this House on Friday, October 25, 1985, shall be laid upon the Table not later than Tuesday, March 4, 1986.

**Mr. Speaker:** I take it there is unanimous consent for the introduction of that motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** There being unanimous consent, is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

## MOTION TO ADJOURN UNDER S.O. 31

BANK RATE INCREASE

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, pursuant to Standing Order 31, I wish to move that the House do now adjourn for the purpose of discussing an urgent matter requiring immediate consideration, namely, the dramatic and perhaps unprecedented increase in the bank rate and its impact on the Canadian economy.

**Mr. Speaker:** The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) gave me the required notice of his intention to seek an emergency debate under Standing Order 31. It is difficult for the Chair to contemplate that a rise in the bank rate would constitute the sudden emergency that is contemplated by Standing Order 31. It is, rather, an ongoing problem and, as I have indicated in two recent rulings on January 27 and February 3, the Standing Order is not designed for the consideration of ongoing problems on an emergency basis except in very special circumstances.

I am therefore unable to find that the Hon. Member's application meets the requirements of the Standing Order.

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## HOUSE OF COMMONS

TRANSITION TO NEW STANDING ORDERS—PRIVATE MEMBERS' BUSINESS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, we have now had further consultations with respect to certain items. I think you will find that the following motions or draft orders would be agreed to by unanimous consent and passed without debate. These are motions which will help facilitate the transition to the new Standing Orders which take effect on February 24.

If I may be permitted, I would read both of these motions. The first is as follows:

That notwithstanding the order adopted by the House on February 13, 1986, in relation to the provincial Standing Orders, effective Monday, February 24, 1986:

1. All outstanding Orders of Reference before a standing Committee prior to February 24, 1986, shall be deemed referred, with evidence adduced in relation thereto, to the new appropriate corresponding standing committee;

2. All reports, returns and papers deemed permanently referred to a standing committee pursuant to Standing Orders 47(4) and 70(1), prior to February 24, 1986, shall be deemed permanently referred, with the evidence adduced in relation thereto, to the new appropriate corresponding standing committee;

3. Where applicable, budgets of any standing committee adopted by the Board of Internal Economy prior to February 24, 1986, shall be deemed to be the budget of the new appropriate corresponding standing committee, unless otherwise ordered by the new committee;

4. Where applicable, all contracts for the services of staff for a standing committee or sub-committee in effect prior to February 24, 1986, shall be deemed contracts for the services of staff for the new appropriate corresponding standing committee or sub-committee, subject to ratification by the committee chairman;

5. The Sub-committee on CN Pensions of the Standing Committee on Transport shall continue with its current members and powers, provided that

the sub-committee shall report to the new Standing Committee on Transport no later than April 11, 1986;

6. The membership of the Striking Committee appointed on Monday, November 5, 1984, shall continue and the said committee shall, within the first ten sitting days following February 23, 1986, prepare and report lists of Members to compose the standing committees and the standing joint committees;

7. The new provisional Standing Orders relating to the committees of the House, adopted by the House on February 13, 1986, shall come into effect the sitting day following the day on which the report of the Striking Committee is concurred in. Until such day, the provisional and permanent Standing Orders 70, 71 and 72, in effect as of September 9, 1985, shall continue to apply for the purposes of committee business.

Perhaps to save time, I will put the second motion now as well:

That, notwithstanding the Order made February 13, 1986 in relation to the Provisional Standing Orders, those Standing Orders relating to Private Members' Business which were in effect on September 9, 1985 shall remain in force, during the present Session, until the day following the adoption of the report of the Striking Committee establishing the membership of the Standing Committee on Private Members' Business, at which time all items of Private Members' Business on that day's Order Paper shall be placed in a draw to establish an order of precedence for twenty separate items, and they shall be restored to the Order Paper at the stage which they had attained when they appeared on the Order Paper on the day preceding the draw and items not successful in the draw shall be placed on the Order Paper after the order of precedence at the stage they had attained and in the order they had appeared prior to the draw. Provided that all names of Members listed on the Order Paper without notice of items of business shall be dropped from the Order Paper.

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I have a question to ask. I will wager ten to one that no one understood that last motion without at least re-reading the motion. In any event, I trust that the Minister has thought this through. We have looked at it. I think I can agree with it.

I would like to ask the Minister a question dealing with Questions on the Order Paper. He has not addressed that question as yet and I just wondered if he has anything to tell us about that.

**Mr. Hnatyshyn:** Mr. Speaker, I really have not had a chance to consult on this. Under the new regime, there is going to be a limit on the Questions on the Order Paper and a requirement of the *quid pro quo* to which I referred yesterday, a response. My own instinct is, and I think this would be the fairest for everyone concerned including members of the Opposition, that we clean the slate and let Hon. Members come forward to place their items of priority on the Order Paper. They will then be under the new regime and they can decide which ones they want and continue to replace them.

● (1220)

I wish to discuss another situation with the House Leaders, that is, leaving them on.

**Mr. Gauthier:** Grandfathering them.

**Mr. Hnatyshyn:** We can certainly look at that. However, I would like to discuss the matter with the Opposition House Leaders. I think there are some down sides to that suggestion inasmuch as the costs of printing and the preoccupation with answering questions must be considered. During the experimental period we may wish to look at a way to try to resolve the priority of questions under the new regime. That is the sort of thing which I had hoped to discuss with my colleagues, the Opposition House Leaders, in order to work out some resolution.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I think we should be consulting on this issue. However, since the Government House Leader placed on the record how, in a preliminary way, he was thinking of proceeding, we on our side should also place on the record, perhaps in a preliminary way as well, how we think the matter should be dealt with. We think there should be a grandfathering of the questions. That is to say all the questions on the Order Paper should remain there to be dealt with under the rules as they existed before the decision of the House yesterday, unless a Member wishes to bring forward one of these questions to be placed under the four to be handled under the new rules through the priority answering period. I think this would be the disposition of those of our members who have questions on the Order Paper. Very frankly, I will say that the Government should give serious consideration to what I have said in order to avoid the inference that perhaps the Government would not be unhappy to see those questions disappear from the Order Paper.

**Mr. Hnatyshyn:** I take exception to that insinuation, Mr. Speaker. In the first place, if the Hon. Member wishes to discuss matters with me I am always available. When his Party's Whip stood up and asked me a question I tried to be as forthcoming as possible, without being devious or anything else. I simply say that it is a matter I prefer to have raised in our House Leaders' meeting. I would like to say that I am always willing to have a rational discussion about these matters. I do not want the constant insinuation that somehow there is some devious manner of thought going on on this side of the House. It is to the contrary. We are interested in accommodating Members of the House and will do what I think is fair to all Members.

**Mr. Gray (Windsor West):** Mr. Speaker, to clear the air, I wish to say that I had not intended any insinuation. I want to make that perfectly clear. I want to avoid the possibility that anyone would draw the wrong conclusion. I want it to be understood that my remarks were not for the purpose of making any insinuation. I regret that the Government House Leader interpreted them in that manner.

**Mr. Ian Waddell (Vancouver-Kingsway):** On the same point of order, Mr. Speaker. In speaking on behalf of the NDP House Leader, I wish to say that we are prepared to agree with what has been suggested, especially with respect to the point that further discussions be held concerning this particular problem. I agree with the Government House Leader that this can be worked out. After all, it is an experimental period and there will be good faith expressed on both sides. It being Valentine's Day I am sure the good faith has started already. We are prepared to agree with the procedure.

**Mr. Speaker:** May I simply say to all House Leaders that the Chair would very much like to see some consensus and

guidance from the House Leaders on this question since it is on the Chair's list of matters which have to be dealt with.

Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motions?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House has heard the terms of the motions. Is it the pleasure of the House to adopt the motions?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, question No. 503 will be answered today.

[*Text*]

CHALLENGE '85 ADVERTISING CONTRACTS

Question No. 503—**Mr. Allmand:**

Were advertising contracts for the (*a*) SEED (*b*) Business Drive for Jobs (*c*) Hire a Student (*d*) Student Entrepreneurs, components of the Challenge '85 program tendered and, if so, in each case, in what manner?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Adversiting contracts for (*a*) SEED (*b*) Business Drive for Jobs (*c*) Student Entrepreneurs, components of the Challenge '85 advertising program, were not tendered, but awarded in accordance with Treasury Board guideline Management of Government Advertising, Chapter 485.

* * *

[*Translation*]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, if question No. 502 could be made an order for return, this return would be tabled immediately.

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 502 be deemed to have been made an order for return?

**Some Hon. Members:** Agreed.

[*Text*]

CHALLENGE '85

Question No. 502—**Mr. Allmand:**

What is the regional breakdown by CEIC of the Challenge '85 program for the (*a*) number of applications (i) submitted (ii) approved (*b*) applications submitted according to whether they are non-profit, municipal or private sector (*c*) amount of funding approved (*d*) percentage of allocation that was actually approved?

Return tabled.

[*English*]

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I would like to ask the Parliamentary Secretary in this time of reform to which his House Leader referred a few moments ago just when the Government will answer my questions of April 2, 1985, pertaining to the costs of the Shamrock Summit. When exactly will the Government answer my question in regard to the travel of the Hon. Member for Rosemont (Mrs. Blais-Grenier), the former Minister of State for Transport, when she was in the capacity of Minister of the Environment? Surely those questions can be answered. The answer to one of the questions was available to the Parliamentary Secretary at one point some four months ago. However, it was subsequently withdrawn because of a technicality. I would like to ask the Parliamentary Secretary if the Government will commit itself to answering these questions forthwhith.

**Mr. Lewis:** Mr. Speaker, I believe that if the Hon. Member had followed the dispute between his Party's Whip and his House Leader, he would have heard that there is now an opportunity for him, subject to negotiations going forward, and if there is unanimity in the Liberal caucus on the matter, to ask that certain questions be responded to.

It is important to put on the recond as we leave the old regime behind us that we have answered 78.4 per cent of the questions asked during this Parliament.

**Mr. Boudria:** What does that have to do with what I am asking? Why does the Parliamentary Secretary not say that he just does not know the answer?

**Mr. Gauthier:** I rise on the same point of order, Mr. Speaker. The Parliamentary Secretary just said something which I do not think is proper. I am not in dispute with my House Leader. I asked a question in good faith. I think there is a valid question to be put as to what will happen to those questions. My House Leader tried to obtain some information from the Government House Leader in that respect. There is no dispute; it is just a matter of trying to get some facts and protection for some questions which have been on the Order Paper for a very long time. I have had one there for more than a year concerning a building which has been sold in the interim. It has not been answered.

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

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

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### LOBBYING

REFERENCE OF DISCUSSION PAPER TO STANDING COMMITTEE

**Hon. Ray Hnatyshyn (President of the Privy Council)** moved:

That the document entitled "Lobbying and the Registration of Paid Lobbyists, a Discussion Paper", be referred to the Standing Committee on Procedure and Oganization;

That the Committee consider and report upon the issues disucussed in the above-mentioned document; and

That the Committee report its findings and recommendations no later than March 30, 1986.

**Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, to refer back to December of last year, a discussion paper on the subject of lobbying and the registration of paid lobbyists was presented in the House. That paper reiterates the intention of the Government to monitor lobbying activities through registration of paid lobbyists. This iniatitive forms a part of the Government's major initiatives on public sector ethics.

These measures announced in the House last September comprise seven components, one being the issue of lobbying. At that time the Prime Minister (Mr. Mulroney) noted that he wished to control the lobbying process by providing, and I quote from his comments, "a reliable and accurate source of information on the activities of lobbyists". I think there would be general agreement in the House that no Bill which is presently being considered, other than the motion with respect to the reform of Parliament, would directly affect the habits and customs of our colleagues here in the House of Commons.

I should note here that the Government does not wish to regulate lobbying because it considers it reprehensible, nor is it aware of any impropriety. As the Prime Minister said, and I quote:

To the contrary, this practice plays an important role; it ensure that Governments, in taking decisions which affect us all, have taken into consideration the many different interests involved. This Government is simply saying that something so important should not be shrouded in mystery.

● (1230)

The measures suggested in this discussion paper would permit persons who are the object of lobbyist attention to recognize clearly the interest represented by that lobbyist. I doubt there is any Hon. Member in the House who would not agree with the basic spirit of the initiative of the Prime



Minister with reference to lobbying. It is a very important issue, an especially complex and very sensitive one which affects every parliamentarian.

This issue also affects ministerial staff, public servants, the public and all special interest groups, perhaps. It affects professional and business associations, corporations or individuals who hire another person to lobby on their behalf or, perhaps, to even assist them in their dealings with Government.

This document suggests that a registration system should be based on four principles, and this is the reason we need additional study with witnesses before the appropriate standing committee. The first principle is transparency, the transparency of contact with public officials. In order to ensure such transparency or recognition of the actual lobbyist, we could ask lobbyists to register their names. We could ask them to do this in a public register. We could also ask for the names of their clients and all other relevant information.

The second principle, and the reason for further study, is the principle of clarity. It should state clearly and concisely who must be registered.

The third guiding principle is access to Government. The process with which paid lobbyists must comply in order to deal with Government should not unduly prevent the same people from being in touch with public officials.

Finally, we must have administrative simplicity. Administrative requirements should be kept to a bare minimum. We must not make the registration process so burdensome that it discourages those with limited means, nor should we create a bureaucracy requiring substantial resources.

Given both the importance of lobbying activity and the complexity of this particular issue, I believe that public debate is very necessary. It is against this background that the discussion paper was prepared and subsequently presented to Parliament December last. This is not an example of "backtracking" as referred to by some Members of the Opposition. Backtracking is not intended. What we are trying to do is to protect everyone; Members of Parliament, bureaucrats and lobbyists.

In my preliminary discussions with Members of the Opposition, with bureaucrats and with the public, I have found a need for clarity which is not easily defined. When we look at some of the persons or groups we might consider registering, we must determine, first, whether those groups should be registered.

The issue is so important that it would be undemocratic to present a Bill on lobbying without first seeking the advice of key interested parties, including every Hon. Member of the House of Commons. Bearing that in mind, a Bill is not necessarily the formula which we will finally adopt. There is only one country in the world which has legislation in place—in the form of a Bill which dates back many years—which addresses the subject of lobbyists, and that is the United States. That legislation governing lobbying activities in the United States is in itself restrictive and very narrow in scope.

This was pointed out by the committee which studies the difficulty of defining "lobbying".

Just for a moment let us take a look at other countries. Australia prefers Government directives. I am not saying that that is the course the Government is advocating, but it is an approach which we must review. West Germany uses Standing Orders of the Bundestag, which is its Parliament.

Clearly there is no consensus that the legislative route is the only possible route. The path we have chosen is an open and public debate through discussion and involves all of the parties which could be, possibly even adversely, affected by quick action without consultation. That is why we recommend that the matter go to a standing committee representing all Parties of the House in order that expert witnesses might be called who represent all of the areas and jurisdictions where we might require the listing of the actual lobbyists.

As the Hon. Member for Nickel Belt (Mr. Rodriguez) pointed out at a press conference on the day the discussion paper was tabled, this process will give Hon. Members the opportunity to develop the appropriate measures right from the start. The sensitivity and complexity of the issue make it vital that it is discussed fully and openly before an attempt is made to adopt a registration system for lobbyists, whether through legislation or other means, some of which I have already mentioned.

I have previously noted that any such system would directly involve Members of Parliament, Senators, their staff and a large number of public servants. We would, therefore, be well advised to thoroughly consider the implications of regulations in this area as it directly affects us. As the Minister of Consumer and Corporate Affairs (Mr. Côté) himself has noted, it is essential that Government know the views of those parties involved in order that the system adopted is fair, reasonable and efficient.

By referring the issue of lobbying to a parliamentary committee, we will have the best possible representations from the people who would be most affected either positively or negatively. Indeed, if we are to take seriously the recommendations made by the McGrath Report on Parliamentary Reform, this issue must be studied in committee. We have heard arguments to the contrary, but I believe all Hon. Members of the House will agree that as Parliamentarians we are perhaps in the best position to make recommendations. I believe that open debate and consultations not only are essential but very vital. Only in this way can we ensure that the views of everyone are taken into consideration.

Let us consider for a moment that the Government were to proceed in this area as quickly as some Members of the Opposition seems to be suggesting we do. For the sake of argument, let us completely bypass any idea of any parliamentary committee just for a moment. We know that a number of important issues must be examined, issues, I might add, over which certain Hon. Members of the House would be up in arms should they feel they would not have their say before that discussion was put into legislation or regulation. Issues as fundamental as the definition of a "lobbyist" must be debated. At present, there is no precise definition of the term "lobbyist". There could be a number of interpretations of what we mean by "lobbying".

We might also ask who do we exclude from the legislation or the regulation? And how broadly do we define lobbying activity? After all, "lobbying" could be interpreted generally to include all representations made to Government, including those made by individuals acting on their own behalf. There is also the question of how much information we require from lobbyists and how much of it is made public. We must choose as well from the various means of applying the registration system to lobbyists to determine which activity should be monitored to establish sanctions, exclusions and more. If we do not open these questions to public discussion we run the risk of producing legislation which might be too narrow in scope. On the other hand, it might be too all-encompassing, classifying far too many individuals as lobbyists and forcing them to undergo the inconvenience and cost of registration. Too much intervention and too much regulation, with the accompanying large bureaucracy, must be avoided. The discussion paper, as thorough as it is, does not settle the issue. The various options it proposes for registration of paid lobbyists will serve as discussion points for the consultation process leading to the adoption of a system adapted to our needs.

● (1240)

I have mentioned already, but I believe it bears repeating, that a Bill bringing about the registration of paid lobbyists could negatively affect the fundamental democratic rights of the public in their efforts to make representations to the Government. This should be reason enough to convince anyone that we must consult openly, widely, and carefully before taking any decisions on this matter. We must also realize, and all Members are conscious of this important factor, that any legislation on lobbying will have an effect on our basic rights and conduct as parliamentarians.

By referring this motion to the Standing Committee on Procedure and Organization, it is intended that the committee will report its findings and recommendations no later than March 30, 1986. We are not looking for a long delay. We are looking for adequate time to ensure the protection of our colleagues in this House and those who rely on their ability to make contact with Government in order to advance the positions for which they stand. Quick action without this sort of consultation could create problems which would deter the democratic process. Therefore I ask my colleagues for speedy passage into committee, a quick response, and a report by March 30.

It is the intention of the Minister of Consumer and Corporate Affairs to then bring in the necessary legislation, directives or guidelines. I am sure that either one of the Opposition Parties might have a different view on whether we should legislate, direct, or create a registry behind the curtains here where we could refer on a voluntary basis those are preceived to be lobbyists according to the definition which will flow from committee study. There is no way anyone can stand on a

precedent or custom established by a system implemented in other countries and say that this has proven to be a good system to register licensed lobbyists.

If anyone has the answer to the questions I have raised today on behalf of the Minister, I would very much appreciate receiving a presentation. I hope the discussion which follows will give us the answers on how to proceed on March 30, not 1987 and 1988, but March 30 of this year. We are asking for only five weeks. We look forward to receiving input from right across Canada. In paticular, we look forward to input from Members of Parliament on both sides, the Senate, and the Public Service in order to come up with a system which lets everyone know where everyone else is coming from. It will be a system which is fair to both the elected representatives and the people of Canada who should be able to approach their MP to carry out their wishes. I am looking forward to the comments of Members of the Opposition.

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I am pleased to have the opportunity to participate in this debate on behalf of our Party. Before I commence my remarks I would like to make a very few brief comments on the Parliamentary Secretary's speech. He said he had preliminary discussions with the Opposition on this issue. I find that fascinating, because the first time in my life I have spoken to the Hon. Member was approximately 15 minutes ago when I asked him how long his speech was going to be. If he considers that consultation on the process, then perhaps that defines what the Government Party thinks consultation is. I do not consider it to be consultation.

He also indicated that it was the Opposition who wanted a Bill immediately and that his Minister preferred a consultation paper. Now, that is not a nice thing for the Member to say about the Prime Minister (Mr. Mulroney), because it was the Prime Minister who, in this House, in September of 1985, said that he asked his colleague, the Minister of Consumer and Corporate Affairs (Mr. Côté), to prepare on an urgent basis legislation to govern lobbying activity. I hope the Parliamentary Secretary will apologize profusely to the Prime Minister for having made those nasty remarks about him. We in the Opposition, of course, would never make such remarks about the Prime Minister, as you know, Mr. Speaker, because they would perhaps be construed as partisan. I would never want to be accused of that.

The Parliamentary Secretary also said the lobbyists could potentially include everyone or every constituent. He must be speaking of a different issue than the one I want to raise today. The document we are talking about at the moment is entitled *Lobbying and the Registration of Paid Lobbyists, a Discussion Paper*, and I put emphasis on the word "paid". Since when is the average constituent looking to get paid to go see their Member of Parliament concerning their lost unemployment insurance cheque or other similar issues? I say to the Parliamentary Secretary that he should have reviewed those notes that were prepared on this issue. Obviously we are talking here about paid lobbyists, not the average constituent raising issues with his or her Member of Parliament. His own Minister raised that issue some time ago and the Prime Minister did as well.

What we are talking about here is not the fundamental right of Canadians to address their Member of Parliament. The last thing any Member of this House of Commons would want to do is create an impediment to a constituent addressing a problem. As you know very well, because of your vast experience in the Parliament of our country, we have done exactly the opposite over the years. All Members have collectively attempted, and to a great degree succeeded, to improve their dialogue with their constituents by better telephone access, by the establishment of constituency offices, and by the hiring of staff in those offices. With the modern equipment which now links the constituency office with the offices on Parliament Hill, Members of Parliament can be far away from but at the same time very close to the people they represent. They can be apprised of their views. Their constituents can have full access at all times.

• (1250)

We all know that lobbying a Member of Parliament is the democratic right of everyone, but that is not what we are discussing. As I said earlier, the document is entitled "Paid Lobbyists". That is the issue with which we want to deal.

**Mr. Domm:** That is not what we are talking about.

**Mr. Boudria:** Well, the Member says that that is not what we are talking about. I will review the title with you—

[*Translation*]

—in the other official language: "Le lobbying et l'enregistrement des lobbyistes payés", Mr. Speaker. I said it slowly so the Hon. Member will understand. So we are talking about people who do this kind of work for a salary or some form of remuneration, not about the voter who goes to see his Member to get something done.

[*English*]

Lobbying has been recognized in statute in one form or another in the United States since 1893. There is a long history of such legislation elsewhere which we can use for examples. The present law of the United States dates back to 1946. That again provides quite a bit of precedent.

[*Translation*]

Mr. Speaker, I would like to bring to your attention an article by Jean Pelletier, in which he describes the present lobby structure in the United States. He says, referring to Washington:

> In this city, lobbying is the biggest industry after government. Some people estimate there is at least one lobbyist per US civil servant.
>
> Lobbying, which consists in putting pressure on legislators, regulatory agencies and Government bodies, is to the American political system what the monarchy is to the Parliament at Westminster.
>
> The classic example of lobbying remains the National Rifle Association (NRA). This particular lobby alone occupies an impressive block a stone's throw from the White House, where hundreds of lobbyists, both men and women,

spend most of the day trying to prevent any legislation or regulation from prohibiting the possession of firearms by Americans.

Mr. Speaker, we know that in the Unites States, this type of activity is far more widespread than it is in this country. In the United States, lobbying has existed for a long time. However although there are differences, lobbying also exists here in Canada. We cannot pretend or claim there is no lobbying in this country. Some of us know a rather famous lobbyist, Mr. Frank Moores, and I will get back to this later on in my speech, Mr. Speaker.

[*English*]

I bring to your attention, Mr. Speaker, an article in *The Globe and Mail* which refers to lobbying in the United States and the requirements there. In reference to lobbyists it says:

They are required to register as lobbyists with the Clerk of the House of Representatives or the Secretary of the Senate before they begin their lobbying activity.

They must also report under oath each quarter all the money they have received and all they have spent in pursuit of lobbying.

That is very important, "all they have received and all they have spent". It continues:

They have to say whom they gave money to, for what purpose, and what legislation it was that they opposed or backed.

In the United States lobbyists must give a considerable amount of information and, in my view, that should be the case in Canada as well.

Many people have attempted in the past to define what a lobbyist is. The Parliamentary Secretary referred to that in his remarks. Clearly, a lobbyist, first and foremost, is a person who is paid to influence a public policy on behalf of others. They attempt to have legislation or regulations either enacted or withdrawn. I am sure that we all know what a lobbyist is, and we could find the expertise to put it down on paper.

Not only do we want paid lobbyists to be registered, we also want to avoid creating a structure which will impede the ability of nonprofit organizations to speak to Members of Parliament about important issues. We do not want the structure to be so cumbersome that nonprofit groups will not be able to register. Whatever we do must be done in such a way as to ensure that the people who register as lobbyists are credible, and that they do not have a record which will cast a bad shadow over that occupation.

We must know how many lobbyists there are, how many people work for the lobbying firms, who pays the lobbyists, who they are lobbying, and how much is spent in the lobbying process. That is a very important issue. There are certain lobbying activities which we have already enshrined into law. The Criminal Code, in Section 108, addresses how much a Member of Parliament may be influenced without it being construed as a wrongful activity. This is also addressed in the Senate and House of Commons Act in a way. However, there is no legislation or regulation at the present time which registers the lobbyist.

What we are dealing with today, Mr. Speaker, is a commitment by the Prime Minister of Canada. I will admit that it was a hasty commitment on his part. The Prime Minister was in some political difficulty last year over the rash of "cronyism" that had plagued his administration in the previous year. However, that was not my fault as an Opposition Member, that was his problem. He gets danger pay and should be able to administer the Government in a proper way.

On Monday, September 9, he tabled in the House a comprehensive document all wrapped up in a blue ribbon apologizing to the people of Canada for all the wrong things that he and his Government had done in their first year in office. He pledged to the Canadian people that the Government would no longer partake in partisan political activities by appointing its friends to boards of directors of Crown corporations and so forth. The Prime Minister pledged that the lobbyists which had caused such controversy in the prior months would be registered. The Prime Minister himself stood in the House and asked us all to give our support to the Minister of Consumer and Corporate Affairs in the introduction of legislation on an "urgent basis", to govern lobbying activity. I wanted to bring that to your attention, Mr. Speaker, and make it quite clear, because I know that is what you want me to do.

I note that the hour of one o'clock is fast approaching. I would like to continue my remarks after the break for lunch, with your permission.

**The Acting Speaker (Mr. Paproski):** It being one o'clock I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2:00 p.m.

**The Acting Speaker (Mr. Paproski):** At one o'clock, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had the floor.

**Mr. Boudria:** Mr. Speaker, I am pleased to continue this afternoon with the remarks that I commenced this morning on the issue of lobbying.

I was talking about the promises that were made by the Prime Minister in September, 1985, when he said in the House very clearly that he wanted his Minister of Consumer and Corporate Affairs to immediately bring forward legislation pertaining to lobbying. It is evident that this is yet another example of a broken promise. We heard many promises during the election campaign and our ears are still sore from having listened to them. Nevertheless, this promise made by the Prime Minister with respect to lobbying was broken by his Minister of Consumer and Corporate Affairs. One can only conclude that: either the whole scheme was ill-prepared by the Prime Minister or his Minister of Consumer and Corporate Affairs disobeyed him. If both are wrong, then we can only determine which Tory made the mistake.

Let me deal with the whole issue of Crown corporations and lobbyists.

[*Translation*]

Mr. Speaker, lobbyists should not have the right nor the privilege to work for Crown corporations. I am not the one who said so, for that is what the Prime Minister indicated in a letter he sent to the various Crown corporations through Clerk of the Privy Council and Secretary to the Cabinet Paul Tellier. I quote part of Mr. Tellier's letter to the Crown corporations: "The Prime Minister has asked me to inform you that the Government will soon introduce a Bill governing lobbying." That was on September 6 last and, of course, you already know that there is an error.

And this passage further on, Mr. Speaker, because it is very important: "He has also asked me to advise you of the Government's wish that, in the future, intermediate agents contractually paid by Crown corporations should not interevene between them and the Government."

It is therefore quite clear that last September the Prime Minister did ask the Clerk of the Privy Council to make sure that Crown corporations would no longer hire lobbyists. Mr. Speaker it is important for the simply reason that Ministers themselves are responsible for people who are expected to lobby the Cabinet. In my opinion, it is quite improper for an agent acting against a Minister to lobby the Cabinet. Indeed, that is probably why the Prime Minister decided to put an end to that practice.

The whole thing turned sour, Mr. Speaker, because some Crown corporations toed the line while others did not.

[*English*]

I draw to your attention an article in *The Citizen* dated January 8. It states the following about lobbyists hired by Crown corporations:

> There is also the odour of abuse in a Crown corporation's recruitment of a lobbyist. Currying favour by hiring some politically-connected go-between smacks of patronage.
>
> Banning the practice is the obvious remedy. Last fall, Cabinet Secretary Paul Tellier relayed Prime Minister Mulroney's instruction to Crown corporations: They must not hire "paid intermediaries" to deal with the federal Government.

● (1410)

> Pardon us if we mutter some doubt. But we do not believe the Cabinet's edict has stoppered the natural and insatiable appetite of Crown corporations for information about their political masters.
>
> Petro-Canada, for one, has lately hired Frank Moores, who currently labours as an Ottawa lobbyist. One report suggested he will advise PetroCan on East Coast energy affairs, and the advice of a former Newfoundland Premier on such matters would be indubitably valuable.

It could be that the former Premier's advice is valuable, but that is not the point in the entire discussion. This former Newfoundland Premier is now a paid lobbyist. Petro-Canada has been ordered not to hire paid lobbyists, but it hired someone who most other mortals know as a paid lobbyist and called him a paid consultant. Then Petro-Canada can say to the Prime Minister: "We did not disobey you. We did not hire a lobbyist; we hired a lobbyist and called him a consultant. That makes us pure".

That was clearly not the intention of the Prime Minister. I do not know whether the Prime Minister has appropriately scolded Petro-Canada, but I hope he did because it was improper. Although the Prime Minister is not of my political persuasion, he gave an order and, as chief of our Government, I would expect that Crown corporations would obey what he said. Notwithstanding the fact that he and I may disagree, we both agree that he is the Prime Minister of the country. Obviously, he was elected to do that job. We would expect that Crown corporations, which sometimes think they have no masters, would at least remember that they do. When people elected to direct the country collectively in the form of a Cabinet decide on a policy, Crown corporations should understand that they must obey and avoid circumventing the process and using underhanded schemes such as the one which was used to hire Canada's most notorious paid lobbyist.

How did we get into this discussion today? There is one person in the country who has probably caused more controversy in the issue of lobbying than anyone else before. As a matter of fact, he has probably caused more controversy than everyone else combined who did the job before him. I am referring to the same individual, Mr. Frank Moores.

I should like to refer to an article by Michael Harris which appeared in *The Globe and Mail*. He talked about the lobbying activities of this particular individual and how, in his view and mine, our country is not well served when certain people exaggerate anything they do. We must remember that the individual sat on the board of directors—or as a political appointee, in any case—of Air Canada. The company for which he works or is associated with was known to be lobbying or working for Nordair and Wardair, competitors of Air Canada. In part the article reads:

> The Globe and Mail has also learned that Mr. Moores is the consultant for British Aerospace and Messerschmitt-Bolkow-Blohm . . . of Munich. Both firms are part of a consortium interested in selling the A320 passenger aircraft to Air Canada when it replaces its aging fleet of 35 Boeing 727s.

In other words, this person placed himself in a position where he was sitting on the board of directors of Air Canada and working in some way, shape or form for two competitors of Air Canada, and where he was part of a company which was lobbying to sell aircraft to Air Canada and perhaps to others that was manufactured in Europe. That at least gives the appearance of something which is improper. Perhaps nothing illegal was committed; that is quite likely the case. We are told that the individual may have removed himself from meetings when that matter was discussed, but the perception out there on the part of the people of Canada is that of a close friend of the Prime Minister being engaged in several conflicting lobbying activities simultaneously and sitting on a government body at the same time. It does not look right and should not be done.

As a matter of fact, I have another quotation to which I should like to refer. It was apparently made by someone else in

the lobbying business who said the following, according to the same article:

"Frank is running an escort service," one competitor said in an interview. "He packs the client's bag, carries it through the right door, and then makes his case for him. Frankly, he's marketing his connections, and if it doesn't stop, this whole profession is going to be under a cloud."

Those were the words of someone else in the same kind of business, that is to say, people who lobby others.

We also know of the very famous case where a group had attempted for a long period of time to obtain an audience with a cabinet Minister and did not succeed in doing so. By coincidence, once this group that owned a fishing boat and wanted a fishing licence hired the same individual, suddenly a meeting was made available with the Minister. Of course the group had to pay $2,000 for the services.

Of course the frightening prospect is that Canadians might want to know whether they have to pay someone $2,000 per day in order to meet with a cabinet Minister. We know that is not generally the case. Not even I, being somewhat partisan, would accuse cabinet Ministers of refusing access to people who do not do that. That would be irresponsible, but the mere fact that the process happened so that a group could have access to a Minister leaves a cloud hanging over that profession at the moment. It is unfortunate for that profession and for all Canadians who read about this kind of thing in the newspapers. It leaves a suspicion in the minds of Canadians that in order to have access to the people they elected, they must somehow use a mechanism which they cannot afford, should not need or do not want. It is not the way all of us in the House would want to be perceived.

I should like to talk briefly about the types of lobbyists. It has been indicated in the document before us that there are three different categories of such people. Some of them are associations which are there to serve their members, such as the National Farmers Union, the Canadian Petroleum Association and others. They have personnel on or in the vicinity of Parliament Hill to inform Members of Parliament on the needs of their industry, their non-profit group, their social welfare group and so on. They often contact Members of Parliament to air their views. There is another group which calls itself consultants. There is some dispute as to whether or not these folk are lobbyists. Sometimes they instruct someone on how to prepare briefs, how to approach Ministers or elected representatives, but will not actually meet with them. Granted, there is a grey area there as to whether or not they are lobbyists. Also there are the others who are referred to as hired guns. In other words, these people personally knock on doors of elected representatives or bureaucrats and voice the opinion of either a corporation or some sort of group and are paid to do so as an agency or as the person doing the job. Again, there is nothing wrong with that process if it is done properly.

● (1420)

The present situation leaves a cloud over the industry, and that is bad. Most people that do this kind of work for a living—as a matter of fact probably nearly all of them are honest people just like nearly all other people are honest people. The present system where they are not really held to account for what they do leaves a cloud of mystery which is not good.

I will draw a parallel for you. I am sure you recall the days prior to the present election finances legislation. There was in various constituencies across Canada people who would raise funds for election campaigns. Nobody was quite sure who they were. They were this theoretical mystical backroom person with the big cigar who went to collect the money. Nobody knew what he collected or from whom, or what it was used for. There was a kind of a mystery about that. Maybe it was all right, but people felt uneasy about it. There was just a general cloud over that whole process.

This Parliament some years ago decided that was not good for our country. They said, why don't we demystify all this? Why don't we make it all public? That way if business "A" wants to give $100 to candidate "B" in such and such a riding, that is public. I can find out about the contributions to a campaign of a Member across the ways and he can investigate mine. In that way we are held accountable to each other, to the media and to the public of Canada. Any citizen can walk into the elections office here in Ottawa on Conventry Road and ask to see what any Member of Parliament spent during the last election campaign. That is public information.

No more is there that cloud over election spending. The minute anyone is suspected of doing something that is even slightly out of line there is an investigation. Some people have even claimed that those investigations have actually gone overboard. However, be that as it may, we have cleansed that system. We have done a good job of it. It does not mean that nothing goes wrong any more, but I venture to say that this system has improved matters considerably.

For the same reason we need to legislate on this issue because the honest people that do this kind of work for a living, that go to work in the morning, knock on a door of a Member of Parliament on behalf of the agency that they represent, explain to them why such and such a piece of legislation is important, why such and such a regulation should be omitted, deleted and so forth, are engaged in a legitimate activity. But there is an uneasy cloud around at the moment. There was always some sort of an uneasy cloud, but the cloud has grown thicker, especially over the last year or two. I have indicated to you some of the reasons why that has happened, perhaps there are others. The fact that the machinery of Government is getting ever more complicated is another reason why this is happening.

[*Translation*]

We must register the names of lobbyists, their salary, who their clients are, what kind of fees are paid, what their expenses are, in order to avoid the kind of situation we are seeing today, a situation I think is unhealthy in our society.

[*English*]

There are some people who are against the registration of lobbyists, that would argue with you, Mr. Speaker, or with others, saying that the public regisration of lobbyists is what

they advocate, but the registration of lobbyists as such would make a special class of privileged people. This special class of privileged paid lobbyists would, in fact, have greater access to elected people or to people in the bureaucracy or elsewhere than others who are not members of that special class.

I would like to argue with you, Mr. Speaker, that that is not the case. First of all, it is not all members—I don't think it is all Cabinet Ministers and it is not all of public officials—that give any kind of a special recognition to someone who is a lobbyist. That obviously is not the case. If that were the case everyone would be defeated every election because that would not be proper, so that is not happening at the present time.

People who are lobbyists right now unfortunately are, to a certain degree, in that special class. It would not create a change to register them. They would still be paid lobbyists, but that is what they are now. The whole process would be cleansed, made much better, not only for you and I as members of this House, but it would restore confidence in the Canadian people in a system that is beginning to be tainted by some unfortunate events.

To those who say that it is only that special class that would have access to Ministers, I would ask, why is that not the case right now? Notwithstanding the problems and notwithstanding the fact that certain people say they had to hire lobbyists in order to get a meeting with certain individuals, that certainly is not the case with all Members and certainly not the case with all cabinet. It would be wrong to generalize and say that that is so.

In closing I would like to reflect with you on the U.S. experience, particularly to alleviate some of the concerns that the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm) had a while ago when he was asking, "Who is and who isn't a lobbyist?" I brought to his attention, of course, that the issue here is paid lobbyists, and not an individual constituent who was airing his or her grievances. Under the U.S. legislation, and I draw this to your attention, those who are not included as lobbyists—it is important to think about this because we could use at least portions of that example and give it a Canadian application—are the following:

> Communications by an individual to express a personal opinion or for redress of grievances. Only organizations, not individuals are covered by the Bill... communications which seek only to determine the existence or status of a legislative matter such as whether a Bill has been introduced or whether hearings have begun.

In other words, a person or consultant who merely phones the Clerk of the House to ask whether today we will be discussing Bill C-90, or some other piece of legislation, is not considered to be a lobbyist. That is merely an information request. Again, using the American example and I think this is one that perhaps all of us can use at committee when we discuss the issues:

> A communication to federal officers or employees made in response to a specific request by the officer or employee.

In other words, someone in Government obviously does not have to phone a lobbyist in order to respond to something that has been asked of him to start with. That is covered in the American example. Very appropriate, as you undoubtedly recognize, communications submitted for inclusion in a report in a legislative committee or hearing are excluded. Again you do not have to be a lobbyist to appear before a parliamentary committee. It is a fundamental right of any Canadian to respond to an invitation of a parliamentary committee or to appear as a witness before that committee.

Let me quote another exclusion.

> Communications to a federal officer or employee having to do with federal regulations, executive orders or contracts.

That is a little bit more complicated here in Canada, as you undoubtedly recognize already, simply because the lobbying here in Canada, unlike in the American system, would likely not all be done, and is likely not all done at the present moment, exclusively with members of this House or members of the other House. It is likely far more widespread, not in terms of numbers but in terms of the different categories of people affected by lobbyists. That is because of the structure of our Government. That must be modified in order to give it a Canadian application. I read on:

● (1430)

> Unpaid communications made through a speech or address, or a newspaper, book, periodical or magazine published for distribution to the general public or to the membership of an organization.

In other words, these guidelines would not stop a right-to-life group or any other group for that matter from putting people on their subscription lists and sending them their monthly new letters. The analysis goes on to read:

> Also exempt are communications made through radio or television or through a regular publication of an organization for purposes substantially unrelated to influencing legislative matters.

That does not require much further explanation.

It goes on:

> Communications to a representative or senator, or his or her staff, made by an organization whose principal place of business is located in the state represented by the senator or congressman.

Of course, in adapting that to the Canadian system, that would probably mean that an organization or business based in my riding could contact me, their own Member of Parliament, without having to be organized or registered as a lobby group under what has been proposed. Again, I believe that provides the answers for which the Parliamentary Secretary was looking when he made his remarks today.

There is enough historic precedents elsewhere for Members of the House to have a fair amount of information on which to base a proper Bill.

[*Translation*]

Mr. Speaker, in his speech today the Parliamentary Secretary said the Opposition was too hasty and wanted this Bill right away before even consulting with the Members of this House. I can assure you, Mr. Speaker, this has never been the case. My own position as Opposition critic in this matter is as follows: The Prime Minister had made a commitment which

he failed to meet. Now you may say; But it's much better this way, it's better to have a consultation document before the Bill is tabled, and my answer to that, Mr. Speaker, is that if that is the case, the Prime Minister did not stop to think long enough before he made these proposals in the House.

If that is not the case, if the Prime Minister was right in making his statement last September, then the Minister of Consumer and Corporate Affairs (Mr. Côté) is wrong, because he said it was premature to draft a Bill right away, and that it was necessary to consult with various groups and the House before drafting this legislation. In any case, it is either one or the other, they cannot both be right or wrong, since the Prime Minister's opinion directly contradicts that of the Minister of Consumer and Corporate Affairs, and vice versa.

In concluding, I would like to bring the following to your attention, Mr. Speaker. I do not want to take up more time than is necessary to speak to this matter today, but I nevertheless want to point out that the people in our political group in this House intend to take an active part in the debate in committee. We do not want any unnecessary delay, and we intend to observe the March 30 or March 31 deadline. We want a Bill that will not only enhance the credibility of the people who do this kind of work, the lobbyists, but we also want to restore the credibility, not only of this Government but of all the Members in this Chamber and in the other place, and that of the Public Service which is often subject to lobbying by people who do this kind of work.

Mr. Speaker, I hope the parliamentary committee will be able to start its work very shortly, that it will have the privilege and the authority to invite as many witnesses as possible in order to be properly informed, that Hon. Members will take an active part in the committee's proceedings and will help committee members draft the legislation in the best possible way they can. As far as I am concerned, I think the Bill should not only provide for registration of lobbyists but also for making this information public, including the salary and expenses of lobbyists as well as the names of their clients and the people whom they are lobbying. If we proceed with these objectives in mind, I am sure the result will be a piece of sound legislation that will benefit all Canadians.

[*English*]

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I would like to make some brief remarks on behalf of the New Democratic Party on this report and its reference to the Parliamentary Committee. The report entitled *Lobbying and the Registration of Paid Lobbyists* is a pretty thorough one, and I am not going to repeat all the suggestions made in it.

I note that the Hon. Member who just spoke dealt with a number of the matters included in this report and made a number of suggestions including that Lobbyists not only be registrered but that their names be published and their salaries and clients be registered along with who they lobbied. He made some concrete suggestions and no doubt the committee will consider them.

I am proud to speak on behalf of the NDP. I think it was Barry Mather, a Member of Parliament from Surrey, British Columbia, who proposed one of the first private Member's Bills to deal with lobbyists. I know that the late Hon. Walter Baker also took the matter up, as did the Hon. Member for St. John's East (Mr. McGrath). This is an example of ideas put forward by individual Members which are beginning to come to fruition. Ultimately there will be a Bill on lobbyists.

Lobbyists have sort of a bad name. This goes back historically to the bad old days. I believe the word "lobbyist" comes from the fact that these people hung around the lobbies. There are a lot of people who hang around our lobbies, but they are not lobbyists in the traditional sense. Most of them are our employees or members of the media.

According to the *Oxford Dictionary*, a lobbyist is someone who frequents the lobby of a legislature. There are certain parallels with that today. There are lots of lobbyists all around Ottawa these days. The rich and powerful are the ones who tend to have lobbyists, so things have not changed much. The rich and the powerful are the ones who can afford lobbyists.

It is true, there are some organizations that have had Government funding like native and poverty organizations that are now beginning to have lobbyists. However, they are in a minority as compared to the Canadian Petroleum Association and some of the other big lobby groups here in Ottawa.

We in the NDP support the registration of lobbyists and we support the referral of this report to committee. We feel that anyone who comes to the Hill to approach MPs or public servants representing certain interests should have to declare for whom they work. We feel that all groups should be made to register, not just private-sector groups but both profit and non-profit groups and foreign and domestic groups.

Hon. Members will note that I mentioned the lobbying of public servants. Let us be honest. In Ottawa, under the Canadian parliamentary system, there is a strick Party system. It is not as useful to lobby individual Members of Parliament as it is to lobby individual congressmen in the United States. Individual Members of Congress have more power than Canadian Members of Parliament. Generally speaking, Canadian Members of Parliament do not have very much power. They are part of a part system. They can speak out and they can try. They can get Bills and so on. We are reforming the rules to give them a little more power.

• (1440)

However, lobbyists are not stupid. They go for the people who have power and influence. They go for Ministers of the Crown who have power. In particular, they go for the civil servants in Ottawa. That is who they lobby. They do this because in our system the civil servants are making up the Bills, shaping policy and making recommendations to the Government. Those are the people lobbyists zero in on. In my submission that is who the committee should zero in on as well. We should look at lobbyists *vis-à-vis* civil servants. There should be fashioned a system of registering paid lobbyists in recognition of the fact that these people are lobbying

civil servants. I think we all agree that we want a fair system. We want things to be out in the open. I think that is the whole thrust of this effort.

I also suggested that there is more than just the private sector groups to be considered. There are some profit and non-profit groups which are lobbying. There are also foreign and domestic groups, which presents a more difficult problem. Foreign governments are not lobbyists, although they lobby in the traditional diplomatic way. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who just spoke took a trip to Taiwan, which he acknowledges. He did so on behalf of the Taiwanese Government. It was a free trip. One does not receive free trips for nothing, at least not in the long run. The Taiwan Government will expect some sympathy on behalf of its causes, which is what it wants from the Hon. Member and from his Liberal colleagues. I might say that the Hon. Member for Glengarry-Prescott-Russell, who is a good spokesman on the issue of patronage, really destroyed his credibility by taking that particular trip. This is a matter at which the committee must look; it must consider whether or not foreign Governments and foreign agencies should be caught in this legislation.

Provincial Governments also have lobbyists. For example, the Governments of Saskatchewan and British Columbia have offices in Ottawa. They are in place to lobby on behalf of the provincial Government. Should they be registered? Should they be controlled under these provisions? That will be up to the committee to consider.

There is also the matter of Crown agencies to be considered. No one likes to talk about it but they really have lobbyists. I think of Petro-Canada, the CBC and Eldorado in this regard. They all have people on the Hill. If one wishes to get in touch with them they can, or if they wish to get in touch with someone they can do that as well. They can fill one in on what their interests are. That is lobbying. The committee will have to consider whether or not it will exclude Crown agencies from lobbying. It will have to recognize the fact that this exists.

As I understand it, the rationale behind the registration of lobbyists is to ensure that politicians and public servants operate in the public eye. They must be clearly perceived by the public to be operating under a certain code of ethics.

I have recently noticed that in Canada a system is developing in which senior public servants move in and out of Government Departments. Years ago people like Dr. O. D. Skelton stayed in Government Departments for years and years. They were the great mandarins of our civil service, mandarin being the Chinese word for advisor. These people tended to stay in Government throughout their whole careers as civil servants. They were very distinguished civil servants, probably the best in the world. We now see people like Simon Reisman who come and go. When they go back to the private sector they have great inside knowledge of Government.

I know this subject is not in the lobbying document, but the conflict of interest rules and the existence of this type of behaviour pattern are matters which the committee should take into consideration when considering a Bill with respect to the registration of lobbyists. It is not an easy matter to deal with; it is a difficult one. People must have the freedom to hold jobs. However, there may have to be some restrictions with respect to what they can do.

Lobbying has a history in Canada. I said it had a bad name because it always represented the most powerful, and that it was sometimes thought to be representative of fairly sinister interests. When the Canadian Pacific Railway was about to be built there was a great debate in Parliament. There was the Pacific scandal, the great scandal of the day. At that time it was revealed that there were lobbyists around here on behalf of the groups that wanted to build the railway. These groups were contributing money, I believe, to the Prime Minister's political Party. Of course there was a great scandal. That was the time when Canadians first became concerned about lobbyists. In those days lobbyists lobbied Members of Parliament and cabinet Ministers. Today they lobby civil servants as well as cabinet Ministers.

I have to say that we in the NDP consider the Senate a big lobby. In fact it is comprised of 102 paid lobbyists, as far as I can see. One just has to look at the banking committee of the Senate and the bankground of the Senators who sit on that committee. Some Senators, such as Senator Davey, lobby for the Liberal Party full-time. He is virtually a paid public organizer for the Liberal Party. Others lobby for their own corporate interests. Some of them serve on numerous boards of directors. Hon. Members know my Party's view of the Senate.

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

**Mr. Waddell:** I am not saying anything about the Senate, I am talking about the lobbying.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Northumberland-Miramichi (Mr. Jardine).

**Mr. Jardine:** Mr. Speaker, I think it is acknowledged that we do not take the name of the other place in vain, such as the Hon. Member has been doing thus far.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Northumberland-Miramichi has a good point. I was waiting for the Hon. Member for Vancouver-Kingsway (Mr. Waddell), who is well-versed in the rules of this place, to bring his remarks to a halt in terms of the Senate.

**Mr. Waddell:** Mr. Speaker, I appreciate what the Hon. Member has said. Hon. Members know that I consider the Senate to be a scandal. It is composed simply of a group of paid lobbyists. I will not refer to the Senate further.

The Hon. Member for Glengarry-Prescott-Russell mentioned that we are now seeing a new type of lobbyist in the form of high-powered consulting firms. Frank Moores is a perfect example of this. These are firms which make money as a result of their influence with the present Conservative administration. The situation needs to be defined more completely.

The allegations of Mr. Moores supposedly lobbying and getting paid by some fishermen to have a meeting with the Minister really goes beyond the bounds. I suspect the committee will consider the matter. I know there are other sides to it as well. However, I expect the committee will hear about that. There is nothing the matter with someone such as Mr. Moores lobbying and working as a consultant as far as I am concerned. What we want is to have everything out in the open. We want a certain equality in terms of people who have influence. We do not want an old boys network with the old boys getting paid for influencing the Government.

There are other experiences in other jurisdictions, as the Hon. Member and the report point out, such as Australia and the United States. Again, I say that the American example is not quite the same because of the power of individual Congressmen. Because of the Party system and because of the Party discipline Members of Parliament in Canada do not have that type of power. It is the civil servants in Canada who stay much longer—even though some of them are moving in and out—than American civil servants who tend to come and go with the administration. So I am sure the committee will look at that area.

● (1450)

I would like to add a few personal observations. I do not believe that registering lobbyists will solve many problems. I believe what we should be doing is looking for further ways to encourage what I would like to call the "equality of viewpoints" to be presented to Government. I have been on the Hill for almost seven years and I have seen the influence of the big oil companies as compared to that of the Consumers Association of Canada. There is no comparison. I have seen the big oil companies take out advocacy advertising saying: "We are doing this for you up in the Beaufort Sea". They are not advertising Chevron at the pump to sell gas. They are advertising a kind of image of themselves as good people, all tax deductible, no doubt. They are lobbying Canadians generally in that way to show us what good people they are. Quite frankly, I would like to see the Canadian Consumers Association get off its butt and be more active in lobbying for the average Canadian consumer here in Ottawa. However, the scales are unbalanced because one group has so much money and power and the other group has very little of either, and is so diverse.

I would like to quote the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) when he spoke in debate on second reading of Bill C-48, a Private Members' Bill put forward by the Hon. Member for St. John's East (Mr. McGrath). I quote from *Hansard* of January 27, 1986 at page 10214:

> My concern is that by moving to register lobbyists, we are making a statement about politics in Canada. We are defining the kind of politics we regard as entrenched in and part and parcel of the life of Canada. I do not say this out of any naiveté. I realize lobbying has gone on from before Confederation. I know many hundreds of thousands of dollars are spent in the financing of paid lobbyists here on the Hill. However, my concern is, to put it simply, that by moving to register lobbyists we are accepting a certain view of politics which I want to reject. There have always been competing views of the political process here in Canada. By moving to register lobbyists we are saying that a particular view of politics has won the day. I call that kind of politics "brokerage politics" or small "l" liberal politics, that is the view of politics that sees the role of Government, indeed of Parliament, as engaging in a series of trade-offs between the interests of various groups in the country. There are other views of politics which have existed alongside that view. That is, the politics of competing ideas; competing ideas about the common good; competing ideas about the public interest; competing ideas on many levels. There is also what I might call the co-operative model. This is the reason that some countries have not gone so far as to register lobbyists. They say they do not really need to do that because they have more of a consensual or co-operative view of politics. They sit down with various sectors and work out a consensus between them.

The Hon. Member for Winnipeg-Birds Hill, who is a very deep thinking person, is saying that by moving to register lobbyists we will be giving a kind of legitimacy or sanctity, if you will, to an element of our political process which is debatable. We are, however, prepared, as a first step to a little better system, to bring under control and make more visible the high powered lobbying which goes on here on the Hill so that Canadians know more about it.

I believe that ordinary people should be able to lobby Parliament more often. They can lobby their Members of Parliament at home in the constituency, that is true, but if we look at a city council and compare what happens in this House to what happens in a city council or a town council, we see the town council as being more immediate. There is a lot more life to that than there is here in Parliament and it is more immediate. When there is a lobby in Parliament by the people, for example, the senior citizens who lobbied to change the Government's Budget on deindexing of old age pensions, it took a long time. There was a time lag for that lobby to come through. Right now there is a lobby just beginning to come forward with respect to lowering gasoline prices. There is always a delay of a month or two months.

Perhaps Parliament should go out to the people. Instead of being stuck here on the Hill where only the rich and powerful can come and lobby us, perhaps Parliament should sit one week of the year in places like Halifax—in a large auditorium or high school—and debate a specific topic, for instance Atlantic development or regional development. Perhaps there could be one or two Question Periods in Halifax. Another week we could go to Quebec or in an alternate year to Toronto. We could alternate between the other regions of the country. There are three prairie provinces and British Columbia is, of course, a separate region. We could go there one week a year as a Parliament. That would be a way in which we could be lobbied much more directly by the ordinary people. Canada is a large country, the second largest in the world. Ordinary people should have access to its Parliament.

I only toss that suggestion out as an idea whose time, obviously, has not come. But one never knows, perhaps there will be a demand for Parliament to decentralize so it can be lobbied by the ordinary people.

Let me sum up, Mr. Speaker, by saying that we are in favour of the report going to committee. There is plenty of meat in it. There is additional material which the committee should consider, much of it brought up by the Hon. Member who last spoke with respect to the question of salaries, clients and other touchy questions which should be considered. I have

asked the committee to consider other lobbying agencies such as Crown corporations, provincial Governments, foreign bodies and so on. I have suggested a focus on the lobbying of some of the senior levels of senior servants. Those are the kinds of things the committee should consider before bringing forward an appropriate Bill to this House of Commons.

**Mr. Gauthier:** Question.

**The Acting Speaker (Mr. Paproski):** There are no questions or comments. Does the Hon. Member for Ottawa-Vanier (Mr. Gauthier) want to speak on debate?

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, I am sorry there are no questions or comments because I would like to put a question to the Hon. Member for Vancouver-Kingsway (Mr. Waddell). He did take a shot at my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). I do not want to reciprocate but I would like to remind the Hon. Member that many of us in our careers have accepted trips, and he, as well as myself, accompanied a delegation to China.

**Mr. Waddell:** From a recognized Government.

**Mr. Gauthier:** From a recognized Government, yes, but he was nevertheless there as a guest of the country. So I do not believe it is appropriate or proper for him to bring up such a question to the Hon. Member for Glengarry-Prescott-Russell who went on his own to look and see for himself what was there. I do not see the purpose of bringing this into the debate.

I would like to say a few words on the motion. The last time we discussed the subject on January 27 I said I wanted to address the House on the matter of lobbyists and the need for openness, accessibility and especially the registry, of which I am very much in favour and which should be part of our system.

When we talk about openness, clarity, accessibility and simplicity I believe strongly that lobbyists should be registered and available to all of us who are asked every day by all kinds of groups to meet and discuss with them their points of views. On the point of registry, I would like to make it clear I favour a register which would not only contain the name and the company for whom the person works but perhaps also his working conditions and salary so that we all know how much he is receiving for the work he is doing for the company or group in question.

• (1500)

The second point worth mentioning is that the committee will have to decide whether to do this through legislation or leave it to the lobbyists to regulate themselves. The committee must address this question and come back and say, "We are dealing with a professional discipline which is controllable and wants to register its members. That would be acceptable to me. If not, I guess we will have to legislate. The legislation will have to include prerequisites for lobbyists so that the register is open to us so that we know who and what we are dealing with.



**The Acting Speaker (Mr. Paproski):** We can now allow questions or comments.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I want to say but a few words on the matter of lobbyists and lobbying generally. I suppose it can be said that Members of Parliament are a sort of full-time lobbyists for their constituents and various interest groups. There is nothing new about that. It is part of the job of an MP to make representations in caucus, to Cabinet Ministers, Deputy Ministers and various and sundry boards. I just want to point out that there are really two kinds of lobbying, public and private. Public lobbying involves a large number of national, regional and provincial organizations of various kinds which come to Ottawa and hold demonstrations. They demonstrate in front of Parliament, they go and see their MP, and they leave. Private lobbyists, corporate lobbyists, maintain full-time people.

**Mr. Andre:** You mean like the CLC?

**Mr. Benjamin:** Yes, exactly. The CLC, the National Farmers Union, the Prairie Wheat Pools, the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Canadian Automobile Producers Association, et cetera. However, one thing I have never seen in the almost 18 years I have been here is the board of directors and shareholders of Canadian Pacific or INCO or General Motors or the banks publicly lobbying by way of a demonstration in front of the House of Commons. In fact, I doubt if very many, if any, shareholders really know what the heck their board of directors and officers are up to. I doubt if any shareholder of those corporations knows about or even questions the lobbying activities of the company he owns shares in, or those companies' contributions to a couple of political Parties, which I will not name.

**Mr. Kempling:** Come on, name them.

**Mr. Benjamin:** I doubt very much that at any annual meeting of shareholders the officers or the chairman of the board report to the shareholders that they gave "x" dollars to this Party and "y" dollars to that Party. I doubt that ever happens. I have been tempted to buy one share in Canadian Pacific Limited and just go and ask a question at the annual meeting and then get thrown out. Thank goodness contributions to all political Parties are now public. However, major corporations in the private sector carry out private lobbies, and we have to know who they are and where they are from.

The only thing I tell individuals and groups who come to my office to lobby me, and they are welcome any time, is that if I agree with what they want, I will support their case in caucus and in this House. Lobbying is a perfectly polite and honourable word. There is nothing wrong with it. It is an element of the art of persuasion. However, if I do not agree with people, I say so. I tell them not to ask me to support them because I think they are wrong. People have lobbied me about a problem in my own province when the NDP was the Government. I told them that what they have to do, in addition to their demonstration, is to go to see individual Members of the legislature, particularly on the government side. If most or all of those

Members agree with the case put forward, they will raise hell in their caucus. To be quite honest, I have said to many organizations and individuals who have come to see me in my office that I agree with them, they have no problem with me or my Party, but I urge them to go to see individual Members on the Government side. If those Members have the intestinal fortitude, they will raise hell in caucus and force a Cabinet Minister or the Cabinet as a whole to change its position. That is what it is all about. In that sense I disagree with my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

**Some Hon. Members:** Hear, hear!

**Mr. Benjamin:** He is going to like the way I disagree with him.

**Mr. Boudria:** I am sure he will.

**Mr. Benjamin:** There is one area in which Members of Parliament have quite a bit of power if they choose to use it, if they have the intestinal fortitude. It might mean they do not get appointed Parliamentary Secretary for a while, or they may never get in Cabinet. I do not know anything about the Government caucus since I have never been privy to or listened in on a Liberal or Conservative caucus. However, I conclude they are a democratic organization, and if a majority of the Government caucus overrules an individual Cabinet Minister or the Cabinet as a whole, then I think that Minister or the Cabinet would be in some difficulty if they refused to pay attention to a group with a sound case.

I am sick and tired of Members on the Government side, in both the old Parties, who tell people they agree with them, they have a good case, but when it comes to their own caucus meeting they sit there like sheep. So Government Members do have some power, if, as and when they choose to use it. Unfortunately, that occurs all too infrequently.

I have said the same thing to my colleagues in my Party when we were the Government in Saskatchewan. I have told public and private lobbyists to go to see the Government MLAs and MPs as they are the first ones you have to convince. I have yet to see representatives of corporations marching in front of the House of Commons. You do not see boards of directors and shareholders coming to see Members of Parliament. You may see the odd officer of a company, but they do their lobbying behind the scenes with the Cabinet. That is what I call private lobbying. There is an essential difference between public and private lobbying. The public is entitled to know about all kinds of lobbyists.

• (1510)

I am not sure if it is necessary to register a group of people sent here by an organization for two days to lobby MPs, Cabinet Ministers and Deputy Ministers. There would be more registrations and deregistrations than you could shake a stick at. Often groups come here for one day or one week with regard to a certain issue and may not come bak again for years. They cannot really be called paid lobbyists. They got their plane ticket and their hotel room paid for and they spent a lot of money out of their own pockets. I do not think they could be called private, full-time, paid lobbyists. I hope that is taken into consideration when this matter reaches committee.

In considering this matter it is incumbent upon MPs from all sides of the House to do one of two things. If they agree with the people who are presenting their case, they should say so and work like heck to try to accomplish what the people want. If Members disagree, they should have the honesty and courage to say so rather than trying to work both sides of the street. Even though people may disagree with you and be angry with you, they will at least respect you for honestly telling them that you do not agree with their case and will not, therefore, support it. Once you tell them that in a straightforward manner they will never bother you again. They know who not to lobby, which also saves some time and effort for the Member of Parliament.

It is important that those who lobby most of the time and those who lobby all of the time be registered. We must know who they are and who they represent. I hope the committee will take some of the things I have said into consideration. I hope that my colleagues on the government side and the Official Opposition, if and when they ever get back into Government, will take that into account because Government back-benchers do have some power if they have the courage and conviction to use it.

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, I would like to say a few words on this subject. The hon. gentleman who just spoke made perhaps the most important point made in this debate, other than those made by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). The important point was that the largest group of lobbyists on the Hill are Members of Parliament. If they are not lobbyists, there is something seriously wrong with our system. If it is possible for an individual or a company to lobby a Cabinet Minister to use his authority to accomplish something, there is something wrong with our system.

Too often Governments and Members of Parliament pay too much attention to organized lobbyists and not enough attention to doing their jobs. While doing their jobs they are the most effective lobbyists in the country. When you look at regulations passed by Cabinet Ministers you can see the effect that they have on ordinary Canadians who are not represented by organized groups of lobbyists. Members of Parliament should represent the ordinary people in each and every instance.

Saying that it is necessary to register paid lobbyists indicates to me that there is something wrong with the system. There is something wrong with the Government and with the way in which it operates. An example is a lobbyist who was paid to represent a fishing captain and get him a licence to operate a boat on the East Coast of Canada. To be honest about this, I am sure that Members of Parliament do the same thing daily for constituents. They try to get things done for their constituents if it is not against regulations. There are some Government regulations which should be overruled.

Sometimes a Member of Parliament fights in court on behalf of a constituent to try to overcome a regulation or a ruling of a Department or a Minister. However, if someone has to pay a lobbyist to go to Ottawa and speak to a cabinet Minister for him, there is something wrong with the system.

I disagree with the hon. gentleman who spoke a moment ago and suggested that the Parliament of Canada should go to Halifax, Nova Scotia, or Vancouver, British Columbia. Members of Parliament come here from all over Canada and they are supposed to know what is going on in their constituencies, what the people are worried about, and how legislation will affect the people they represent. When things are done by Cabinet Ministers in response to a very effective lobbying group, things which adversely affect a Member's constituents, it is the role of that Member of Parliament to stand up and be counted and represent the majority of people in this riding. I could give many examples of things which happened under the present Government. In response to the very well organized lobby of interest groups who profess to represent a certain part of society, the Government imposes restrictions on works programs or the Public Service under the guise of affirmative action. However, as a result of that action it discriminates against the poorest of the poor in our constituencies. That is not right but it happens all the time.

• (1520)

When the Government takes action as a result of an organized lobby and it adversely affects people who are not represented by lobby groups, it is the Member of Parliament who should be on the firing line. Unfortunately, there is no impartial person to ask where Members of Parliament were when the Government or a Cabinet Minister took certain action.

I suggest that historically, the ones in this Chamber who responded the most to organized lobbies are the members of the New Democratic Party. One month they support an issue and another month they are against it. For instance, their Leader will issue a letter saying that he is opposed to the seal hunt because of a lobby, while the next year he will issue a letter saying he is in favour of the seal hunt because of a lobby. I could give further examples, but the fact is that the buck stops with Members of Parliament.

I cannot imagine how some lobby groups can function or how a Cabinet Minister can listen to someone who is paid to act on another's behalf. I cannot imagine that a Cabinet Minister is actually so incompetent as to pay attention to a paid lobbyist against the wishes of the people, of his Department or against government policy. I do not know who these lobbyists are but this lobbying takes place and if paid lobby groups are being organized as a result of a Conservative Government, I agree that the Minister of Consumer and Corporate Affairs should require these people to be registered.

Why would organizations want to pay a lobbyist to act on their behalf when the organizations themselves can go to their Member of Parliament? Perhaps their request of a Cabinet Minister is unusual and they require the use of a lobbyist. While I do not know what purpose it will serve, I am not opposed to making a list of registered lobbyists.

When one considers the question of lobbying one realizes that when Members of Parliament are doing their jobs, as I believe many are, there is no need for paid lobbyists. There should be no need for organized groups to be paid by other groups in order to present their case to Cabinet Ministers or Members of Parliament because Members of Parliament should know exactly what is happening in their constituencies. Members of Parliament are being paid handsomely to act on behalf of their electors. Members of Parliament should be the chief lobbyists for the people who elected them as their representative.

**Mr. Boudria:** Mr. Speaker, I have a number of comments and a question for the Hon. Member. He is very knowledgeable about this issue as a result of his vast experience as former Clerk of the House of Assembly in the Province of Newfoundland. Undoubtedly, he is aware of the lobbyist in this country who, I suggest, has generated some controversy recently.

Does he believe that the legitimate activity of lobbying has perhaps been tarnished by one individual's involvement in so many different areas? This lobbyist simultaneously represented several different agencies which occasionally came into conflict. He had been dismissed from one Crown corporation because the Prime Minister (Mr. Mulroney) no longer permitted it to hire lobbyists but joined another Crown corporation as a so-called consultant. I am talking about Petro-Canada hiring Frank Moores.

Does the Hon. Member not believe that when this takes place frequently it creates unnecessary controversy and perhaps has brought this whole activity to the forefront, much to the detriment of other people who have represented Canadians and organizations in their quest for better representation?

**Mr. Baker:** Mr. Speaker, two things come to mind in responding to a question concerning Frank Moores, the former Premier of Newfoundland and a very successful businessman. First, when the general public in Canada is told repeatedly that someone's lobbying firm or consulting firm has been successful in many areas, it is perhaps the best publicity one could give to that firm. We should always keep in mind that the best way to advertise a certain brand is to keep repeating the name.

In that sense, a firm owned by Frank Moores has received much free publicity throughout the country. I imagine that it will continue. I see the hon. gentleman shaking his head. He does not understand what I am talking about.

Second, I do not fault Frank Moores for being appointed to these various companies. Somebody had to do that, somebody had to appoint him to a Crown corporation. Perhaps our criticism should be directed toward the Prime Minister (Mr. Mulroney) or toward the Cabinet Ministers responsible. However, we all have to admit that Mr. Moores has been very successful. It appears that he will continue to be successful, as

he has always been in business and, unfortunately, in politics as well in the Province of Newfoundland.

• (1530)

**Mr. Friesen:** Mr. Speaker, keeping in mind the previous question of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) relative to the fact that the reputations of companies are tarnished by certain kinds of lobbying, there is a broad understanding, and it has been widely reported, that the Hon. Member for Glengarry-Prescott-Russell at one time gained some kind of employment around the Hill through some lobbying. Could the Hon. Member for Gander-Twillingate (Mr. Baker) tell us whether that would have tarnished either the reputation of employees on the Hill or the reputation of Members of Parliament and whether that is the kind of lobbying to which he referred in his speech?

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** What a cheap shot.

**The Acting Speaker (Mr. Paproski):** Order, please. It is St. Valentine's Day; let us cool it for a minute.

**Mr. Baker:** Mr. Speaker, I listened very carefully to the hon. gentleman's question. He said that the Hon. Member for Glengarry-Prescott-Russell, as a result of lobbying, obtained a job on the Hill. I was thinking for a moment that perhaps he was talking about his position as the Hon. Member for Glengarry-Prescott-Russell. In that event, the lobbying was done by the Hon. Member himself in getting elected. The only other position held by the Hon. Member on Parliament Hill was that of a busboy in 1966.

**Mr. Gormley:** Which his MP got him.

**Mr. Baker:** What a marvellous act on the part of whoever was the Member of Parliament. Let us give him a good pat on the back.

**The Acting Speaker (Mr. Paproski):** Since there are no further questions or comments, is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion (Mr. Hnatyshyn) agreed to.

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## PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House resumed from Friday, February 7, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I should like to say a few words about the legislation and pensions generally. Some specific points need to be made about pensions, whether they be public or private. National and provincial pension legislation should provide for complete portability. There should not be any ifs, ands or buts about that. When I was a youngster—

**Mr. Friesen:** How long ago?

**Mr. Benjamin:** Back in the dirty thirties. Everyone who changed jobs, if they could get one, more than once or twice in their lifetime was looked upon as some kind of a ne'er-do-well. It was an accepted custom of society, until after the Second World War, that one did not run around from job to job. Most people did not do that. They were long-term employees, small businessmen or whatever. They had pension plans or, if they did not, they tried to set up one of their own. However, that is not the situation today. It is an accepted norm of today's society that persons may enter and leave from five to six different occupations during their years of employment from the age of 16 to 65 or more.

Both the federal and the provincial Pension Benefits Standards Acts should indicate that as and when an employee leaves employment with one firm and moves to another, his contributions and the contributions of his employer should move with him automatically to the new pension fund with his new employer. This would mean that throughout the working lives of employees their pensions would follow them. I am not talking about the old age pension or the Canada Pension Plan because they follow employees, but it seems to me that the same principle should apply to private pension plans.

The legislation proposes that an employee is not eligible or may not be eligible for the first two years for coverage under national pension plan legislation unless there is a separate agreement for him to be eligible sooner than that. I believe the legislation also indicates that there is another two-year period in which an employee can be excluded from being eligible to be a member of the pension plan which comes under federal jurisdiction. This means that an employee could have up to four years of employment without being eligible to be a member of the plan. Surely that is worse than an anomaly. It is a grave error of omission and commission by Parliament.

All pension plans subject to the jurisdiction of the Pension Benefits Standards Act should allow for a period of time, equivalent to three months probation but not more than six months, and once the employee, whether he is a unionized employee or a management employee, has served that probationary period, he becomes eligible to participate in the plan. There should be no ifs, ands or buts. The two-year provision which can amount to four years has no place in national legislation.

I should like to refer to something else which is sorely lacking in national pension legislation as well as the legislation of most provinces. As far as I know, Quebec is the only province which prohibits the withdrawal of so-called surplus funds from a pension plan by an employer. Pension plans under the jurisdiction of national legislation and also those under the jurisdiction of provincial legislation should prohibit the removal of surplus funds from pension plans by the employer. There should be an independent board of trustees for those funds. I am far from being any kind of an expert, still somewhat of an amateur when it comes to pension funds and listening to actuaries, but I have learned something in our meetings on the subcommittee on Canadian National Railway pension funds. I found out quite a few things that I did not know before. The argument put forward is that when there are deficits the employer has to make them up, and, therefore, when there are surpluses the employer should be entitled to remove those surpluses. Well, Sir, I think there are a number of fallacies in that kind of argument, one being that if there is a deficit then obviously the fund will only be able to pay out less money to the pensioner. Obviously the pensioners cannot put in extra money to make up the deficit.

● (1540)

If a pension plan is in great difficulty and has deficits because of a downturn in the stock and bond market and investments, then, of course, if the money is not there, ergo, benefits will have to be proportionately smaller. There is nothing much that anyone can do about it. That is such a rare instance that it in no way justifies the ability of an employer to withdraw surplus funds because those funds, I submit, are in trust for the employees when they go on pension, whether it is the president of a company or the most junior person eligible for that pension. That is nobody else's money but theirs.

We have had some instances in just the past few weeks when two major employers in the Province of Ontario have withdrawn substantial funds from the pension plan of their employees on the basis that there were surpluses. It is not their money, and I do not think it should be considered their money under the law. That money does not belong to the employer, it belongs to the pension fund, which means it belongs to those who are presently on pension or who will become eligible for benefits under the pension plan.

Some time ago my colleague from Toronto put a question on the Order Paper to the Minister of State for Finance (Mrs. McDougall) on withdrawals by employers from pension plans from 1980 to 1984 inclusive. Sir, they requested permission to withdraw $58.5 million. They got permission to withdraw almost $39 million from a total of 22 requests that were approved. Well, there were 23 requests, 22 of the 23 were approved, to withdraw funds from a pension fund that does not belong to the company under any kind of standard of morality, business ethics, or employee-employer relationship. Sir, this year we get two major examples in Ontario where I think something in the order of $70 million dollars was withdrawn. In the case of Mr. Black in Dominion Stores, $68 million was withdrawn from an employees' pension fund because it was said to be a surplus. Why? As I understand it Mr. Black sold most of his stores to someone else. Hundreds of employees are without a job, without severance pay. It seems to me that while the Premier of Ontario and the Minister of Finance for Ontario expressed grave concern about that kind of action, they now tell us, as reported in today's paper that Ontario will not move on pension surpluses. Sir, if they will note that is Ontario's business, that is the business of the Legislature, but, by the Gods of war, there should be no way under federal legislation that funds can be withdrawn by an employer because they are supposedly surpluses.

If a pension fund had good investment practices and made surpluses, that is when you could start paying some indexing for inflation. That is when you could make larger ad hoc payments to those who have been on pension the longest and are getting the least. That is when you could have funds available which would earn money for those who are yet to be retired. Surely, Sir, that is fundamentally wrong in principle, and no employer, no union, should be allowed to touch or make withdrawals from a pension plan just because there is supposedly a surplus. In fact, Sir, there should be as big a surplus as we can get in pension plans of all kinds, public or private. If they can accrue those surpluses, then surely those surpluses are there for the benefit of those already on pension and those yet to be pensioned. Surely you could build in even a minimum of inflation protection, a minimal measure of indexing.

I find it incredible and reprehensible that any so-called national business figure who is lauded as a good corporate citizen, and so is the corporation, could be so small and mean minded, so grasping at the expense of long-time, loyal employees, both management and non-management, as to raid their pension plan to the tune of $68 million. That situation is a problem for the Ontario Legislature to solve, but we must make damn certain that there is no such practice allowed under federal legislation. There are probably 1,000 or 2,000 pension plans that come under the jurisdiction of the legislation of the Parliament of Canada.

I want to say something also about survivor benefits. I find it strange, to put it midly, that, in the case of survivor benefits, a person who has retired gets 100 per cent of his benefits or whatever he is entitled to; if that pensioner's spouse dies, that pensioner continues to get 100 per cent benefits; but if the pensioner dies, the spouse gets only 50 per cent, if the spouse is lucky, if the pension plan that they are in happens to provide for survivor benefits. I just cannot find any logical reason to justify that. Now we get a reason, and the reason that is given to us—and we ran into this in hearings on the CNR pension plan, which is also applicable to the CPR and a bunch of others—is that it costs too much money. Now, is that not terrible? I do not understand. When a spouse dies, the pensioner receives 100 per cent of the pension for the rest of his life. However, when the pensioner dies, the spouse receives only 50 per cent of the pension for the rest of her life. In fact, there are even plans that cut the spouse off when she reaches the age of 70. Surely that is immoral in a modern society such as ours.

● (1550)

It seems to me that these are the kinds of inadequacies which are in the laws that govern private pension plans. When I refer to private pension plans, I refer to plans other than the Canada Pension Plan and the Old Age Security. There are other pension plans which are called public pension plans and they come from Crown corporations and federal, provincial and municipal Governments. There are private plans that come from Canadian National, Canadian Pacific, International Nickel, General Motors and the like.

Another thing that should be in the national legislation is that no corporation should be allowed to hide behind loose laws in individual provinces. If corporations do business in more than one province, they should be governed by the national legislation. If they were not, they could evade the requirements of the law in Quebec by not applying them to their employees in other provinces. Those employees will not be protected as well as they are under the legislation in Quebec.

Surely it is incumbent upon us to update and upgrade substantially the Pension Benefits Standards Act because the standards need to be improved and made equitable. If we do not do that, we are not doing our jobs. It is long overdue. Members of Parliament from all Parties have said the same thing. Surely the situation as it is can no longer be allowed to continue. Pension money belongs to the pensioners and to those who are presently working and will be eligible for pension benefits at a later time.

We may come up with this at the subcommittee meetings, and I do not want to prejudge that, but I think that pension funds should be in the hands of independent trustees so that there is no chance of having the funds raided and no chance of a conflict of interest, perceived or real. As well, perhaps it would be a good idea to divide the pension fund between those who are already on pension including a proportionate share of unfunded liabilities and those who are currently employed including a proportionate share of unfunded laibilities. In that way, those who are already on pension are fully protected and those who are still employees will be allowed to bargain for the benefits and their share of the pension that will go to them when they retire. I submit that that is the least Parliament could do. It would be a major advance and would set a standard for eight or nine provinces and many other countries. I think we should do no less than that. Most employees and employers contribute equally and it is in their mutual interests and the interests of the entire nation. They would be less likely to fall back upon municipal, provincial and national Governments for additional assistance if they have already earned assistance. Pension plans are a deferred wage to which employees and employers mutually contribute. I hope that that is what this legislation will do.

We have heard of early retirements. Now we are beginning to hear of early, early retirements. Early retirement occurs between the ages of 60 and 65. Early, early retirement occurs between the ages of 55 and 60. I presume that an early, early, early retirement would occur between the ages of 50 and 55.

From what I have been able to find out, early retirement usually occurs at the behest of the company and is negotiated with the unions and an agreement is made regarding severance pay, the golden handshake or a lump-sum payment. At the time early retirement begins, whether it is at page 45 or 55, all contributions to the pension fund then become the responsibility of the employer. If employee representatives wish to negotiate something different from that, that is fine. They have the right to do so. However, there are a lot of companies including the federal Government that are trying to persuade people to retire at age 50 or younger. It seems to me that what is available to those early retirees by way of a pension should be the same as what would be available to someone aged 65. It is the responsibility of the employer to make sure that that to which the employee is entitled has been paid by the employer because the employer is the one who is trying to get rid of the people early and is therefore responsible.

**The Acting Speaker (Mr. Paproski):** Questions or comments? Debate.

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, I have a few words to say in addition to what the Hon. gentleman has said. When he talked about the Canadian National pension scheme, I was thinking of layoffs. When an employee of Canadian National or a Crown corporation associated with Canadian National is faced with a layoff, there are reciprocal portability agreements with certain provinces under the section of this Bill that deals with portability.

The portability agreement is fine if one is laid off from CN Marine after having had prior service with the New Brunswick Government or an agency thereof, the Quebec Government or an agency thereof or the Manitoba Government or an agency thereof. In those cases, there are reciprocal agreements and portability but if one just happens to be from Newfoundland, Nova Scotia or Prince Edward Island, one is left out in the cold.

Soon there will be 200 or 300 layoffs and probably through a decision made by the Government the railway will finally close. Then there will be hundreds of layoffs but no reciprocal portability agreements. What is good for some Canadians is not good for other Canadians.

It surprises me that Crown corporations and cabinet Ministers do not take the initiative. There has not been one letter that has gone back and forth between the Newfoundland Government and the federal Government asking to take care of these 300 or 400 people who are getting laid off by Canadian National and CN Marine, yet Premier Peckford, the Prime Minister (Mr. Mulroney), the Minister of Justice (Mr. Crosbie) and the Minister of Transport (Mr. Mazankowski) are such great buddies.

If a worker just happens to be from Quebec or Moncton or have prior service with the Manitoba Government, he is fine and can transfer his pension. He can add up his years of service so that he may qualify for a pension using the reciprocal agreement. However, it is different for everyone else based upon which Government they were associated with. Goodness

help you if you work for the Newfoundland Government, as most of the CN Marine employees did. They either worked for the Newfoundland Government before or they worked for the Nova Scotia Government before, and those two Governments refused to have a reciprocal portability agreement. Therefore, it is a sham when one talks about portability and Canadian National and provincial jurisdictions.

• (1600)

Are you motioning to me that my time has expired, Mr. Speaker?

**The Acting Speaker (Mr. Paproski):** Yes. It is four o'clock. Would Hon. Members like me to put the question or does the Hon. Member for Gander-Twillingate (Mr. Baker) wish to carry on when this matter is resumed?

**Mr. Baker:** I wish to carry on, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** When we return on February 24 the Hon. Member will have 17 minutes left in which to debate this matter and there will be a 10-minute question and comment period.

It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### IDENTIFICATION OF CRIMINALS ACT

MEASURE TO AMEND

**Mr. Dave Nickerson (Western Arctic)** moved that Bill C-260, an Act to amend the Identification of Criminals Act (publication of cards), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, the Identification of Criminals Act is a very useful piece of legislation to law officers in the conduct of their duty. I believe it was first enacted by Parliament in the early part of this century. It is only a short Act with some three sections in it. It allows for any person in lawful custody, or any person who has been charged with an indictable offence, and certain other persons, to be subjected to the identification and measuring process known as the Bertillon Signaletic System for the Identification of Criminals. What this entails is the taking of photographs, fingerprints, and the writing of a description of the person's height, weight, visible distinguishing marks, et cetera. The police are empowered to use necessary force to undertake this identification. The Act allows for the publication of this information in the execution or administration of the law.



What Bill C-260 addresses is the case of someone who is subject to this process and is subsequently found to be not guilty, in other words, someone who is innocent of any wrongdoing. I do not wish to address the case of a person who is found guilty of an offence for which he or she has been charged. In such cases the records will be kept, presumably, for ever and ever. However, I suppose there must be some housekeeping operation at some point in time when the records of those who are deceased are thrown out. As far as I know, these fingerprints and mug shots stay in the possession of the police for ever and ever. If someone is found guilty of an offence, then it is quite right to suggest that part of the penalty he or she pays for such a transgression of the Criminal Code is that he or she will have on record with the police these measurements taken pursuant to the Identification of Criminals Act. We are not arguing the case of a person who is found guilty. In that case it is, in my opinion, right that these measurements and cards stay on file with the law enforcement agencies.

What we are dealing with here is the case of an innocent person, and I would like to illustrate my point. Let us say that there is a bank robbery on Sparks Street and witnesses to the robbery describe the criminal as a very distinguished-looking gentleman, middle-aged, five foot nine in height and just a little on the overweight side. Let us say also that there is prima facie evidence in the mind of the investigating officer that the guilty person might be you, Sir, and he comes and lays a charge against you and subjects you to the measuring process and the taking of your fingerprints, et cetera. Then, and it might well be because I, Sir, could not conceive of your committing any criminal offence, someone else comes forward and admits to the crime, and the charges which have been laid against you are dropped. Or, alternatively, let us say that a trial is held and Your Honour demonstrates your innocence. You say that at the time of this particular robbery you were sitting right where you are today and you have a perfect alibi. Let us say that you are found not guilty by the courts.

Under the present system and the Act, you would be fingerprinted and photographed and your record would stay with the police for ever and ever. I think that is wrong. That is something that should not happen. Innocent people should not have these types of records kept about them. If we say that it is okay the way it is and that these records of innocent people are kept, then following logically on that is the fact that similar records should be kept of every Canadian. Therefore, every Canadian should be fingerprinted, have his or her photographs taken and have these records available at all times to the police. I am sure that would make the jobs of the police a great deal easier. However, I do not think too many Canadians would agree with the idea at all. In my opinion, they would be quite right.

What is the difference between an innocent person, one free from all guilt and who has never been charged with a criminal offence, and a similarly innocent person who has been charged with an offence through some inadvertency and who is found by the process of law to be not guilty? Why should records be

kept on that person? Obviously, that is not right. If we cannot condone the taking of fingerprints and the keeping of similar types of records of all citizens, then we cannot condone the keeping of records of people who have been charged but who have been subsequently found not guilty. I would suggest that these people would be victims of an inadvertent error in the judicial system.

These days we hear a great deal about the victims of crime and the way in which they should be treated. They have missed out on the judicial system and we are trying to redress that. In my opinion we should also look to the victims of error in our policing system and our judicial system. Something along the lines I have just described is bound to happen on occasion. We know that nothing can be perfect. However, I do not think that people such as this should be subjected to something to which ordinary Canadians are not subjected. It is certainly contrary to the spirit, if not the letter, of the Charter of Rights and Freedoms. It is certainly contrary to the spirit, if not the letter, of the Privacy Act.

Bill C-260 calls for the sealing of these measurement records of people who have been found not guilty, where charges have been dropped or where they have gone to trial and have been found not guilty. The Bill might equally have called for the destruction of such records. If one is going to seal them indefinitely, then one might as well destroy them. I will return to that in a little while.

This is not a new idea on my part by any means. It has been given consideration in the past by Parliamentarians much more eminent than myself. The Hon. J.-J. Blais, who had given distinguished service in this House as Minister of Supply and Services and as Minister of National Defence, in 1973 introduced Bill C-237 which sought to do similar things to those which I propose in Bill C-260. At that time the Hon. J.-J. Blais was a private Member.

● (1610)

I would fully expect either the subject matter to be referred to committee or the Bill itself. We have heard a lot about the spirit of parliamentary reform. We have had new rule changes which were adopted yesterday. The Prime Minister (Mr. Mulroney) spoke three days ago about the enhancement of the role of the private Member and how their Bills ought to be decided upon. They ought not just to be talked out. So I expect this Bill will go to committee and I do not expect that any of my colleagues will go against the express wishes ofthe Prime Minister to see matters such as this dealt with. That would be inconceivable to me and I do not believe any of my colleagues would want to go against my wishes, which just happen to correspond with those of the Prime Minister.

When the Bill does go to committee, there are a few things which will have to be discussed. I have already talked about the question of destruction versus ceiling. There might be a provision we would want to put in the Bill that if we adopted the ceiling route, under special circumstances, say, by order of a judge, those records can again be made available. I can see where that might have certain advantages.

The Act itself also calls for fingerprinting in cases of assumed contravention against the Extradition Act and the Fugitive Offenders Act, and that has to be brought into it as well. We have to decide how we are going to deal with fingerprinting and photographs in those particular cases. The publication of these records before the matter goes to trial must be dealt with. That was looked at in a former Bill several years ago. In the case where there is an indictable offence but it is the Crown's option whether it wants to proceed by way of indictment or summary conviction, it may be that it is dealt with by way of summary conviction and we end up with a summary conviction. What do we do in that particular circumstance?

With respect to the penalty for illegal publication, the Act, as it stands, only allows for publication in certain cases in the execution and administration of law. I have seen these cards published in biographies, often biographies of criminals. If they are used, they are used in a manner contrary to the Act and ought there not to be a penalty for illegal publication of these signaletic cards?

Those are the things which will have to be dealt with in committee.

In conclusion I say that it is necessary that we protect innocent citizens against the excesses of the state, even if those excesses are inadvertent. Therefore, for the reasons I have outlined, I would urge ready passage of Bill C-260.

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I would like to speak very briefly on Bill C-260 as proposed by the Hon. Member for Western Arctic (Mr. Nickerson). I suppose it is difficult for anyone to be against the principle of removing records of any individual who has not been proven guilty of any offence. Of course, under our judicial system, everyone is innocent unless proven guilty. The record remains of anyone against whom there is not sufficient evidence, or in the case of mistaken identity. However, I have another concern and it pertains to fingerprints, and I will just limit my comments to that subject for the moment. Fingerprints are not only used to apprehend or identify a criminal suspect although, of course, that is the primary purpose. There are uses for fingerprints, such as identification of victims. In that regard, I have a good deal less difficulty with the police agency having someone's fingerprints for that purpose once they are on record. There are two points with which I agree, and that is, in the case where it is a simple case of mistaken identity. Of course, the Hon. Member has a very good point. What logical reason would there be to keep an individual's card on file when that individual, for instance, was wrongly apprehended as in a case of mistaken identity? That, indeed, is a very good point. On the other hand, there have been cases in the past where information has been obtained by fingerprinting an individual for whatever small or meaningless offence. It has been a very useful tool in rendering justice later. The example which comes to my mind is the case of Richard Ramirez in California. He apparently killed 16 people in that state at one period of time. It was quite a notorious case about which we have all heard. His fingerprint was found on a car from a

previous event for which the individual had apparently not received a conviction. The police found a subsequent fingerprint near one of the victims, matched it with the previous print and in that way succeeded in apprehending someone who had committed not just one murder but the murder of 16 people. So we can see that there have been cases in the past where that information has been useful. Notwithstanding that, I am quite prepared personally, at least, to see the matter referred to a parliamentary committee so that we could have more information on that topic in order to more fully develop a system where at least in some cases we could do what the Hon. Member advocates.

In closing, I would just like to congratulate the Hon. Member for his worth-while initiative. I do have a certain number of reservations but the principles of what the Hon. Member is trying to do are, indeed, quite appropriate. There is one other Hon. Member who has indicated he wants to speak. I will, of course, give him that chance, as well as other Hon. Members, because I do not believe we want to delay this matter unduly. I believe we want to send it to a parliamentary committee as soon as possible.

[*Translation*]

In conclusion, Mr. Speaker, I must say that I endorse the principle underlying the measure sponsored by my colleague, but still I do not want to take too much of the time of the House to comment on this. I might simply tell him that I have reservations about some of his comments, but the general principles deserve our support.

I also commend him, at least for his good intentions, and I hope that a parliamentary committee will make a detailed study of this matter while keeping in mind what I said earlier about the use of such information and the fact that innocent individuals should not have criminal records, particularly in cases where it is a simple matter of mistaken identity and the like, such as might be used against them in the future.

Mr. Speaker, I thank you for allowing me to comment on this matter.

● (1620)

[*English*]

**Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs):** Mr. Speaker, the Hon. Member for Western Arctic (Mr. Nickerson) spoke about the reference of the subject of this Bill to committee. I want to assure him that under this Government a lot more Private Members' Bills and motions will be referred to committee. I think he will find that our record far exceeds that of the previous Government in this area. We realize that they cannot all be referred to committee, but we will certainly do our best to accommodate private Members, their ideas and suggestions, and the Prime Minister (Mr. Mulroney) has been very forceful in making that point.

While I think it is admirable for the Member to attempt to improve our criminal justice system, I do see certain technical flaws in the proposed legislation. I must say that I see so many problems, and this is after a very brief perusal of the Bill, that I do not think it should be supported in its present state. The present Act is very short, only 3 sections. However, as short as it is, it is not terribly clear just what is to occur. I will amplify on that shortly, but I raise this point because I am convinced that the proposed changes cannot be understood, and may turn out to be quite difficult to implement, given the terseness of the Act to be modified. The heart of this Act as it is presently worded is Subsection 2(1) which permits subjecting individuals to "the measurements, processes and operations practised under the system for the identification of criminals commonly known as the Bertillon Signaletic System, or to any measurements, processes or operations sanctioned by the Governor in Council having the like object in view". While I understand that, in practice, what is commonly done is to fingerprint and photograph individuals, I cannot understand how that flows from what is set out in the statute. This may be an aside, but in this day and age when we think it is important to let citizens know what their rights and obligations are, I would think it would be more to the point to state simply and clearly what it is that citizens are subjected to. It would also help the police who have to act under this legislation. Indeed it could even help us in our tasks.

More to the point, I believe it is important to clarify this before any consideration could be given to the proposed new Subsection 2(4). This is so because whatever it is that might be required to be sealed, should an acquittal or discharge result, could easily have found its way into a variety of files and hands. Consequently, it would be imperative to know precisely what information must be sealed, so that whoever has the duty or responsibility to follow the mandate of the amended Act can fulfil this duty. As an example, I would point out that it is my understanding that when a police force obtains fingerprints they send them to Ottawa to see if a match can be made with fingerprints on file. If, after several months or years, a person is discharged or acquitted, would it not be difficult, time consuming and quite costly to trace this material and arrange for sealing and non-publication? If these prints were incorporated into a document or report, would it be sufficient to somehow sever them or would the entire report or document have to be sealed? This situation could easily arise where a fingerprint expert has analysed and compared prints. What would happen if the prints were introduced in evidence and became part of the court record?

I raise another possible problem, Mr. Speaker. The proposed amendment would require the sealing and non-publication for any purpose to anyone. This would apply to whatever it was that was taken pursuant to the Act. I will pass over the fact that the proposal omits to specify who is to have the responsibility to ensure sealing and non-access and how that person will know whether there has been an acquittal or discharge. I will ask simply, what it to happen to the materials that are sealed? By that I mean, what is the person who has sealed these records to do with them? Is that person required to keep them under seal forever? This is not a facetious question. At the moment, the Act entitles these measurements to be obtained pursuant to Subsection 2(3). Once taken, they can be

published for purposes connected with the execution or administration of the law. The Act does not specify what is to happen to these records in the future. However, it is my understanding that most law enforcement agencies have developed policies to destroy this information as time goes by.

I would think that imposing a requirement to seal and not to publish for any purpose to anyone would inhibit, if not actually prohibit, a destruction scheme. Thus, I would think that if we were to deal with what is to happen to these records once taken, it would be necessary to develop a complete scheme of disposal. Otherwise, sealed records would accumulate over time and result in a serious administrative problem. I might also note that if electronic storage media are used or microfilm or micro fiche, technical problems relating to sealing would be easy to imagine.

There are sections of the Criminal Code which bring into play the provisions of the Identification of Criminals Act. Section 455.3(3) for instance, permits police to require individuals to present themselves for purposes of the Identification of Criminals Act when release on an appearance notice, promise to appear on recognizance. Should measurements be taken as a result of this provision, would they be covered by the proposed amendment? I do not know. I suggest the question needs to be examined, in the first place, as to whether they should be and, in the second place, whether they would be with the proposal as drafted.

The duty to seal and not publish would arise only if a person is acquitted or discharged with respect to the charge for which the measurements were taken. I see several problems with this. In the first place, the discharge or the acquittal do not cover all the dispositions available which fall short of a conviction. For instance, the Act might come into play before a charge is laid, and indeed a charge might never be laid. Even if a charge was laid it may be disposed of in any number of ways; a stay of proceedings, a withdrawal, or there may be a non-suit, et cetera. These possibilities have to be looked at so that the purpose of the proposed amendment could be achieved for all equally meritorious cases.

Second, as drafted, the amendment would apply to individuals who may be acquitted of the offence charged and for which the measurements were taken, but nevertheless still convicted of another very serious offence. This could occur, for instance, when a person was charged and tried for first degree murder, acquitted of that offence, but convicted on the lesser offence of second degree murder or manslaughter. Another way in which this could happen is if the person was "processed" with respect to a particular charge which was subsequently dropped in return for a guilty plea to a completely different matter or to a different charge arising out of the same affair. As proposed, the amendment would appear to require the sealing of information in these situations.

As to discharges, there is no suggestion at all that a person awarded either an absolute or a conditional discharge has been wrongfully charged. Indeed, a prerequisite to the awarding of a discharge under Section 662.1 of the Criminal Code is a finding of guilt by the judge. Furthermore, it should be noted that the conditional discharge may ultimately result in a conviction should the conditions of the consequent probation order be breached. Thus, to seal at the time of discharge would be premature. Secondly, the conditions of a probation order may be such that to ascertain a breach, identification material may be required. For instance, the probation order associated with a conditional discharge may require the individual to remain within the jurisdiction of the particular court. Proof that an individual left the jurisdiction of the court may only be possible on a comparison of fingerprint data. In any event, I would be loathe to suggest that a person who has already been leniently treated by being granted a discharge has a claim to say that records with regard to that charge should be sealed in order to protect that person's reputation. It may be that the term discharge refers not to an absolute or conditional discharge under Section 662.1, but to a discharge by magistrate after a preliminary hearing under Section 475.

I could repeat several of the points made previously about trial dispositions, but I will state simply that it sometimes happens that notwithstanding a discharge after a preliminary hearing, charges against a person are subsequently pursued. These are provisions in the Code to allow for this. For instance, Section 507(3) recognize that an indictment can be preferred with the consent of an appropriate judge or attorney general even if a preliminary inquiry has been held and the accused has been discharged. In short, Mr. Speaker, a discharge in this sense does not necessarily dispose of the matter, nor does it imply a wrongful charge.

• (1630)

I have mentioned briefly certain problems which might appear to some to be technical points. However, I suggest they are significant and that a more profound analysis may reveal even more. We do not often amend an Act, and I suggest that before we do we should be reasonably confident that the change will not create more problems than it solves. For this reason, I cannot support this Bill.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, some of the remarks of my good friend, the Member for Winnipeg-Assiniboine (Mr. McKenzie) really beg the question. The Bill before us has to do with those who are acquitted, period. If someone is charged with a criminal offence they are fingerprinted and all other identifying marks are noted. If the person is acquitted of that charge, then recharged with a lesser offence and convicted, they are still guilty of a criminal offence and, of course, their fingerprint records remain in place. The remarks of my friend are not appropriate in the context of what the sponsor of the Bill is attempting to do.

I suspect that my fingerprints are still on file from when I joined the Army in 1943. I do not know, and I do not particularly care. My fingerprints have been in places about which I would not necessarily want to brag, but I did not commit any crimes that I know of.

If someone is arrested, fingerprinted, charged, and acquitted, and if that person has an otherwise clean record, surely that person is entitled to have his or her record expunged,

including the fingerprints. At least, as a minimum, there should be a waiting period of three or five years. If a person is never again charged of a criminal offence the record would be automatically locked up. Even more appropriately, if the person is arrested, charged, and found not guilty, the only way in which that record should be available to any police force or investigatory agency would be by getting an order from a judge to allow them to examine the record.

I think of people who travel from one country to another. If your name is on the computer list of the RCMP, the Canadian Security Intelligence Service, the FBI, the CIA, Interpol, or even the KGB because you were charged with, although perhaps not convicted of, a criminal offence, you will have a problem moving from one part of the world to another. That has occurred in many instances.

I am reminded of the terrible tragedy at the Hospital for Sick Children in Toronto. The judge at the inquiry said unequivocally that the particular nurse in question was wrongfully charged and wrongfully tried. However, there is still a record with fingerprints and all. Surely that should not be allowed to haunt that innocent person for the rest of her days.

The Parliamentary Secretary spoke about how long these files should be kept. Of course they should not be kept forever. That also begs the question. The file will only be kept for as long as the person is alive. That is a long way from forever. That is another argument which was put forward by the Parliamentary Secretary which does not hold water.

My colleagues and I would be quite happy to have the subject matter of this Bill referred to the parliamentary committee. As far as we are concerned, it can be given that approval right now and we can all go home early.

**Mrs. Mary Collins (Capilano):** Mr. Speaker, before I begin to discuss the Bill introduced by my colleague, it might be appropriate for me to take this opportunity on this rather special day to wish my colleagues who are present in the House a very happy St. Valentine's Day.

**Mr. Benjamin:** And love and kisses to you, too.

**Mrs. Collins:** In modern days we associate St. Valentine's Day with chocolates, perfume, and romantic love. The origins of this day had a lot more to do with compassion, caring, and understanding, qualities which we would all like to possess, not only in our private lives, but in our public lives as well. I suppose if I were to practise those qualities I might be persuaded to support my colleague's Bill. Although I would certainly like to commend my friend for his efforts to improve our criminal justice system, something I am certainly very concerned about, I cannot support it in its present form.

I can certainly sympathize with the Member's desire to ensure that the reputations of individuals wrongly charged with offences are fully protected, but I believe that the measures he is proposing would not have this effect. I agree with my colleague from Glengarry-Prescott-Russell (Mr. Boudria) and fully support the contention that we must protect innocent citizens against the excesses of the state.

As I will point out later, should this Bill be passed, in some instances, although not in all, the proposals may lead to the very opposite. By that I mean that in some instances the sealing of records could prevent individuals from conclusively establishing their complete innocence with regard to an alleged offence in the past.

While I believe that the reputations of individuals charged with an offence should not suffer if no conviction results, I believe that the most effective way to vindicate reputations is through the public pronouncement of "not guilty" after an open and public trial. This is the principal mechanism in our system which is designed, not only to protect reputations, but to protect or guard against the deprivation of life, liberty, or the security of the person except in accordance with the principle of fundamental justice.

I emphasize the protection of reputation because, as can be seen from the explanatory note in my colleague's proposed Bill: "The purpose of this Bill is to protect the reputations of those who are wrongfully charged with offences for which they were subjected to the fingerprinting and police record process by prohibiting the publication of such records when an acquittal is entered or the charge is dropped".

For reasons that I hope to make clear, Mr. Speaker, if this Bill is passed it could lead to instances where the determination of the guilt or innocence of individuals would be impeded through the lack of access to this information. In these cases reputations may be affected through not being able to dispel the suspicion.

As we know, the purpose of the Identification of Criminals Act, is to empower the taking of appropriate identification of persons in lawful custody who are charged with or under conviction of an indictable offence. it is my understanding that the authority granted under this Act is invariably employed to subject individuals to fingerprinting and photographing prior to conviction. In other words, the Act is applied mainly to individuals being charged with offences when they have not yet been convicted. Indeed, because of the effect of certain Criminal Code sections, a person may be required to subject himself or herself for the purposes of this Act without either being in custody or charged with an indictable offence. This can happen through the effect of Section 453.3(3) of the Code which reads:

● (1640)

An Appearance Notice or Promise to Appear or a recognizance entered into before an Officer in Charge may, where the accused is alleged to have committed an indictable offence, require the accused to appear at the time and place stated therein for the purposes of the Identification of Criminals Act, and a person so appearing is deemed for the purposes only of that Act, to be in lawful custody charged with an indictable offence.

**Mr. Benjamin:** That is gobbledegook.

**Mrs. Collins:** That is the way the Criminal Code is stated.

This section may be used to require a person to appear before the charge is actually sworn before a Justice of the Peace. However, regardless of whether or not the identification measures are applied to a person charged and in custody or not

yet formally charged and not in custody, the plain fact is that an individual at this stage of the proceedings is not yet a criminal.

Consequently, I suggest that if a desire to protect reputations of individuals who are never convicted of an offence is behind this Bill, it would be more to the point to amend Section 1 and have the titled changed. For instance, the Act could be called the Identification of Suspects Act. This would be more in keeping with a certain view of the presumption of innocence and of course would not have the effect of implying a prejudgment either of the matter under investigation or the individual in question.

I stated earlier that from the perspective of reputation, the concern of my colleague and certainly myself, the sealing of this information might work against an individual's interest. For example, I believe we are all culpable with respect to human memory, sometimes frail and sometimes imperfect, and someone might recollect the fact that someone whom they heard was accused of an offence was convicted of it. They may not have become aware of an acquittal. Should it become necessary, the existence of identification data may be able to link an individual with a record of acquittal, and thus an inaccurate impression could be corrected.

Another possible situation involves clearing suspects without personal police contact. Should an unknown perpetrator leave a fingerprint—I had a break-in in my office last week, with fingerprints—many individuals who might otherwise be suspected for a variety of reasons could be eliminated if identifying print data was available for comparison.

Finally, in rare instances, the existence of fingerprints and photographs may allow police to determine the actual culprit when, if this data is absent, suspicion and possible conviction of an innocent person might otherwise result. My colleague mentioned such a rare case in California that might occur.

Apart from protecting the innocent, the existence of identification data might lead to apprehending an otherwise undetectable culprit, thus adding to the protection of society in general and the vindication of the victim.

My colleagues have mentioned the concern about the use of the information. If one looks at the Act as it presently exists, it is very limited with respect to the way in which this information can be used. It can be used only in the execution or administration of the law. No case or instance has been brought to my attention where this has been abused.

Obviously, there is strong evidence to indicate that perhaps we should look at that particular section of the Act and amend it or make changes to ensure that this information is very limited in its use.

My colleague also suggested earlier that, despite the fact that he is suggesting in the Bill that records be sealed, there might be circumstances when they could be unsealed. It seems to me that he has almost argued against the case. We would be in a state of confusion as to when this information should be sealed or unsealed in the future.

For these reasons, I believe that this proposal would do little to clear reputations and may indeed contribute to problems of making it more difficult to establish innocence through acquittals, in some instances; in other instances, to make it difficult to eliminate suspects; and finally, by making it difficult to clear other suspects by establishing the guilty party.

Despite the sense of the day, of caring and compassion, I must advise my colleague that I am unable to support this Bill. However, I am sure that if there are circumstances whereby he could show that people are being truly injured, my colleagues and the Government will certainly be willing to look at it again in the future.

**Mr. Bill Tupper (Nepean-Carleton):** Mr. Speaker, I am pleased to rise this afternoon on behalf of my constituents in Nepean-Carleton and share with Members of the House some thoughts on Bill C-260, an Act to amend the Identification of Criminals Act.

I listened with interest to the Hon. Member for Western Arctic (Mr. Nickerson) who proposed the Bill. The purpose of his initiative is to alter Subsection 2(3) of the Identification of Criminals Act in order to protect the reputations of those who are wrongfully charged with offences for which they were subjected to the fingerprinting and police records process.

He also intended to prohibit publication of such records when an acquittal is entered or the charges dropped.

The Subsection he wishes to change reads:

(3) The signaletic cards and other results thereof may be published for the purpose of affording information to officers and others engaged in the execution or administration of the law.

He was suggesting that this clause be replaced by one which reads:

(4) Where a person subjected to the measurements, processes and operations described in subsection (1) is discharged or is acquitted of the offence with which he was charged, the signaletic cards and other results of such measurements, processes and operations shall be sealed and shall not be published for any purpose to anyone.

I want to emphasize the word "seal". I was somewhat surprised during the Hon. Member's presentation on the Bill that he did not intend that the information be destroyed. I find it difficult to understand why one would want it sealed because one would anticipate that, if certain records were taken and the individual was found innocent of a charge, everything associated with it would be destroyed.

I believe all Members of the House want to compliment our colleague from the Western Arctic for bringing this matter to our attention so that we may think about it, analyse it, consider its merits, its shortcomings and limitations.

As we consider his proposed amendment we are compelled more than ever to be deeply concerned about information which is on file about us as individuals who may have access to it and the manner in which that information might be used at any time or under any circumstances.

We are all concerned about that broad issue in our society. We could have a tremendous debate, for instance, about the public awareness of something as simple as our SIN numbers.

There are many pros and cons about their use on credit cards and other such places as a means of referring back to a variety of central files, whether it would be income tax files or others.

• (1650)

The Bill may have a certain appeal, but before we move to its adoption or to send it to committee, perhaps there are several factors we ought to consider. Anyone exposed to the criminal system may find it disconcerting, and perhaps humiliating and degrading, to be fingerprinted, photographed and perhaps to have other measurements taken. However, I am not entirely sure that a decision to seal these results would change much of one's concerns about the segments of the Bill in question.

There are many Members in the House who are lawyers, but perhaps one does not have to be a lawyer to realize that in the field of criminal practice many individuals are wrongfully charged and, thankfully, found innocent in the course of time. I presume those are the kinds of persons to whom the Hon. Member for Western Arctic is referring. Beyond that, there are also individuals, young offenders or young persons with very clean records who might be found to have an involvement in a criminal offence and under the circumstances, so to speak, might be given a break. Police and prosecutors often exercise discretion in favour of an individual by not proceeding with a charge. In many instances the person benefits, learns a lesson and is not seen again in the criminal justice system. All of us are grateful for that human dimension in our criminal system, as I am sure is the Hon. Member for Western Arctic. Sometimes that person may reappear before the courts for a variety of reasons, not the least of which might be pertinent to a decision as to whether or not to exercise discretion again. Information on the person's background is therefore necessary. I believe this is reason enough not to support the proposal.

However, I should like to consider it further. I would suggest that even the most tender-hearted of my colleagues here this afternoon might wish to consider the possibility that the passage of the Bill might lead to harsher treatment of novice offenders. Such a provision might motivate both law enforcement officers and prosecutors to strive for convictions in order to establish a legitimate base to maintain records against individuals and to avoid the administrative difficulty or inconvenience of conforming to the Act as it might be amended. This is not to suggest that this would be invariably the case or inevitably the result. However, it might be sufficient to tip the scales in any number of doubtful cases. Thus, some individuals might be convicted of an offence where they would otherwise be let off with a warning. Is that a penalty which we are prepared to accept at this point in time?

Most of us, and I include myself in these comments, see the accumulation of personal information in institutional and Government data banks as disturbing and infringing upon our notions of privacy. We all realize, however, that there may be occasions and situations where it is quite proper that information on us or on others should be maintained. Earlier in the debate we heard the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) outline a situation in California where the availability of the fingerprint led to the identification of a notorious criminal for acts which were really a disgrace to mankind. It is no easy task to achieve the proper balance between the privacy interests of the individual citizen and the legitimate needs of society. How does one find that, particularly as these interests and needs bear on the investigation and enforcement of the criminal law?

There is an aspect which the Hon. Member for Western Arctic did not raise in his introduction. On the face of it, the proposed legislation would appear to be a straightforward and legitimate attempt to rebalance the interests and concerns which I raised a moment ago. I would like to point out to him that it may not necessarily be that simple. Also I would like to share a moment or two to review with him and others in the House the findings of the Law Reform Commission. Recently the commission examined this very subject and discussed it in its working paper No. 34. The commission recognized that there was a fear that such records may somehow fall into the wrong hands or be misused in some way which would prejudice innocent civilians in the pursuit of individuals or legitimate endeavours. It also noted that the very knowledge of the existence of such information might be a source of anguish and discomfort. I think the Hon. Member for Western Arctic would echo those sentiments. The commission appreciated or shared those concerns but it concluded on page Nos. 68 and 69 of its report:

> We are not persuaded that the retention of investigative test records or samples poses a threat to the rights of the individual which is of sufficient significance to require their destruction simply because the subject to whom they relate has been acquitted of, or not prosecuted with respect to, the offence charged. Rather, we are inclined to believe that the destruction of some records in these circumstances is more likely to hamper the legitimate function of the police in the detection of crime and the protection of society as a whole than to constitute a useful and valuable safeguard for the privacy of innocent individuals.

Fingerprint records, for example, might be crucial in the investigation of serious offences committed by persons who, for one reason or another, have escaped conviction for other offences of which they were in fact guilty. Where they have been reasonably and lawfully obtained, can it be said that their retention "unreasonably or arbitrarily interferes with individual rights and freedoms"?

**The Acting Speaker (Mr. Paproski):** I regret to interrupt the Hon. Member, but the hour provided for the consideration of Private Member's Business has now expired. I am glad to see that Hon. Members showed so much compassion this afternoon, particularly on February 14. It being five o'clock, pursuant to Standing Order 4, this House stands adjourned until Monday, February 24, 1986, at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.01 p.m.

# HOUSE OF COMMONS

**Monday, February 24, 1986**

The House met at 11 a.m.

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

OPERATION OF MORGANTALER CLINIC IN TORONTO

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, it is my honour to present a petition on behalf of a large number of residents of the riding of Scarborough West who protest that the continued operation within the City of Toronto on the premises known as the Morgantaler clinic for the stated purpose of performing unlawful abortions is an affront to law-abiding citizens.

IMMIGRATION—FAMILY REUNIFICATION PROGRAM

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, I wish to present a petition on behalf of other residents of the constituency of Scarborough West recognizing that family reunion is an integral part of Canadian immigration policy. They call upon Members of Parliament to direct the Minister of Employment and Immigration (Miss MacDonald) to amend the regulatory by-law in order to permit sons, daughters, brothers and sisters of petitioners and others, regardless of age or marital status, to immigrate under a family reunification program.

* * *

### NATIONAL RAIL PASSENGER TRANSPORTATION ACT

MEASURE TO ESTABLISH

**Hon. Don Mazankowski (Minister of Transport)** moved for leave to introduce Bill C-97, an Act respecting rail passenger transportation.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

### QUESTIONS ON THE ORDER PAPER

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

**Mr. Nunziata:** Mr. Speaker, as you know, a year ago I put Question No. 296 on the Order Paper. I have risen on a number of occasions asking when I might receive answers to that particular question.

I would like to put the question again to the Parliamentary Secretary in the spirit of parliamentary reform as we embark upon a new set of rules and Standing Orders. Specifically, I would like to know whether he intends to answer questions on the Order Paper more expeditiously and, in particular, when I might receive an answer to Question No. 296.

**Mr. Lewis:** Mr. Speaker, in the spirit of parliamentary reform, I would advise the Hon. Member that there will be a changeover period while we work into the new rules. There is provision under the new rules that an answer may be asked for within 45 days.

If I am referring to the correct question, the Hon. Member will find that it has several parts to it and it is very difficult to obtain all of the answers to all of the parts. I think under the new rules the Hon. Member will have an opportunity to ask for a response from the Government. We have not got the changeover exactly tied down yet. I am sure that once we do, the Hon. Member will have recourse to that method.

**Mr. Boudria:** Mr. Speaker, I would like to ask the Parliamentary Secretary just when exactly the Government intends to respond to Question No. 319 standing in my name. This question refers to the Summit at Quebec City last March 17. Soon a year will have gone by. The question is a multi-part one relating to costs. As much as I recognize that it must be difficult to answer several questions of many parts, this one involves invoices of the event. One would think a year later that even the Government must have paid its bills.

**Mr. Lewis:** Mr. Speaker, I know that on several occasions the Hon. Member opposite has commented on the success of the Shamrock Summit. I know in asking these questions he does not in any way want to derogate from the new improved relations we have with the United States as a result of these initiatives and others taken by the Government.

**Mr. Speaker:** Order, please. Shall all questions be allowed to stand.

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

### PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House resumed from Friday, February 14, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

**Mr. Speaker:** Debate? Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Speaker:** The question is on the motion of the Minister of Finance (Mr. Wilson). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

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

* * *

### IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House resumed from Monday, February 10, consideration of Bill C-55, an Act to amend the Immigration Act, 1976, as reported (with amendments) from the legislative committee.

**Mr. Terry Clifford (London-Middlesex)** moved:

Motion No. 2

That Bill C-55, be amended in Clause 4

(*a*) by striking out lines 39 and 40 at page 2 in the English version and substituting the following therefor:

"Board and the disposition of the appeal, application or motion by the member shall be"

(*b*) by striking out line 44 at page 2 and substituting the following therefor:

"respect of an appeal, application or motion made".

● (1110)

**Mr. Cassidy:** Mr. Speaker, I ask for consent to move a motion later today standing in the name of my colleague, the Member for Spadina (Mr. Heap). He is unable to be here today. I would like to have unanimous consent for that as I did when this Bill was previously considered.

**Mr. Speaker:** I have one motion of that kind and I am sure the House will grant that consent.

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I am pleased to have this opportunity to make a few remarks on this amendment at report stage. Studying the Immigration Act was one of the priorities of the Government when it came to office. We increased the levels of immigration because of our concern that Canada be as open as possible. The Bill had a great deal of debate in the House at second reading and the committee gave long and careful consideration to it and to many amendments. We were assisted in this by Government and Opposition Members in an attempt to improve the Bill by making changes which would benefit Canada and which would give as fair a hearing as possible to people who wish to immigrate to Canada. I was not able to participate in the debate at second reading nor in the committee hearings. I am, therefore, pleased to have this opportunity to put a few words on the record with respect to this very important legislative initiative of the Government.

It is fair to say that we want to give every opportunity to people who immigrate to our country. We understand the problems in trying to come to a new land. Through this legislation and other initiatives we have endeavoured to bring the Immigration Act up to date. This is just one further method of doing that. I know that there have been several report stage amendments and I appreciate that there will be further debate on them.

I would like to take this opportunity to indicate exactly where the country is headed in terms of immigration. We have increased immigration levels in an effort to open our country to people from other lands. My Party believes that immigration is a source of strength for the country. By bringing in people from diverse cultures, we strengthen the culture of Canada.

Yesterday I attended a luncheon put on by the Greek community in Orillia in an effort to raise funds for the Greek Roman Catholic church. I ate some things I do not normally eat. They agreed with me, or I agreed with them. It was a time of happiness as we mixed together and enjoyed sharing the Greek culture.

I am pleased to have had this brief opportunity to put some remarks on the record which I have wanted to make for some time. I appreciate the latitude the Chair has given me in discussing this matter.

**Mr. Deputy Speaker:** Pursuant to the ruling by the Speaker, Motions Nos. 2 and 3 were to be grouped for debate. I will, therefore, put Motion No. 3. Does the Member for Ottawa Centre (Mr. Cassidy) have unanimous consent to move the motion for the Member for Spadina (Mr. Heap)?

**Some Hon. Members:** Agreed.

**Mr. Mike Cassidy (Ottawa Centre) (for Mr. Heap)** moved:

Motion No. 3

That Bill C-55, be amended in Clause 4 by adding immediately after line 42 at page 2 the following:

"(5) Subject to subsection (4) members appointed for two year terms may hear and determine an appeal or application made under all sections except 70 and 71."

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, you have clarified one point about which I was a bit concerned. I think

that the amendment of the Member for London-Middlesex (Mr. Clifford), while useful, is minor. I hope that the Parliamentary Secretary will indicate that the Government will accept that because it is a technical amendment which, from what I can see in the preceding part of that section, simply rounds it out. I do not think there is any question of principle. It is just a matter of drafting.

Motion No. 3, which stands in the name of my colleague, the New Democratic critic for immigration, the Member for Spadina (Mr. Heap), is a more fundamental issue of principle. I hope that the Parliamentary Secretary and the Government will be prepared to accept that amendment as well and will not give Members of the House instructions to vote it down.

The amendment recognizes that the membership in the Immigration Appeal Board has increased because of the Supreme Court ruling that there be an in-person hearing on questions of determination of refugee status. I think everyone acknowledges that there are real problems in having inexperienced members of the Immigration Appeal board making decisions which affect the very complex issue of whether or not a person is a convention refugee under the UN convention and protocol relating to refugees. The definition of "convention refugee" is as follows:

> Any person, who, by reason of a well-founded fear of persecution for reasons of race, religion, nationality, membership in a particular social group or political opinion,
>
> (*a*) is outside the country of his nationality and is unable or, by reason of such fear, is unwilling to avail himself of the protection of that country, or
>
> (*b*) not having a country of nationality, is outside the country of his former habitual residence and is unable or, by reason of such fear, is unwilling to return to that country;

I have had experience with constituents and with friends who have been seeking refugee status. It is a process which I think everyone agrees has taken far too long. It is also an extraordinarily contentious process. I recall the cases of a number of people who came to this country from Latin America during the time of oppressive dictatorships there who sought refugee status. It seemed that the Canadian officials in those particular countries only mixed with the economic and political elite, such as their good friend, General Stroessner in Paraguay, or their good friend, the dictator of Brazil, or their good friend, General Pinochet. It seemed as though that was the approach taken by the External Affairs officials on the scene who were giving Canada advice on whether it was safe for people who sought refugee status to go back to their country. They offered advice as to whether or not it was reasonable for a person claiming refugee status to have fear of going back.

There is a movie showing in the city right now about one of the children who disappeared from Argentina. The parents had been killed and the child was given to a middle-class family. The wife was told not to ask any questions about where the baby came from. In fact, the baby had come from people who had been illegally and cruelly seized in the middle of the night, taken away, tortured and killed. God knows that happened. That happened to large numbers of people in Argentina.

Things are now changing in Latin America, but it is a fact of life that there are still certain countries in Latin America, including Chile, and some countries in Central America, where people quite properly fear for their lives because there is no reliable judicial process. There is a dictatorship or junta in charge. I regret to say the Americans often support corrupt dictatorships, as they did in Nicaragua and other countries. Nonetheless, however it occurs, when people come here they have a very legitimate concern about whether they can ever go back.

• (1120)

What is suggested in the Bill is that persons appointed for a short time to the Immigration Appeal Board would be able to make what are life or death determinations for refugees. It should be amended to ensure that applications under Section 70 and 71 are determined by experienced members of the Board, and not by people who are there for the short time in order to clean up the backlog.

We are quite in agreement with extra personnel being added, if not in the numbers proposed by the Government, to resolve the backlog in simpler and more straightforward areas such as sponsorship, but not when it comes to the question of refugee status. That is why I hope the Government is prepared to consider Amendment No. 3 very positively. I appeal to Members of the House from all Parties for their support. This is intended to be humanitarian, and I think it reflects the fact that the vast bulk of Canadians are prepared to reach out, as we did with the Ugandan Asians and th Vietnamese refugees, as well as others from Southeast Asia, to people who have become persecuted and have to seek refugee status.

I want to conclude by pointing out that I spent last week in Westminster learning how the Mother of Parliaments works. I was very impressed by the fact that on issues such as this, which are not fundamental to the survival of the Government, there was a good deal of independence demonstrated, not only by Government back-benchers but also by opposition back-benchers. Members are prepared to exercise independence on issues like this, and it frequently occurs that the Government cannot carry a particular clause or amendment. Our House has just begun today to work under new rules which are designed to encourage greater independence by Members. Therefore I urge Members to consider carefully this amendment which is designed to ensure that people who are subject to refugee determination get as good a hearing as possible from IAB members with enough experience to adequately make the determination. I hope the amendment passes.

**Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, the purpose of Bill C-55 is to expand the Immigration Appeal Board and make it flexible so it can better manage its workload and, in particular, reduce a large and growing backlog of appeals. It is not designed to resolve the problems with Canada's refugee determination process. New legislation resulting from the report presented by Rabbi Plaut will speak to that issue, and that legislation can be expected in the near future. We are not

here to change the mandate of the IAB, and for that reason I ask Members of the House to not approve the proposed amendment.

As to Motion No. 2, my hon. friend is correct that this results simply from a drafting error and does not introduce changes of a substantive nature. Rather, it corrects what must have been a technical oversight by ensuring that a decision by a single-member panel of the IAB is recognized as a decision of the Board. This I believe is consistent with the will of the legislative committee following its clause-by-clause deliberations, and I ask my colleagues to support this amendment.

**Mr. Cassidy:** May I have the consent of the House to ask the Hon. Member a brief question?

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Hon. Member to put a question?

**Some Hon. Members:** Agreed.

**Mr. Cassidy:** Mr. Speaker, if, as the Hon. Member says, this Bill does not concern itself with the question of the backlog of refugee claims, then why leave a loophole which permits members of the IAB to do precisely that? Why not accept the amendment and therefore ensure acceleration of the process along the lines proposed by Rabbi Plaut? Surely that is a more sensible approach, rather than leaving to the Government or the bureaucrats the option of perhaps delaying the legislation and using this instead.

**Miss MacDonald:** Why don't you follow developments?

**Mr. Weiner:** Mr. Speaker, we have a process in place and there is a backlog. For at least the last year we have been trying to give the Board enough resources to deal effectively with this backlog. We are not attempting to respond to the Plaut report in this legislation. Legislation dealing with the refugee determination process will come up later on. However, this legislation is absolutely essential to deal with the existing backlog.

**Mr. Friesen:** Mr. Speaker, I seek leave to ask a question of the Parliamentary Secretary.

**Mr. Deputy Speaker:** Is there unanimous consent?

**Some Hon. Members:** Agreed.

**Mr. Friesen:** Mr. Speaker, I listened with some interest and alarm to the remarks of the Hon. Member for Ottawa Centre (Mr. Cassidy) concerning immigration officers who serve overseas. He said quite pointedly that some of the decisions those officers were making were because they were friends of dictators of some of those countries. I take great exception to that. I have spent most of my time in this House in Opposition, so I am not defending the Department of Immigration because I sit on the Government side. I have worked with immigration officers for 10 years. I have always found them to be fair. They make decision on the basis of regulations, not on the basis of friendships, if there are any. I would like to ask the Parliamentary Secretary if he has seen any evidence to support the scurrilous allegations which the Hon. Member made?

**Mr. Kempling:** Stupid allegations.

**Mr. Weiner:** Mr. Speaker, I can only speak on the basis of my own experience, first as the Parliamentary Secretary to the Secretary of State for External Affairs, when I had an opportunity to travel extensively around the world and meet with these officials, and now as Parliamentary Secretary to the Minister of Employment and Immigration. In both cases I found them to be of the highest calibre. They are concerned Canadians. They translate this Government's policy. Most recently I had the opportunity of visiting and spending a number of days with a very senior officer in Hong Kong. These officers have a grasp of what we are trying to do. I did not want to think that the Hon. Member was casting aspersions and, therefore, hoped that was not what he meant. Canadians who work abroad do not reflect what has been suggested. In fact they reflect a degree of excellence in their transmission and translation of our policy.

**Mr. Cassidy:** Mr. Speaker, on a point of order. Perhaps the Hon. Member should have directed the question to me rather than to the Parliamentary Secretary. He raised questions about comments I made which I believe to be well-founded, certainly back in the 1970s.

**Miss MacDonald:** You are always attacking public servants.

• (1130)

**Mr. Deputy Speaker:** Order please. Does the Member for Ottawa Centre (Mr. Cassidy) wish unanimous consent to ask a question?

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** No, there is not unanimous consent.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, I appreciate the opportunity to speak very briefly to Bill C-55 at report stage. As you know, the purpose of the Bill is to expand the Immigration Appeal Board. There is a tremendous backlog with respect to refugee claims in Canada at present. I understand the figure is in excess of 16,000 or 18,000.

**An Hon. Member:** Twenty thousand.

**Mr. John Nunziata (York South-Weston):** I am told by the Minister that it is near 20,000. There is no question that that particular concern has to be addressed in a very forceful fashion. The purpose of this Bill is to expand the Board in order to hear more cases and get through the backlog. The Bill presumes what the reform of the refugee status determination process will be.

We have yet to come up with a solution to the problem, and as I understand it the committee is presently considering a possible solution to the problem. The Supreme Court stated on April 4 that instead of reading transcripts of interviews the Immigration Appeal Board must hear claimants before

making a decision. The issue is how to deal with the backlog, and Bill C-55 purports to come up with a solution to dealing with it. It suggests that the Board be expanded and shall consist of not fewer than seven and not more than 50 members to be appointed by the Governor in Council.

As you know, we on this side of the House have always been concerned about Governor in Council appointments. The record of this particular Government with respect to patronage is unparalled, notwithstanding the many promises they made during the last election campaign.

You know that the moment the Conservative Party took over the reign of power they started immediately to appoint friends and relatives. I need not go through the list of patronage appointments that were made. This Government has a horrible record, notwithstanding the promises that were made during the last election campaign. I only say that in passing because that is not the main thrust of my submissions. I have a concern when a piece of legislation gives to the Governor in Council, that is the federal Cabinet, the authority to appoint individuals. I should point out that as with other pieces of legislation, the legislation that established the security intelligence service provided that the review board should be appointed by the Governor in Council—in other words, the Cabinet—in consultation with the Opposition. That was a Liberal piece of legislation passed in the last Parliament. The reason why those words were added "in consultation with the Opposition" was to ensure that those appointed to that particular body would be above suspicion, and that there would be no appearance at all of a conflict of interest and that these people are neutral.

I would hope in the future that legislation introduced by this Government will include the same words, "in consultation with the Opposition", so that we can be sure that an end is put to the patronage.

Having said that I want to speak to the motion before us moved by our friends to the left. I am speaking to Motion No. 3, which in part states:

> Subject to subsection (4) members appointed for two year terms may hear and determine an appeal or application made under all sections except 70 and 71.

The Member for Ottawa Centre indicated that the NDP are moving this particular amendment because when refugee status issues are determined one should have the more experienced Members determining that particular issue.

The concern I have with that is that this particular amendment would create different classes of individuals sitting on the Immigration Appeal Board. The committee in its wisdom amended the legislation to provide that there are, indeed, different classes of Members on the Immigration Appeal Board.

The committee moved that not more than 18 members may be appointed for terms exceeding two years, and a member appointed for a term not exceeding two years is only eligible for reappointment for one term not exceeding two years. So you have two different kinds of Immigration Appeal Board Members. You can have between seven and 50, but not more than 18 may be appointed for terms exceeding two years. Now, we do not know what the length of those terms would be. I suspect the reason this particular amendment was moved at committee was to ensure that once the backlog is worked through the system we will not be stuck with 50 people on the Immigration Appeal Board because we might not need them at that point in time. I suspect that is the reason this particular amendment was moved at committee, but I am not a member of that committee.

I would hope that the purpose of this amendment moved at committee was not to create two different classes of Immigration Appeal Board members, because we all expect that anyone appointed to the Immigration Appeal Board will be qualified, or will render him or herself an expert on the Act in order to adjudicate on matters under the Immigration Act.

I hope that the purpose behind that particular amendment was not to suggest that those who are appointed for more than two years—the full time Members—should know more than those appointed for less than two years. The net effect of this motion would be to do that, because we are going to have two different classes. You are suggesting that those who and are appointed for a term exceeding two years can address or determine all issues under the Immigration Act, so they are more qualified.Those that are there for less than two years are secondary Immigration Appeal Board Members and, therefore, cannot determine certain issues relating to the refugee status of a particular individual.

For those reasons I do not intend to support this particular amendment moved by the New Democratic Party. It is well meaning, as are most initiatives by the New Democratic Party. Their hearts are in the right place, it is just that they have not thought out the particulars or the ramifications of the particular action they are recommending. I commend the Member for having his heart in the right place, and for his concern about the freedom of those individuals who have come to Canada and have requested status. Mr. Speaker, in the spirit of parliamentary reform I would ask NDP members to refrain from heckling during my remarks.

**An Hon. Member:** Look who is talking.

**Mr. Nunziata:** We all see the light sooner or later, Mr. Cassidy. Some day you might even see the light.

**An Hon. Member:** Don't get carried away now.

In closing I might add a few general comments for the record on the issue of immigration. I represent a riding in Metropolitan Toronto that is very multicultural. One of the biggest issues facing my constituents is the whole immigration issue. I would say anywhere from 70 to 80 per cent of my constituents who come to my office are coming forward with concerns relating to immigration. In an effort to facilitate the immigration process and to reunite families we should open the doors to those who are seeking refuge in Canada, especially those being persecuted in foreign countries. We hope that good legislation is introduced. While we intend to support

legislation that has that goal, we will try to perfect the legislation when it is introduced.

• (1140)

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, no matter how one defines the board members, their number or the period in which they will serve, it should be kept in mind that a serious problem has arisen in this country over the past year and a half with an incredible backlog of applicants. The Minister chuckles when I say that this problem started within the past year and a half, but the facts speak for themselves.

While it is true that part of the problem arose because of a judge's ruling, the Minister will have to agree that there is a backlog of 20,000 people. No matter how many people are on the board or how long their tenure, the intent of the legislation is to process an extra 100 a year.

**Mr. Nunziata:** Is that all?

**Mr. Baker:** One hundred a year. Furthermore, when one considers the numbers that are accumulating over a period of a year, this will not even take care of one-thirtieth of the new applicants. The Government is not addressing the problem when it simply rearranges the number of people on the board and their tenure of office. The Minister stated in western Canada some time ago that this Bill would, unfortunately, address a part of the problem that is affecting Canada today.

**Mr. Nunziata:** A small part.

**Mr. Baker:** The Hon. Member says a small part. It is a very miniscule part of the problem. The fact is that the problem is getting much worse.

The Minister knows that the real problem concerns applying the refugee status. I am familiar with these problems in my riding in relation to people who are claiming refugee status, and the backlog facing the Appeal Board. No matter how one looks at it, this Bill will not do anything to relieve the backlog of people who are awaiting some action on the part of the Government. They have not seen action and, as far as I am concerned, we will not see it as long as the present Government is in power.

**Mr. Deputy Speaker:** Is the Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner) rising on a point of order? The House should remind the Hon. Member that he has already spoken to these motions. Is there unanimous consent to allow the Member to speak?

**Some Hon. Members:** No.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 2 standing in the name of the Hon. Member for London-Middlesex (Mr. Clifford). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Althouse:** On division.

Motion No. 2 (Mr. Clifford) agreed to.

**Mr. Deputy Speaker:** The next question is on Motion No. 3 standing in the name of the Hon. Member for Spadina (Mr. Heap). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

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

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

Motion No. 3 (Mr. Heap) negatived.

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Hon. Member for Ottawa Centre (Mr. Cassidy) to move Motion No. 4 for the Hon. Member for Spadina (Mr. Heap)?

**Some Hon. Members:** Agreed.

**Mr. Mike Cassidy (Ottawa Centre) (for Mr. Heap)** moved:

Motion No. 4

That Bill C-55, be amended in Clause 5 by striking out line 11 at page 3 and substituting the following therefor:

"opportunity to be heard and time to prepare the case".

He said: Mr. Speaker, as Hon. Members know, until the recent Supreme Court decision, the consideration by the Immigration Appeal Board of refugee determination cases was only a matter considered on the basis of a written record. One reason there appeared to be bias is that the written record came from immigration or consular officers in the country of origin. These records were well prepared and put together in the appropriate bureaucratic manner.

Many of the refugee applicants, on the other hand, might have been ignorant of the law or had lawyers who did not understand the refugee determination process very well. Furthermore, they may have had a poor command of the English language and had no way of communicating their sense of fear and the experience they had undergone in their country. Let me give an example. I understand that the Immigration Appeal Board has accepted 13 refugees from Peru. However, my colleague, the Hon. Member for Spadina (Mr. Heap), was in Peru recently and spoke to an immigration officer there who said that there were no problems in his country and could not understand why refugee applications were being allowed here. While this may be hearsay, it does substantiate the kind of problems that exist.

The Minister must know from her days in opposition that people who suffered torture in Uruguay and Argentina were

unable to persuade the Immigration Appeal Board of their case because they did not appear before that board.

The Minister has had the opportunity to be heard before the board while the applicant has not. This amendment would allow both sides an opportunity to appear. Furthermore, it also suggests that, bearing in mind the resources available to applicants, they should not be sent to a hearing immediately without time to prepare their case.

One could argue that this is a theoretical problem rather than a practical problem given the lengthy backlogs in refugee determination cases, if what the Hon. Member for Dollard (Mr. Weiner) said is correct. The delays are such that any applicant will have had time to prepare a case before appearing before the board. However, we believe that this protection should be contained in the legislation in the event there is a short circuit process by which applicants from certain countries are rushed before a board before they have had an opportunity to prepare their case.

The Minister of Employment and Immigration (Miss MacDonald) must be aware that there were approximately 15,000 outstanding refugee determination cases at the end of June, 1985. These involve refugees from countries where there is ample evidence for people to fear going back to their homelands. These countries include Guyana and Sri Lanka where there has been persecution of Tamils, including a massacre that took place in a remote village recently. Jamaica currently has no parliamentary opposition. We know the situation in Iran. El Salvador and the Dominican Republic are countries in Central America where death squads are known to exist and the concept of human rights as we understand it here is unknown to them. While cases from India may have to be considered individually, I know that my friends who are Sikhs believe they have ample reason for fear over the treatment of their fellow citizens, particularly when the Punjab was literally closed off to outside contacts for almost a year. I have already spoken of Chile. Refugee determination cases are being accepted in Peru. Do Hon. Members opposite really consider that there is no case for refugee status for someone who manages to flee Afghanistan, Poland, Bolivia or Uraguay? In almost all of these cases we are talking about these kinds of countries, and when it gets down to making the decisions on refugee determination the Immigration Appeal Board is almost forced to let those people in. In fact, I believe in the case of Poland and some of the East Bloc countries, it is now the policy of the Government that people seeking refugee status from those countries will not be sent back because it has been established that once a person applies for refugee status their status in their country of origin then becomes so tainted they cannot go back.

• (1150)

I raise these points because I really regret that the Government is not prepared to make necessary changes in the Bill now, pending the implementation of the Plaut report. I would like to say as well to the Hon. Minister—and she can perhaps join with me in lamenting the inconsistency of my colleagues to the right—that the Hon. Member for Outremont (Mr. Pépin) in committee was in fact in favour the amendment which has just been voted down by the Liberals in conjunction with the Conservatives. In other words, in committee the Liberals saw it our way and I guess they have now been persuaded by the eloquence of the Hon. Member for Dollard to change their position, or perhaps they were persuaded by the anathema which the Hon. Member for York South-Weston (Mr. Nunziata) displays to any proposals which come from the New Democratic Party, since he is one-time Member who some years ago abandoned ship.

To return to the question before you suggest that I do so, Mr. Speaker, I recognize that the purpose here is not so much a matter of broad principle as perhaps the previous amendment, Motion No. 3. The purpose here is just simply to ensure against the possibility—unlikely for now—that people seeking refugee status would not have adequate time to prepare their case. I would hope that the Minister or the Parliamentary Secretary will be prepared to accept this particular amendment.

I would also hope that given the very large numbers of refugee applicants who come from countries which are placid, peacefufl and so on, but from countries where all kinds of things are developing, that we not go on with this sham that people have to wait two or three years before they can get their determination heard. In the case where countries blow up, as the Philippines and Haiti have blown up, whether from the left or the right, we must recognize that from time to time it is impossible for people to go back home. When that is the case, let us deal with them on a broad basis rather than on a case-by-case basis.

**Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, and my fellow Hon. Members, I move not to support the motion because the amendment as proposed is redundant and adds nothing to the text of the Bill. Any appeal to the Federal Court from an IAB decision would utilize the ground of lack of reasonable time to prepare if, indeed, none was given. It is one of the principles of fundamental justice that sufficient time be given to prepare one's case. For this reason, I find the amendment suggested by the Hon. Member redundant and I recommend that the House not support it.

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, once again the heart of the New Democratic Party is in the right place but—

**Mr. Cassidy:** You can sit down now.

**Mr. Nunziata:** —if those Hon. Members gave the issue a bit of thought, they would conclude, as did the Parliamentary Secretaray, that the amendment is redundant. The Hon. Member for Ottawa Centre (Mr. Cassidy), in support of Motion No. 4, talks about Haiti and Afghanistan and the issue of refugee status, but I would suggest he address himself to the motion before us. What is the motion? The motion purports to amend Clause 71 of the Bill, which reads as follows:

*Immigration Act, 1976*

Where the Board receives an application referred to in subsection 70(2), it shall *hold a hearing to determine the* application, after having notified the applicant and the Minister of the time and place of the hearing, and shall afford the applicant and the Minister a reasonable opportunity to be heard.

The reason for this particular clause is the Supreme Court decision. What the New Democratic Party wants to do is to add the words "and time to prepare the case". Those Hon. members want the legislation to say that a hearing should be held and that sufficient time to prepare the case must be given to the particular appellant. As was pointed out, that is redundant. I would go so far as to say all of the words after the word "application" on line 7 are redundant.

The purpose of Clause 71 is to make it mandatory that a hearing be held in order to comply with the Supreme Court decision. We need not specify in legislation that notice must be given of the hearing or that the individuals involved, the appellant and the Minister, should have sufficient opportunity to prepare. As the Parliamentary secretary pointed out, the principles of natural justice would demand that one be given an opportunity to prepare.

As you know, Mr. Speaker, the principles of natural justice require, first, that an individual be given notice—that is adequate notice of a particular hearing—and that an individual be given the right to be heard before a tribunal that is about to make a decision with respect to a particular issue. As well, reasons for the decision must be rendered by a particular board. To give someone sufficient opportunity to prepare almost goes without saying. If we give a person the right to a hearing and the right to be heard at a particular hearing, we must give the appellant sufficient opportunity to prepare for his case. The amendment is redundant.

I understand what the New Democratic Party is driving at. It is concerned that perhaps the board will require an individual to state his or her case on the spot, that a hearing will be called within a matter of hours and the person will not be given an opportunity to be heard. I happen to have a little more faith in the system. I believe the principles of natural justice would be adhered. to. If they were not, the appellant would have the opportunity to bring an action to ensure that he or she did have sufficient opportunity to prepare his or her case.

**Mr. Cassidy:** Would Hon. Members permit me to put a question to the Hon. Member, Mr. Speaker?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** Very well.

**Mr. Cassidy:** I would ask the Hon. Member if he considers 15 days sufficient to prepare a case which deals with the nature and basis of the application for refugee status, and a statement of reasonable detail of the facts on which the application is based, and so on, that is, the nature of the case must be defined within 15 days? I understand that is the current prescribed period. So even if the applicant has a year thereafter to wait for the case and prepare for his or her argument, the written case which is submitted must be prepared within 15 days. Does the Hon. Member consider that to be adequate or does he not feel that some longer period might be more appropriate?

**Mr. Nunziata:** Mr. Speaker, the amendment moved by the New Democratic Party simply says: "opportunity to be heard in time to prepare the case". It does not specify a particular period of time. I am sure the Hon. Member will agree that if we are going to prescribe time periods for preparation of cases, that should be done by regulation and not by amendment to the Act itself. If the Hon. Member feels that 15 days is not a sufficient period of time, then he should direct his efforts towards amending the regulations, making submissions to the Minister to expand that period of time in order to give an appellant sufficient opportunity to prepare the case.

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

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 4 standing in the name of the Hon. Member for Spadina (Mr. Heap). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

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

**Some Hon. Members:** Nay.

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

Motion No. 4 (Mr. Heap) negatived.

• (1200)

**Miss MacDonald** moved that the Bill, as amended, be concurred in.

Motion agreed to.

**Mr. Deputy Speaker:** When shall the Bill be read the third time, at the next sitting of the House?

**Some Hon. Members:** Now.

**Mr. Lewis:** Mr. Speaker, there have been some discussions on this matter, although I would not want to suggest that they have been finalized, and the possibility of proceeding to third reading of Bill C-55 at this time in order to deal completely with the Bill. If that is acceptable to my colleagues in the Opposition, then I would ask that the Chair proceed to ask for unanimous consent to proceed to third reading.

**Mr. Deans:** I rise on a point of order, Mr. Speaker. On behalf of my colleagues, we are prepared to proceed as has been suggested.

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, I understand that the discussions have not yet been finalized. Perhaps we could come back to this matter today after some agreement has been reached.

**Mr. Deans:** On a point of order, Mr. Speaker. This is an unusual thing to say. However, a good friend of Parliament, Tommy Douglas, died this morning. There will be some comments at two o'clock this afternoon, at which time I am sure all Hon. Members will want to be here to join in.

**Mr. Hnatyshyn:** Mr. Speaker, we are all deeply saddened to learn of the passing of our former colleague, the former Leader of the New Democratic Party and the former leader of my province. As suggested by the Hon. Member for Hamilton Mountain (Mr. Deans), we will be paying tribute to this great Canadian at two o'clock, at which time appropriate words will be spoken with respect to his passing.

**Mr. Deputy Speaker:** There being no unanimous consent to proceed to third reading of Bill C-55, the House will proceed to the next Government Order.

* * *

## CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

**Hon. Stewart McInnes (Minister of Supply and Services)** moved that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read a second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased that the legislation authorizing the sale of Canadian Arsenals Limited has reached second reading stage. Hon. Members will know that the privatization committee, as authorized by the Minister of Finance (Mr. Wilson) in his Budget, has been reviewing a number of Crown corporations with a view to determining which of them no longer fulfil their public policy purpose. This task force, and all those associated with it, have concluded that Canadian Arsenals Limited, a company which has been in existence for a long period of time, no longer fulfills its public policy purpose. For this reason bids were secured from a large number of Canadian companies with a view to finalizing a sale, which is now under agreement with SNC Corporation of Montreal.

We consider that SNC is an appropriate purchaser of Canadian Arsenals Limited. It is a large, substantial and internationally renowned company with some 4,000 employees, 500 of whom will be the purchasers of the company under the agreement. The great majority of those 500—in excess of 95 per cent—are Canadian. Under the legislation introduced it is a prerequisite that at least 75 per cent of the company's shareholders be Canadian. SNC has fulfilled its obligation in this regard very well.



The purchase price is some $92.2 million, which the Government considers to be representative of the real worth of the company. It is an extremely fair price. Having regard to the $50 million book value of Canadian Arsenals Limited, we think the Government has performed its obligation well in securing a reasonable purchase price for this company. The final purchase price was only reached after a great deal of negotiation with some eight Canadian companies, a process which took place over a period of months. I am happy to report that all of the participants have indicated that they are satisfied that the procedures which we followed in the bidding process were fair and reasonable and that everyone had adequate opportunity to respond.

We wish to recognize that Canadian Arsenals Limited is the only supplier to the Government of Canada of large and medium-calibre ammunition. It is perhaps appropriate that SNC, which is at the present time one of the very few suppliers of small ammunition, is indeed the purchaser. It will now be in a position to manufacture a range of ammunition for all of the Government's requirements. It will be able to devote the necessary funds to research and development and to give to this particular undertaking the necessary expertise and management which is required to ensure that the company be competitive and able to enlarge its export activities. This was a facet of Canadian Arsenals Limited which was lacking. We see this as one of the great merits of the privatization of this particular company—indeed, of all companies which we are considering under our privatization scheme.

SNC was established in 1911. We know that it is a leading Canadian engineering, construction and manufacturing firm with activities throughout Canada. Its assets are in excess of $100 million, and its 1984 revenues exceeded $200 million. The inference we are able to draw from these statistics is that SNC has in place the financial capacity and the management expertise which will inevitably guarantee the performance of its undertaking to purchase Canadian Arsenals Limited. I must add that of the $92.2 million in cash being paid for the company $87.5 million is for the shares of Canadian Arsenals Limited and the remaining $4.7 million represents the assumption of an outstanding obligation of Canadian Arsenals Limited to the Government.

This Bill was first introduced in the House on December 4, 1985. Arrangements have been made with the present employees, who number approximately 800, for the portability and transfer of their pension plans. There will be no prejudice resulting to the employees in this regard. Only recently was Canadian Arsenals Limited able to secure a labour agreement for all of its employees. The purchaser has agreed to abide by the terms of that agreement until it is able to secure an independent and new agreement with the employees after the purchase. The point is that we are persuaded that the employees of Canadian Arsenals Limited are safe and that their positions are secure. The undertaking and indication of the company is that it will continue to employ the great majority if not all of the employees. As I have said, there are

plans indicated for expansion and development for the two plants which the company now has in Quebec.

• (1210)

I think that the only outstanding difficulty is that management of both Canadian Arsenals Limited and SNC are, at the present time, very anxious to conclude the transaction, obviously for the benefit of the employees and for the company. I would ask Hon. Members to endorse the concept of this legislation and approve it in order to allow this to happen.

The legislation, of course, will provide that Canadian Arsenals Limited will no longer be an agency of the Crown and that this company will be absolutely independent. There are provisions in the agreement to ensure that the continuity of supply of ammunition is guaranteed to the Government on a first priority basis. There are safeguards there to ensure that the purchase price of ammunition to be purchased from time to time will be reasonable and there are certain tests and safeguards imposed in the agreement to allow the Government to satisfy itself that the purchase price for ammunition will be reasonable on a continuing basis and that the Government will be protected in that regard.

I would be prepared to suggest that this particular legislation has proceeded without hitch and without adverse comment. I can only conclude that Canadians are universally satisfied that this is a right and proper decision and is in the best interests of Canada and the employees. Without further word, I commend this legislation to Hon. Members of this honourable House.

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I am pleased to have the opportunity to respond to the initiative by the Minister on behalf of our caucus. Perhaps the first thing I should say is that it is not totally right to assume as the Minister has, that the fact that this particular issue has not made national headlines like de Havilland means that everyone approves of it. It would be somewhat exaggerated to think that—

**Mr. Nunziata:** Presumptuous.

**Mr. Boudria:** I know that the Minister of Supply and Services (Mr. McInnes) would not want to inadvertently, of course, mislead this honourable House and that at the first opportunity he will want to correct that false impression he has created.

Of course this issue has not come to the attention of the Canadian public as much as the sale of de Havilland. The sales of both companies were announced at the same time. One of the deals was just awful, so obviously this awful deal captured a great deal of the attention of the public of Canada. Therefore, the sale of the other company which was smaller was not discussed as thoroughly as the main sale which occurred at that particular time—the sale of de Havilland. The sale of de Havilland was particularly controversial and overshadowed the attempt of the Government to sell Canadian Arsenals Limited.

The Minister indicated in his remarks that Canadian Arsenals Limited was one of those companies which, in his view, no longer fulfilled a public policy purpose. My hon. colleague, the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), will probably be making some remarks later in so far as the policy issue of armaments and security of supply to the Canadian military is concerned. That is his area of expertise as our Party's critic for national defence.

In so far as I am concerned, I intend to make my brief remarks on the matter of the selling of the Crown corporation, the price the Government received and the entire management aspect. I will leave the policy initiative issues to one of my colleagues who will speak later.

The first thing we should know is that, although the Minister has assured us that there has been an agreement with the employees and that the employees were seemingly satisfied with the way this whole sale will take place, this does not at all reflect the conversations I have had with the people from the Public Service Alliance of Canada. As a matter of fact, those people were particularly critical of the Government for not consulting them previously and for not having been given any information concerning the portability and transfer of their pension plan. They have very little information about how the SNC pension plan works. Apparently they have not been provided with enough information on that. As well, they have grave concerns over the crossover to this new company. Therefore, I want to be on record as stating that at the time this legislaiton appears before the legislative committee we would like to have before us representatives from the Public Service Alliance. We would like them to state their case and enlighten Hon. Members of the House so that we can be assured that jobs will be protected, that pension funds will be transferred and that the total package of benefits the employees enjoy at the present time will be fully transferred the way the Minister says they will be.

Perhaps I should deal with some of the history of Canadian Arsenals Limited. As we know, Canadian Arsenals Limited was established in 1945 and it manufactures small and medium ammunitions. It operates a plant in Ville Le Gardeur near Montreal. There are presently 750 employees there. There is another plant in St. Augustin near Quebec City employing some 50 employees. We are not talking about a very small company, we are talking about a company that is significant in terms of jobs and what it has to offer. Were it not for the fact that the sale of this company happened at the same time as the sale of de Havilland, I have the distinct feeling that we would have heard a lot more about the proposed disposal of Canadian Arsenals Limited.

In the mid-1960s, the Government of the day in its wisdom had determined that a small portion of the ammunitions produced at that time by Canadian Arsenals Limited did not fulfil a public mandate and it was transferred over to the private sector. However, it was still the view of the Government that the rest of the operations of the corporation indeed were significant in terms of fulfilling a public policy. That was

reflected in Government investments in Canadian Arsenals over recent years.

I would like to draw your attention, Mr. Speaker, to the Canadian Arsenals Limited summary of corporate plan. All Members of the House have been provided with this, and I am sure, Mr. Speaker, that you have read your copy thoroughly, as I know you always do. However, in the unlikely event that some Hon. Members may not have read the whole thing, I would like to bring some items to their attention.

According to this Government document, in 1976 the Minister of Supply and Services confirmed the corporation's mandate. Ten years ago, the importance of this corporation was determined by the Minister of the day. A reorganization was ordered and revised Letters Patent were issued in order to widen the industrial base to include related military products, and that is what is indicated by the Government's report.

• (1220)

Substantial Government investments have gone into this company, Mr. Speaker. Let me outline a few to you: $3.6 million worth of modernization and $3.7 million for the recovery of operating deficits, a total of $7.3 million to be spent between 1977 and 1982. I know the Parliamentary Secretary will say that not all of those funds were used. He is quite correct. Not all those funds were required to modernize Canadian Arsenals Limited. Of course, the magnitude of the funds offered by the Government was to ensure viability and a good profitable operation. We know there was a definite commitment.

Let me read a little further for your information, Mr. Speaker. In 1982, the corporation took title to the moveable and immoveable assets located at Ville Le Gardeur, Quebec, the replacement cost of which was set at $25 million. That was in 1982, Mr. Speaker. In 1984, the company completed the installation of a new cartridge case manufacturing facility at St.-Augustin located near Quebec City at a cost of $13 million. Again, these are taxpayers' dollars. Some were profits generated by Canadian Arsenals Limited rather than an injection of taxpayers' funds *per se*. Because this is a Crown corporation, one can always argue that all dollars are taxpayers' dollars. Since 1978 the profits have increased tremendously and now total some $25 million. The shareholders equity as of March 31, 1984, was $44 million compared to a deficit of $1.2 million in 1977.

As you can see, Mr. Speaker, and I am sure you have grasped this by now, this indeed has turned out to be a very profitable Crown corporation.

I want to briefly draw a few more things to your attention, because I recognize that many other Members want to speak to this important issue of the proposed divestiture of Canadian Arsenals by the Government.

First, it is proposed that the company be sold to the SNC group, a well known engineering firm. None of the remarks I will be making today, nor those of most of my colleagues, will have anything to do with lack of confidence toward the new company. We know that SNC is a company with a world-wide reputation. It is not really a question of how well SNC can run the company. It has a reputation of being good at the things it does. That is not an issue here. What is an issue is not the credibility of SNC but the credibility of the Tories. I want you to know that, Mr. Speaker, and I put that in the forceful and non-partisan way that I always try to follow.

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** The Government in its attempt to sell this company decided to look for bids; it decided that someone should make an appraisal and an evaluation of the worth of the company. The Government apparently employed the services of the consulting firm, a very reputable one, Arthur Andersen and Associates. This consulting firm, we are told, issued a report. I put all of this in a hypothetical sense because the Government refuses to share any of the information with us. The Government says that the report states the company is worth somewhere between $60 million and $80 million.

**Mr. Valcourt:** You wouldn't know.

**Mr. Boudria:** We do not know whether it is worth that. The Member across who was just heckling obviously knows far less.

The Conservative Government in its usual attempt at keeping everything secret refuses to table the report by Arthur Andersen and Associates in this House. You heard the eloquence of the Minister a little earlier when telling us about the great merits of this Bill, Mr. Speaker. If he is so convinced this is the right move, why does he not share the report with us? Do you know who paid for the report, Mr. Speaker? The taxpayers. Our constituents paid for this evaluation by Arthur Andersen. My constituents have asked that I see that report. The Government refuses to share it.

**Mr. Nunziata:** What is the Government hiding?

**Mr. Boudria:** A very good point has been made by the Hon. Member for York South-Weston (Mr. Nunziata). He usually makes good points. He asks, what does the Government have to hide? I ask Conservative Members will the Government not table a copy of the Arthur Andersen report stating the value of the company?

**Mr. Turner (Ottawa-Carleton):** What did you pay for PetroFina?

**Mr. Boudria:** We have a sign of life from the Hon. Member for Ottawa-Carleton (Mr. Turner). It is nice to hear that, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** I am sure the people of Rockcliffe and Manor Park are wondering whether their parkland will be disposed of and whether that Member will be reacting today at the appropriate time in the House on their behalf.

We are talking about divestiture of the holdings of the Crown and there is a good local issue. I am glad to see the Hon. Member for Ottawa-Carleton has an interest in the

divestiture of Crown holdings. We certainly hope that at the appropriate time later today he comes back to life once more, as he has been known to do once or twice, and speak forcefully and eloquently for the people of Ottawa-Carleton.

**Mr. Nunziata:** That is asking a lot.

**Mr. Boudria:** I shall not hold my breath.

**Mr. Clark (Brandon-Souris):** Please do.

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** I shall not hold my breath because the Member is not likely to do that.

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** I seem to have done the impossible. I have actually awakened Tories.

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** I asked the Minister of Supply and Services about getting a copy of the Arthur Andersen report. I would like to read to you what the Minister wrote in reply. I will do this very briefly. On January 20, I received the following:

Dear Don:

Further to my Legislative Assistant's discussion with you last week, I must once again advise you that I cannot provide you with a copy of the Arthur Andersen Report. However, I can confirm that the Arthur Andersen Company carried out a valuation study of CAL prior to commencement of the bidding and negotiation process and estimated that the value range for CAL was $80 to $98 million.

That is very interesting seeing that the Minister had said before that the company was worth between $60 million and $80 million. Maybe, if some day we can see that report, we will all be able to judge just what it is Arthur Andersen said.

Let me continue with the letter:

The total price offered by SNC for CAL was $92,224,941 and was made up of the following: —$87,500,000 for the purchase of shares; $4,724,541 for the debt owed to the Government.

SNC have made a deposit of 5 per cent on $4,611,247 with the balance payable on closing the sale.

Of course I am sure you have noted by now that the Minister answered all kinds of questions that I did not ask, but refused to share the information that I did ask for. Let me continue:

In accordance with government policy, the downpayment will bear interest from the date of deposit to the closing date.

With respect to the question of employee pension benefits, I am pleased to inform you that the Agreement of Purchase and Sale requires SNC to enter into a reciprocal pension transfer agreement with the Government of Canada.

● (1230)

I would like to know where that agreement is. It has not been tabled with us. I have not been provided with a copy of this second agreement. Perhaps the Parliamentary Secretary has it with him and would be willing to share it with us. We still do not know about that agreement. That is two documents we do not have. It continues:

In addition, SNC has agreed to honour the existing collective agreement until such time as a new revised agreement is negotiated after closing. Agreement was reached on the present collective agreement between the employees and CAL in late 1985.

I am sure you have noticed by now, Mr. Speaker, that that does not coincide with what I have been told. It concludes: "Yours sincerely, Stewart McInnis".

That is the information that was provided to me by the Minister. The Minister has agreed to share the report with me so that I can look at it but not discuss it publicly. Obviously I do not want that. I was elected by the public, the people of my riding, as the Minister was by the people of his riding. If there is any information to be shared, I do not want it for myself. Yes, I voted for myself, but that is not the reason I am here. I am here because the people of my riding sent me here. They want that information.

**Mr. Nunziata:** They have a right to know.

**Mr. Boudria:** That is why I am asking for the information. The Hon. Member for York South-Weston points out very correctly and eloquently that the people indeed have a right to know. It is not only a matter of whether or not this would be a good thing. Of course it would be a good thing, but the appropriate and correct thing for the Government to do is to share with us the Arthur Andersen report. Perhaps the Minister or his Parliamentary Secretary can indicate later why he refuses to share that report with us. This is a point of contention with me, Mr. Speaker, as much as I try to be objective in this particular issue.

Let us review the process of the sale of Canadian Arsenals. I would like the Minister to tell us how the negotiations commenced with the bidders. I was informed that the process was very informal in that it was mostly word of mouth between officials of the Department and potentially interested customers who were contacted. I hope that there was a more formal process which took place and that the information I received is not correct. However, I would like the Minister to elaborate on that later because we want to be sure that all individuals and companies concerned had the opportunity to bid on this company.

We also want to know whether they were all given the same set of written criteria. That is important as well. We were informed that some time after the process started some of the people who were in the process of bidding were notified that price would be the sole criterion. One could argue the merits of using that for the criterion for disposing of the company, as we could argue the merits of disposing of the company at all. The point is really whether all bidders were provided with that information from the beginning and, if the rules were changed midway, whether all bidders were notified. The other question is whether everyone was invited to bid on the disposal of this company.

There are various issues on which I will be looking for answers from the Minister at the parliamentary committee. I

also want to know whether there were lobbying firms involved in this process. I hope that the Minister pays close attention to this particular point, as he always does, because this is very important. If there were lobbying firms involved, have any of the employees of these lobbying firms recently been employees of either Canadian Arsenals or the Department of Supply and Services? I would really like to have that information. I know the Parliamentary Secretary is noting that now. I do not expect an immediate response because, obviously, this will require some research as it is rather complicated. Perhaps we could receive a response to that at the parliamentary committee.

This is important, not only for the discussion at hand, but since we are in the process of reviewing all lobbying activity by various firms on behalf of various groups. I am the Opposition critic in the area of lobbying, so I am very interested in that process.

I think I should speak briefly about the profitability of Canadian Arsenals Limited. On December 2, 1985, the Minister of Supply and Services and his colleague, the President of the Treasury Board (Mr. de Cotret) announced the policy of the proposed divestiture of Canadian Arsenals Limited. One of the first things I did at that time was to ask for a copy of the last annual report of Canadian Arsenals Limited in order to go through it with the assistance of other people to determine how viable this company was, whether it was in fact making money, and what the impact would be upon the group which proposed to purchase it. I will attempt to answer some of these questions right now, Mr. Speaker, because I am sure you really want to know about this.

First, the profits of Canadian Arsenals Limited have gone up considerably over recent years. I draw your attention to page 6 of the annual report, which I am sure you have had ample opportunity to read. Page 6 of the report talks about the profits and losses of that company in thousands of dollars. In 1978 the company made $8.129 million worth of sales. Unfortunately, it had a loss in that year of $1.157 million. As the years went on the picture changed tremendously. In 1979 the sales of Canadian Arsenals were $14.159 million and there was a profit of $181,000. In 1980 sales were $30 million and the profit was $2 million. In 1981 sales were $45 million and the profit was $3 million. In 1982 sales were $57 million and the profit was $5 million. You see, Mr. Speaker, it is starting to become quite profitable at this point. In 1983 there were $87 million worth of sales and nearly $7 million of profit. In 1984 there were $97 million of sales and $8.5 million of profit. In 1985 there were $103 million of sales and $11.298 million of profit.

That is not so bad. The Government certainly cannot use the excuse for selling this company that it used in the case of de Havilland, notwithstanding that that particular excuse on its part was not very valid. The Government said it wanted to sell de Havilland because it was not making money. We knew, of course, that it was just on the threshold of making profits so that was not exactly an accurate statement by the Tories across the way. However, Tories never win prizes for being accurate, as I am sure you know, Mr. Speaker. This particular company is quite profitable, as I think I have demonstrated over the last couple of minutes. I highly recommend to Hon. Members across the way the 39th Annual Report of the Canadian Arsenals Company.

• (1240)

I spoke to you about sales and profits, Mr. Speaker. However, that is not the sole measure of the profitability of a company. I am sure that what you want to know at this point is the rate of return on equity. That is the important part. The Minister said that the company's equity is some $52.9 million. He aslo said we are proposing to sell the company for some $92 million. I guess he was trying to tell us that that made it a good deal. Obviously you recognize that if people sold their businesses for book value they would not be very good business people. Businesses are usually worth a lot more than book value. The rate of return on equity of this company in 1981-82 was 15.5 per cent. I am sure you are probably thinking that this is not bad.

[*Translation*]

But let me continue: in 1982-83, 18.1 per cent; in 1983-84, 19.4 per cent; and in 1984-85, 21.4 per cent.

[*English*]

So you see that this is indeed quite a profitable operation.

It is not the wish of the Canadian electorate to give away a licence to print money in the form of a company with a rate of return on equity of 21.4 per cent. At that, the price we are selling it for is totally unsubstantiated by anyone except the Minister in a letter he wrote to me. I know the Minister is a very honest person but, as the Hon. Member for York South-Weston said, the people of Canada clearly have the right to know what is contained in the Arthur Andersen Report. Even if the information the Minister gave us is correct, and we do not know that, did the report also say that the company is worth the amount they said it was worth? That figure was between $80 million and $98 million. Did it say it was worth $80 million if there were no guaranteed sales to Government? Did it say it was worth $98 million if there were? We do not know, we have not seen the report. If it is worth $98 million, why are we selling it for $92 million? Who is going to pay the taxpayers of Canada the other $6 million? That is their money, they have the right to find out. So I ask the Minister again, why will he not share that report with this House?

I have gone on for a few minutes longer than I thought I would but I have a few more points I want to make. I want to read from an article by James Bagnall in *The Financial Post* of December 14, 1985. It says:

> Canada has never been one of the world's heavyweights in the making of ammunition.
>
> Yet Montreal's diversified engineering outfit, the SNC Group, has just received a tough-to-fulfill mandate to turn Canada into a major munitions exporter.

I am sure that you vividly recall what the Minister said about this deal. He said it would enable further export activities involving armaments. That is a big concern for me. Are we

proposing to divest ourselves of Canadian Arsenals because we want to become a world-wide exporter of armaments? Is that what we are trying to achieve? If it is, I have some concern.

I read in the newspaper the other day that there seems to be division within Cabinet on whether to permit the Thyssen company of West Germany to make arms in this country for export to countries which are in troubled circumstances at the present time. Are we privatizing another firm for the purpose of sending it in that direction? If so, then I am really worried about the policy initiatives which are being espoused in this venture.

To quote further from *The Financial Post* article, and here they are talking about IVI, another company owned by the SNC Group:

> The fact that there is no competition between the two firms is not an accident. IVI was part of Canadian Arsenals until the mid-1960s, when it was sold by the government as part of a strategy to privatize as much of CAL's assets as possible. That's when the companies were assigned different segments of the munitions market.

I said earlier that those parts which did not fulfil a policy initiative in the munitions market at that point were divested, although this was mainly in the area of small armaments. However, when it comes to the heavier munitions the Government felt it was better to have that remain in the public sector, as it did until this point. I must say that I am very concerned if the direction which the Government wants to give the SNC or anyone else is that of getting further into arms exports to other countries. Canada is quite well-known as a peace-loving nation, a country which traditionally stays out of conflicts. We have not in the past been a vulture trying to capitalize on unfortunate events which occur in other countries. Therefore I hope that is not the direction we are trying to give anyone at this point.

A little earlier I was talking about the profitability of this Crown corporation. I now want to share with you some of the projected profits for the company as indicated in the annual report. I will share some of this with you very briefly because I would not want you to become impatient with me. However, this is very important as I am sure you recognize.

● (1250)

> The corporation has entered into an agreement with chartered banks' leasing corporation to lease production machinery, to a total cost of $11 million, upon terms that transfer substantially all benefits and risks of ownership to the corporation. It has concurrently entered into another agreement whereby it has been appointed as an agent of the lessor to purchase the said machinery against reimbursement of moneys disbursed. As at March 31, 1985, amounts so advanced to the corporation total $10,109,599 . . . including $760,112 for accrued interest . . . which, when added to future purchases shall be converted into capital leases specifying repayment terms.

So you see what we are hearing again is that in fact this company here has in the past had a very good record of not only producing but of improvement to that same company, or to the capital assets of the company, in order to ensure that it remained a good company and that it remained profitable for the taxpayers of Canada while it was a Crown corporation, with the majority of the sales being to the Government of Canada itself for us to use as a peaceful role that we have as a nation, but not to make it a major exporter of armaments to other countries. So again, very briefly, those are some of the concerns I have as a Member of this House and as a critic for our Party. In closing I will ask, through you, that the Minister provide to this House the documentation that is missing.

[*Translation*]

We need the assessment by the Arthur Anderson firm, to know how much the company's assets are worth and what the company is worth to Canadian taxpayers. We also need to see those so-called arrangements made with company employees, which because we never saw since the Government refused to give us all the requisite information. Finally, Mr. Speaker, the employees' unions have said that up to now they were not aware of any arrangements and were not duly informed of their rights and the transfers.

[*English*]

I notice you are telling me that my time has expired, Mr. Speaker. I did have a few other remarks to make, but unfortunately I will have to abide by your wishes.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, I cannot help but agree with the previous speaker in suggesting that although this particular divestiture of a Crown corporation by the Government has not created a great deal of public interest, that had to do mostly with the timing of the announcement rather than the concern, because there is a great deal of concern about this whole idea of the divestiture of Crown corporations.

The history of Crown corporations in Canada—I suppose in the world—is very interesting because in every case it is based on the need for development in countries. It is very interesting to note that the first probable Crown corporation, if we could call it that in Canada, was the Board of Works, which eventually became the Department of Public Works, and is now part of the Government. Other pre-Confederation corporations were the Harbours Board and the Nova Scotia Railway Company, companies that were established for particular reasons.

Since Confederation we have gone through a whole series of developments which were based on putting Crown corporations in key positions, as far as the economy was concerned. I suppose the first one after Confederation of major import was the CNR. The last one was probably Petro-Canada. We have gone through that series of Crown corporations being used as key developers in the economy of the country.

We could probably divide the development of the country into a series of areas or of times when particular directions of development were needed or wanted. Consequently the Government used Crown corporations as instruments of public policy; used them to develop the economy of the country by putting those Crown corporations in place. The biggest and the most common area of Crown corporation development was in transportation, the CNR, the Nova Scotia Railway Company and a series of other companies which were given support and

contributed a considerable amount to the development of the country.

That purpose of developing the infrastructure of the country, and using Crown corporations to do so has been a long tradition as far as Canada is concerned. In fact in 1979 when a review was done of the assets of crown corporations it was found that 49 per cent of the provincial Government in Canada—almost half of the assets of the provincial Governments in Canada—were held in the form of Crown corporations. Even within the federal Government 33 per cent of the assets of the federal Government are held in Crown corporations.

If it is now the policy of the Government to try and get rid of the deficit by selling these assets, we all know that the first sign of bankruptcy, as far as business is concerned, is when they start putting their assets up for sale. There has to be some good reason for the divestiture of any Crown corporation. I would question, along with many people of Canada, whether the ideological reasons which are being expressed by this Government are good enough for the divestiture of Crown corporations.

If we were to divide the country into certain periods from the time of Confederation until now, relative to the development of Crown corporations, we would probably say that first period was the development of transportation. At that time we had the CNR, Trans-Canada Airlines and later Air Canada. Those were established for a particular purpose. If they had not been, the development of Canada would have been slowed down considerably. We can say that in that first period of time Crown corporations were used well for the development of Canada.

I am not convinced the reasons that are being given now for the divestiture of some of the Crown corporations are based on any policy which has been well thought out, having to do with the development of Canada and the continued prosperity of Canada. If the ideology of the Party is being used as the basis for divestiture it is not good enough. The effect on the economy of Canada must be the basic concern as far as these divestitures are concerned.

The war propagated a large number of Crown corporations. Some 30 Crown corporations were developed during the war, again for very good reasons. Most of those Crown corporations were disbanded after the war. They were used to expedite the war effort and, except for a few like the Eldorada Mining Corporation, Palimar, which became Polysar I think later, and even the one we were talking about today, Canadian Arsenals, which are offshoots of the Crown corporations that were put in place during the war, they did the job at that time and then were disbanded. What we have in Canadian Arsenals is somewhat of a hold-over from that particular time.

The next period of time from the war—Yes, Mr. Speaker, I could come back at three o'clock.

At 1 p.m. the House took recess.

*Canadian Arsenals Limited*

## AFTER RECESS

The House resumed at 2 p.m.

## THE LATE HONOURABLE T. C. DOUGLAS

TRIBUTES TO FORMER MEMBER

**Hon. Edward Broadbent (Oshawa):** "I am an ordinary guy who has done the best he can to promote the cause in which you and I believe". So said Tommy Douglas a short time ago.

This morning, at 10:45, Tommy Douglas died. He was a great man, one of those truly rare individuals who actually changed the course of history. He was a man whose life and work made Canada a better nation for us all.

Tommy Douglas was a Privy Councillor, a member of the Order of Canada and a Member of this House for 26 years; from 1935 to 1944 and from 1961 to 1979. In between he was Premier of Saskatchewan for 17 years.

As Premier of that province he and his Government broke new ground in almost every domain of social and economic activity. It was his Government that introduced the first Bill of Rights in Canada. It was his Government that brought electrification throughout rural Saskatchewan. This is something which he always proudly remembered and a fact that many people in Saskatchewan have recalled with a great deal of affection and appreciation. It was his Government that brought in the first piece of legislation that gave unrestrictive collective bargaining rights to people who work in the public sector in Canada. It was his Government that brought in the first truly modern labour legislation that treated working men and women as positive members of their community rather than simply people who had to be dealt with in some way.

Perhaps most important, in terms of its impact on our nation, it was his Government that brought in medicare to the Province of Saskatchewan, one part of our immense nation. It was an act that was soon picked up by other governments and became part of our national legislative heritage.

As a Member of the House of Commons, Tommy Douglas was a defender of civil liberties. Members who were with us at that time will recall that he voted against the War Measures Act which he saw, along with others at the time, as an unnecessary infringement on civil liberties. He fought relentlessly against the horrific build-up of nuclear weapons by the super powers on both sides of the global conflict.

He was a determined champion of Canadian autonomy in every field of human endeavour.

[*Translation*]

There will be other opportunities to comment on his impressive achievements as a legislator.

Today, I would like to stress his qualities as a politician, qualities which have had an enormous impact on so many of us.

[*English*]

I think first of his great capacity for combining passion and reason. Tommy demonstrated throughout his life that for our movement, these two must coexist. He knew it was not enough to make criticism of the society of the day. That can be easily done by anyone. "Our obligation", he said time and time again, "is to create alternatives which can command the support of the intellect". But in giving expression to this view, it is also totally appropriate to do so with passion. Tommy's whole life was an embodiment of the truth that reason and passion are far from contradictory, that in a political life seriously undertaken, they go hand in hand.

● (1405)

[*Translation*]

Over the years, Canadian men and women appreciated Tommy's superb sense of humour. More than any other politician of his generation, he brought to politics a sense of fun and the ability to laugh at himself. He was not sarcastic, because sarcasm always implies a desire to hurt. In fact, he had a very humorous outlook on life which attracted people instead of putting them off.

[*English*]

Most of all, when I think of Tommy, and my personal encounters with him, and I am sure this is true for many, many other Canadians, I think of his almost unlimited capacity for generating a sense of hope about the future. He never despaired no matter what the obstacle. That exuberant and hopeful spirit, based on the deep conviction that society should be organized for the benefit of all of the people and not for the privileged few, is what took him through all of the obstacles in his long and remarkable life. That is his legacy to us today.

Our deepest sympathies go to his wife, Irma, his daughters, Shirley and Joan, and to his grandchildren. Canadians all across our land join them in their loss of a truly great man.

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, no one could have put it better than the Hon. Member for Oshawa (Mr. Broadbent) who knew Tommy Douglas so well and who carries on the leadership of his Party. Many of us in the House of Commons had the honour of knowing Tommy Douglas well. I guess the younger Members of the House of Commons particularly considered him to be a historic Canadian figure going authentically to the grassroots of our country, particularly the prairies and western Canada.

As one of the signatories to the Regina Manifesto, he was the first head of a Social Democratic Government in North America and, as the Hon. Member for Oshawa has reminded us, he introduced medicare into this continent. He was a living legend to the people of Saskatchewan. At one stage in his parliamentary career, he represented British Columbia with great distinction as a leader of a national Party in that province. As I look at Stanley Knowles, I am reminded that both he and Tommy Douglas studied together at Brandon College for the ministry and his great Christian commitment to the public good and public order followed him throughout his political career.

I had the privilege of attending the founding convention of the New Democratic Party as an observer in 1961 when Mr. Douglas and Senator Argue fought it out. I remember the great speech he made then. I felt he incarnated that unique tradition in Canadian political life beginning with J. S. Woodsworth, Mr. Coldwell, Tommy Douglas, and after him the late David Lewis, and now our friend from Oshawa. It has been a great tradition. I never heard a better orator in the House of Commons or on the hustings. There is something in Saskatchewan in those church basement rallies which brings out the best in the human temperament and in the skills of speech and timing.

● (1410)

[*Translation*]

He was a superb speaker. He was formidable in parliamentary debate and out on the hustings but he was never mean-spirited.

[*English*]

He was never, ever mean-spirited. I never heard Tommy Douglas take a cheap shot at anyone. However, he had an absolutely contagious sense of humour. I was sitting close to the late Secretary of State, the Hon. Judy LaMarsh, when he looked over and advised her to be a little more silent than was her habit. He said to her: "The Hon. Minister only opens her mouth to change feet".

Jimmy Gardiner once walked into a debate against Tommy Douglas in Saskatchewan. He said to Tommy: "What do you know about farming? You've never been a farmer". Mr. Douglas said: "I never laid an egg either, but I know more about making an omelette than either a hen or the hon. gentleman". It was his sense of humour and dignity, the self-sacrifice with which he clothed his life, and his public purpose, that made him a remarkable Canadian—indeed, a great Canadian.

[*Translation*]

The New Democratic Party has lost one of its founding members, one of the main founders of its movement.

[*English*]

On behalf of the Liberal Party of Canada I wish to join with the Leader of the New Democratic Party in saying to Mrs. Douglas the children and family how much his life has been valued by Canadians from one end of our country to the other. I am reminded of the words of Longfellow:

Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time.

**Some Hon. Members:** Hear, hear!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, Canada has lost the voice and the vision of one of our great humanitarians and one of our truly outstanding parliamentari-

ans in the passing of the Hon. Thomas Clement "Tommy" Douglas, who died this morning in Ottawa. I knew of his reputation and his legend and, like many others here, was privileged to know the man himself. I knew of his personal qualities, his devotion to his church and to Canada and his love of his wife, his daughters and grandchildren.

Tommy Douglas was an outstanding Canadian beloved by all Members despite political differences. Perhaps the old Saskatchewan proverb said it best of all: "Tommy Douglas doesn't have to kiss babies, babies kiss him".

As the Right Hon. Leader of the Opposition was speaking, I could not help but remember something which I heard him say once at a political rally. It was an example of the kind of humour he exhibited so well. He told of meeting an elderly farmer in Saskatchewan and in searching for a compliment he said: "Well, I suppose there have been worse Premiers than me". In the absence of any response at all, and thinking the farmer was hard of hearing, he elevated the decibel level and said: "I suppose there have been worse Premiers than me". The farmer said: "I heard you the first time, I was just trying to remember".

I remember, as well, his comment about one of my predecessors in regard to a great debate that was going on concerning nuclear weapons: He said: "My right hon. friend is, of course, consistent. On Mondays, Wednesdays and Fridays he's in favour of nuclear weapons. On Tuesdays, Thursdays and Saturdays he's against; and on Sundays he's a Baptist like me".

• (1415)

[*Translation*]

Mr. Speaker, there was also an important dimension to Tommy Douglas which attracted Robert Cliche to his side. I remember well seeing both Douglas and Cliche in Quebec during those difficult years, difficult not only for his political party but also for mine, and that was in 1963, 1965 and 1968.

I saw the courage and dignity with which they tried to establish their political party on Quebec soil. Subsquently, Mr. Cliche spoke to me at length about his relationship with Mr. Douglas, his affection for Quebec, his respect for the French fact, his desire to set up a truly national political movement, and the courage he showed in the many positions he took in a spirit of understanding and solidarity.

[*English*]

I recall, Mr. Speaker, the privilege that I had in November, 1984 when I was able to call Tommy Douglas to tell him that I had the pleasure of recommending his appointment to the Queen's Privy Council for Canada. I was greatly touched by the generosity of his acceptance and of course his wit and his kindness. His appointment was in recognition of his devotion to parliamentary service both in Saskatchewan as premier and as a very distinguished leader and member of the New Democratic Party here in the House of Commons.

His passing is not only a loss to all Canadians but I think a gentle reminder that no honour was greater to Tommy Douglas than the respect of his peers and the affection of common people. On behalf of all Canadians, I express our bereavement for the passing of Tommy and I call upon this House to rise for a moment of silence.

[*Editor's Note: Whereupon the House stood in silence.*]

**Mr. Speaker:** It is our tradition in these matters to sometimes allow others who are seeking to say a few words, because of their personal relationships, to speak. I propose to allow this.

**Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain):** Mr. Speaker, I would like to make some personal comments as a long time opponent of Tommy Douglas and I think one of his better friends over the years. My remarks will be of individual things that he did that are not known to the public.

I was very pleased when the Leader of the Opposition (Mr. Turner) and the Prime Minister (Mr. Mulroney) spoke of his one great attribute that endeared him to the people of Saskatchewan and, I am sure, to all parts of Canada, his humour. However, underneath his humour was a deep feeling that I have to express at this time.

To me, Tommy Douglas was fundamentally a great Canadian. I personally remember the tragedy he felt when he was not allowed to go overseas with the South Saskatchewan Regiment because of his physical disability. He wanted to serve his country. He started out as a printer in Winnipeg but his one great devotion was to this country, Canada.

• (1420)

I was the elected leader of the Progressive Conservative Party in Saskatchewan from 1949 to 1957. I was never elected to that legislature, although I tried several times. He noticed me sitting in the gallery of the legislature in Regina. He came up to sit beside me and said: "What are you doing up here?" I replied: "I do not have a seat in the House but I like to hear what is going on." He said: "All right. I will go down and speak to the Leader of the Opposition," who was then Mr. Walter Tucker. Together they arranged to speak to the Speaker. I was invited to sit on the floor of the House of the legislature of Saskatchewan. To be as neutral as I could, one day I sat behind the Liberals and another day I sat behind the NDP. That is where I joined with Tommy Douglas, because in effect I was sitting in the caucus of both Parties—

**Some Hon. Members:** Oh, oh!

**Mr. Hamilton:** That is when I joined with Tommy Douglas in agreeing that a political caucus is a creature that no one can understand unless he understands the differences of being in a political caucus and a cactus.

**Some Hon. Members:** Oh, oh!

**Mr. Hamilton:** In that period, he also asked me, with the permission of all Members of the House, to accept the privilege of a legislator, with one exception. I could not utter a

word. The technique that I used if I wanted to ask a question was to pass a note up to a Liberal or a New Democrat, whoever I was sitting beside, either in committee or in the House. The question would be asked and when the answer came back I would send a supplementary question, and so on. That is how I endured for eight or nine years in that legislature. I had every right in committee and I had every right to deal with civil servants as an MLA. When I came down to Ottawa in 1957 his provincial treasurer, the Hon. Clarence Fines, said in the House that even though I had never sat in the legislature I had done more than most of them in the House had ever done because I had learned the technique of working through the civil servants, then going to the Minister to get approval of what we had already agreed upon; the Cabinet would then support it and we would get whatever it was done.

I would like to mention that this is a personal testament. I give the credit for this concept of practical democratic government to Tommy Douglas. He did something there that gave respect to the thousands of Conservatives who had no seat in the legislature for 40 or 50 years, it seemed to me. But the fact is, we did have our voice. I speak for a generation of people in Saskatchewan who had no voice politically in the legislature, and I pay this tribute to Tommy Douglas because I do not think too many people know about it. He gave expression of his true Canadianism in that way.

We fought publicly, sure. Of all the jokes that he told, many of them were on me. I tried my level best to outdo him but he always ended up one step ahead of me, and we very often joked about that.

My final words to Tommy Douglas are: No person ever served his God, his country and his community more devotedly. No person ever tried to think in terms of the real philosophy of life, namely, that your first responsibility if you believed in a God was to be humble. He was always that way. The second was to do your utmost to give the people of all thoughts and place their due right. I subscribe to that philosophy, only I call it Conservatism.

• (1425)

In paying tribute to Tommy Douglas I could tell you a thousand jokes. But let me say that above all he believed in principles which all of us here can support, regardless of our Party or background.

**Some Hon. Members:** Hear, hear!

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, as the representative of part of Tommy Douglas' last riding, Nanaimo-Cowichan-The Islands, I want to say how much Tommy Douglas was loved and respected by the people he served so faithfully for so many years. Tommy Douglas, while one of Canada's great legislators and parliamentarians, was above all a man of the people; he loved people, he believed in people, and he drew his strength from people. In return, people loved Tommy Douglas, they believed in Tommy Douglas, and they drew strength from Tommy Douglas.

*The Late Tommy Douglas*

Tommy has left us a legacy of laughter, a legacy of battles that have been fought and won, and a legacy of concern for battles that still have to be fought and still have to be won. On behalf of all of his former constituents, I want to express our support for Irma and his family. Above all, I want to say: "Thank you, Tommy".

**Some Hon. Members:** Hear, hear!

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, in 1968 when 108 of us were newly elected and came into this House we learned rapidly to respect the spirit and mind of Tommy Douglas. This was not only because he was a spell-binding orator and had a great sensitivity to social issues, but also because he was gifted with a generous mind.

When he was celebrated in this Chamber 10 years ago he told us a number of political anecdotes. One is still fresh in my memory. He recalled the first time he ran for office with his main political opponent being a strong, burly, big type who turned to him on the platform and said: "As far as you are concerned, I could eat you up in one gulp". To that Tommy Douglas retorted: "If you do that, you will have more brains in your stomach than in your head".

In conclusion, Mr. Speaker, if there is a paradise where parliamentarians go, although I am not so sure there is such a place for us, I am inclined to think that as of today it is going to be a more lively and more interesting place.

**Some Hon. Members:** Hear, hear!

**Mr. Les Benjamin (Regina West):** Mr. Speaker, the first time I heard Tommy Douglas speak was in Yorkton, Saskatchewan, in June of 1944. The election campaign was on and the skating rink was full. A few years later I became a member of and a candidate for the CCF. I remember telling Tommy years after that I learned much of my democratic socialism at his knee. He said: "Yes, and a few other low joints".

This man led a social and economic revolution in the country from 1944 to 1961. I want to remind this House and the people of our country that this man led in so many things that set a criterion and example to follow not only for the Province of Saskatchewan, but for other provinces and the nation as a whole. I think of the air ambulance service and the Farm Security Act. Even though financial institutions took him to the Supreme Court, no longer could they take a farmer's land, home, barn and cattle. I think of the seed and feed grain debts which he took off the backs of grain producers and municipalities, and of hospitalization, medicare, and the Swift Current health region. Then there was automobile insurance, about which he once said that in a civilized society he thought that anyone who would make a profit from the misfortune of others was basically immoral. He brought in collective bargaining and political rights for public servants and Crown corporation employees in 1945-46, and in this he was ahead of his time by many, many years.

*The Late Tommy Douglas*

• (1430)

Speaking personally, when I was a green and frightened candidate for election the first time, attending my very first political meeting on a public platform in Leader, Saskatchewan, in May of 1956, Mr. Douglas was the guest speaker. The hall and street outside were full, and a public address system had to be put up outside. Earlier in the day his executive assistant had phoned me and said that Mr. Douglas would like to see me in his room in the hotel. I was even more nervous, fearing that I had done or said something wrong.

At that time I was on leave of absence without pay from the railroad, I had a wife and three children, and owed bills all over town. I was broke, to put it bluntly.

Tommy asked me how I was doing, and what not. Finally I told him. Then, Sir, without saying a word, he reached in his pocket, got his wallet out, and gave me $200 to see me through the rest of the campaign. I don't know of any other Leader who has thought of that.

**Some Hon. Members:** Oh, oh!

**Mr. Benjamin:** However, it was something which caused me and many hundreds of others who were candidates for our Party in those years and since, to think of those who follow us in public life. It means all of us in this place, in all Parties, have a similar obligation to pass on to present and succeeding generations the kind of example and criteria which that man laid down for all of us to follow. I think none of us can do any less than to try and to do just that.

**Some Hon. Members:** Hear, hear!

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, it is a clear sign of the stature of Tommy Douglas in Canadian politics that so many Members from all three Parties rise here today to pay him tribute and claim him as one of their own. I, too, as the sitting Member for Nanaimo-Alberni, rise to salute the former Member for what was then known as Nanaimo-Cowichan-The Islands. Tommy will be missed by the people of Canada, but he will be particularly missed by the people of central Vancouver Island.

His accomplishments have already been listed by the Prime Minister (Mr. Mulroney), the Right Hon. Leader of the Opposition (Mr. Turner), the Leader of the NDP (Mr. Broadbent), and so many others here today. Many stories were, quite rightfully, full of the humour that Tommy loved so much.

In my brief term representing his riding the incident which stands foremost in my mind, and which is perhaps indicative of the character of this tough and steely little Scotsman, was in 1984 when Tommy was struck by a bus while crossing the Ottawa River Parkway. The reaction in Nanaimo-Alberni was: "We know Tommy is okay, but what kind of condition is the bus in?" He was not a native son, but his death today has had a profound effect on the people of central Vancouver Island. On their behalf I wish to say goodbye to Tommy in this Chamber he loved so much. We are sure that if he has his way, Heaven will be a better place by Tuesday.

**Some Hon. Members:** Hear, hear!

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I will be brief but I hope I speak with the same emotion demonstrated by my colleagues who have spoken before me. Today, as you may appreciate, we are entering into what is known as a time of reform of the House of Commons under the new provisional rules. I think nothing can better signify the kind of attitude I would like to see in this House than the way in which Tommy Douglas conducted himself while a Member not only of the Saskatchewan Legislature, in my home province, but indeed of this House of Commons.

Tommy was outstanding in debate and in the contributions he made sitting with the NDP on the far righthand side of the House. He used this House of Commons but not to his own personal benefit. He used it for principles and issues. He gave us an opportunity to observe the kind of participation which I think all of us seek to emulate.

As a person who grew up in Saskatchewan when Tommy Douglas was the Premier of that province, one cannot help but be deeply touched by the way in which Tommy Douglas faced adversity with great ebullience, spirit, and wit. I say to Mrs. Douglas and her daughters, as well as to the rest of the family, that all of us who were born and lived in Saskatchewan owe a great debt to him as Premier of our province, as a Member of the NDP in this House of Commons, and especially as a person whom we all respected.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I take it the House would like to proceed in the normal way and we will now proceed to Statements under Standing Order 21.

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## STATEMENTS PURSUANT TO S.O. 21

[*English*]

### EXTERNAL AFFAIRS

#### THE PHILIPPINES—CALL FOR RESIGNATION OF PRESIDENT MARCOS

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, there is conclusive evidence that the election in the Philippines was fraudulent and not a democratic expression of the will of the people. Any nation that embraces and cherishes the principles of democracy and freedom cannot condone the illegitimate leadership of Ferdinand Marcos. Canada cannot and should not remain silent in the face of this travesty, nor should we wait for the Americans to take a position. We must call immediately for the resignation of Ferdinand Marcos and recognize Corazon Aquino as the rightful and legitimate leader of the Philippines.

The appointment of our new ambassador to the Philippines should be held in abeyance to avoid even the slightest hint of

Canada condoning the Marcos dictatorship. I call on the Secretary of State for External Affairs (Mr. Clark) to speak up for freedom and democracy in the Philippines, indeed in the world.

* * *

[*Translation*]

## EXTERNAL AID

ASSISTANCE TO AFRICAN COUNTRIES

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, Mr. Bourassa was taking a very short view when he proposed giving Europe's food surpluses to poor and vulnerable countries. These countries should not be allowed to become an international dumping ground for the surplus products of rich countries.

The Africa Forum held in Ottawa from February 13 to 15 concluded that Canada can and should pursue a long-term policy. We must co-operate with the African countries to further their own development.

The measures required to achieve this objective include: renegotiating the debt, increasing the means of subsistence of farmers, developing agriculture and supporting reforestation projects.

* * *

[*English*]

## EXTERNAL AFFAIRS

ESTONIA—COMMEMORATION OF INDEPENDENCE IN 1918

**Mr. Andrew Witer (Parkdale-High Park):** Mr. Speaker, on February 24, 1918, an independent Estonian democratic republic was proclaimed. The years that followed were harsh for this tiny nation which experienced the ravages of war and dislocation of its economy. Estonia's short-lived freedom came to an end in June, 1940, when the Soviet Union overran the three Baltic States and forcibly annexed them to the Soviet Union. The popular Soviet version is that the peoples of the Baltic States joined voluntarily. The historical fact is that this revision of history in Soviet textbooks is nothing more than a hoax.

To Canadians of Estonian origin, this day commemorates the brief period of democracy enjoyed by their homeland. This day also gives reason for all Canadians to recall just how precious the gift of democracy is, and how swiftly it can be lost. Today let us join with Canadians of Estonian origin to commemorate this day and to pay tribute to their national courage and resilience. Freedom and democracy are non-negotiable commodities and they must be restored wherever they are denied.

**Mr. Speaker:** The Hon. Member's 60 seconds have expired.

*S.O. 21*

## PUBLIC SERVICE

TRIBUTE TO WORK OF PUBLIC SERVANTS

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, the Public Service of Canada is, without question, one of the finest in the world. My father, Ren Turner, worked in the Public Service for 34 years. During my own years at Parks Canada and CIDA I developed some lasting friendships, as well as a professional appreciation for the quality of the men and women who serve Canada with distinction.

My colleagues in this House recognize the vital role that public servants play in implementing legislation passed here, and in enforcing subsequent regulations and programs. We all rely on the services of program managers, scientists, secretaries, clerks, and many others, to do the best possible job they can in providing the goods and services demanded by all Canadians. When Governments change in Canada, policies and priorities usually change as well. During a period of transition that can last from one to two years there is inevitably some dislocation of personnel in Ottawa and in other parts of the country. We all feel the uncertainty of change—

• (1440)

**Mr. Speaker:** I would advise the Member his time has expired.

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## STATISTICS CANADA

INCREASED PRICES OF PUBLICATIONS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I rise today to bring to the attention of this House the unscrupulous manner whereby Revenue Canada has been forced by the Minister of Supply and Services (Mr. McInnes) and the Minister of Finance (Mr. Wilson), affectionately known as Stewart the Dreaded and Mike the Knife, to increase the price of its publications. One example of this is the *Canadian Statistical Review* which sold in March, 1985, for $38.50 and is now selling for $200. *Employment and Earning Hours,* formerly sold for $65, is now sold for $350. I could go on and give examples upon examples of these dramatic increases.

Many users of information supplied by Statistics Canada are non-profit organizations which cannot afford such drastic and Draconian increases. The Minister of Supply and Services will agree with me that these measures should be withdrawn immediately. I therefore urge this Minister and the Minister of Finance—

**Mr. Speaker:** I would advise the Hon. Member that his time has expired.

*S.O. 21*

[*Translation*]

## LA FRANCOPHONIE

PARTICIPATION AT VERSAILLES SUMMIT

**Mrs. Suzanne Duplessis (Louis-Hébert):** Mr. Speaker, I would like to say a few words about the brilliant success of the *Sommet de la francophonie* which I had the privilege of attending last week. This historic event united a community of 39 countries in a firm resolve to help each other.

In a spririt of harmony and co-operation, representatives of the countries attending adopted 28 resolutions that are vital for the Francophone world, including Francophone audiovisual exchanges by satellite, joint publishing of text books by Francophone authors, the use of French in the high tech sector, mechanisms for promoting trade exchanges among Francophone countries, and these are just a few examples.

Mr. Speaker, I am proud of the fact that Canada's status has been enhanced by this summit, and as a Member from Quebec, I am delighted with the arrangement to hold the next summit in Quebec City: one more indication of the national reconciliation made possible by the Mulroney Government.

* * *

[*English*]

## STATISTICS CANADA

PUBLICATION OF EMPLOYMENT DATA

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, I am appalled by a statement made by the Liberal employment critic questioning the manner in which Statistics Canada collects employment information, calling the unemployment rate "the big lie". Our Government inherited a severe unemployment problem, along with a method of calculating job creation and employment statistics.

The result of this Government's policies and of those of the previous administration are as follows: One, monthly rate of job creation for the Liberals was approximately 7,000 jobs per month, while our Government averages 36,000. Second, only 18 per cent of the jobs the Liberals created were full-time, while the PC record is 81 per cent of 580,000. Two thousand jobs alone in the last three months were created in my city of Saskatoon.

This statistical approach has been used by the federal Government for decades. No matter what factors are used to establish employment figures, the Government is accomplishing historic job creation. These trends are representative of the trends that are positive in seeing unemployment drop. Rather than—

**Mr. Speaker:** I would like to advise the Hon. Member that his time has expired.

## COMMUNICATIONS

POWER CORPORATION'S BID TO TAKE OVER QUEBEC TELEVISION STATIONS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, it is now more than one year since the Conservative Government opposite revoked the Order in Council requiring that broadcast media and daily newspapers not be controlled by the same company. The folly of that decision has been demonstrated by the Power Corporation's bid to take over the Télé-Métropole media interests. Power already owns daily newspapers in Montreal, Trois-Rivières, Sherbrooke and Granby.

Power now wants to own television stations in Montreal, Trois-Rivières, Sherbrooke and three other cities. Power will dominate French language media in three cities and influence the media strongly in the whole province. The New Democratic Party believe this will give Power the opportunity to become the K.C. Irving of Quebec. We call on the Government to act before its policy failure leads to irreversible damage to public life in Quebec. Quebec does not need, as New Brunswick now has, a stultifying and repressive hand on the need for free inquiry by journalists, newspapers, and broadcasting outlets.

* * *

## LABOUR CONDITIONS

COMPARISONS WITH 1981 STATISTICS

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, in a Gallup poll published this morning 55 per cent of those polled said they had little or no confidence in the way the Government is handling the problem of unemployment. This should indicate to the Government that despite its boast of new jobs all is not what it seems, and there are serious employment problems in this country.

The unemployment rate of 9.8 per cent is still too high. Before the recession in 1981 it was 7.5 per cent. Too many of the jobs are part-time and temporary, non-unionized with low wages and no benefits. Twenty-seven per cent of women are in part-time work. Those unemployed for more than one year are four times what they were in 1981. The unemployment problems of youth, older workers and the illiterate are not being addressed. When is the Government going to stop the rhetoric and posturing, admit the problems, and attempt some solutions?

* * *

## THE BUDGET

PREDICTED POLITICAL REACTION

**Mr. William C. Winegard (Guelph):** Mr. Speaker, on Wednesday of this week the Minister of Finance (Mr. Wilson) will bring down a Budget that will be tough but appropriate for the times. It is relatively easy to predict the reaction of the New Democratic Party. They will state without hesitation, as

they always do, that we will lose 100,000 jobs. I hope our liberal colleagues will take a more realistic view. May I urge the Leader of the Opposition (Mr. Turner) to show all Canadians that he still has the capacity to rise above the fray and help lead Canada to better times ahead?

* * *

## CORPORATE AFFAIRS

### CLOSURE OF GULF REFINERY IN MONTREAL

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, on Friday the Minister of Consumer and Corporate Affairs (Mr. Côté) released a report on the refinery in Montreal. It says, and I quote:

> In summary the closure of Gulf's Montreal refinery will have a negative impact on competition, particularly in light of the serious competition problems that have been demonstrated in the course of the petroleum inquiry,

There it is, Mr. Speaker. Why did the Government close the refinery? Why doesn't the Minister resign? He has no clout in the Cabinet.

* * *

## ENVIRONMENTAL AFFAIRS

### ACID RAIN—DESTRUCTION OF MAPLE TREES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, "if we do not act immediately, the industry will feel the effect in 10 years, and in 50 years our forests will be destroyed. It will take 200 years to replace them". These words may sound as if they were spoken by an environmentalist or a Haida Indian fighting for the giant trees of South Moresby. No, these are the words of Paul Lamontagne, Executive Director of the International Maple Sugar Institute. Maple syrup is a $75 million a year industry. Acid rain is destroying the foundation of the industry, the maple tree. A Quebec Government study found that only 16.6 per cent of the maple trees in a 20,000 square kilometre zone were healthy.

Once again we have a forceful demonstration of the cost of inaction on acid rain. Even if the United States adopts the proposed $5 billion research program, the maple trees will die. A 50 per cent cut of SO2 emissions by 1994—

**Mr. Speaker:** Order, please. Order, please. The Hon. Member's time has expired.

* * *

## BUSINESS OF THE HOUSE—ORAL QUESTION PERIOD

### STATEMENT BY MR. SPEAKER

**Mr. Speaker:** Before proceeding to Oral Question Period, which will occur in two or three minutes, I think I should make a statement which was asked of me by the Hon. Member for



Hamilton Mountain (Mr. Deans). Eleven years have elapsed since Mr. Speaker Jerome made the last such statement, and at that time the House was not televised. Television has had a marked impact on parliamentary behaviour, on the public's perception of parliamentarians, and on our practices.

The traditional guidelines regarding questions, written and oral, are to be found in Citations 356 to 371 of Beachesne's Fifth Edition. They are also summarized on pages 25-26 of the Précis of Procedure recently prepared by the Table Research Branch and distributed to all Members. While some of them remain valid, others have fallen into disuse as a result of the development of our practices. The House is the master of its own procedure and the Chair cannot enforce guidelines unless they conform to the will of the House.

For Question Period to function well—and for it to be seen to be meaningful—it must have some form. There must be some rules. As Members can imagine, several representations have been made to the Chair as to what those rules should be.

At one extreme is the view that the "old" rules should be brought back in their entirety, even those that have not been enforced for many years. At the other extreme is the view that the Chair should be concerned only with length and language, that in all other respects Members should be allowed to use the time as they see fit and that the public would judge appropriately.

A few even carried this argument to its logical conclusion, that Members should be allowed to use the time to make statements, if they wished, instead of questions, and to use whatever language they wanted, whether unparliamentary or not. If their voters didn't like it, they would act, went this argument.

In my view it would be practically impossible to go completely backwards to the rules which, for example, made it out of order to question a Minister about matters reported in the media, out of order to ask Ministers about statements made outside the House, out of order to ask certain kinds of questions regarding Government policy, nor would it make sense to do so, no matter what certain columnists might think.

On the other hand, while length and language are very real concerns they cannot be all that concerns the Chair. Question Period belongs to the whole House and, today, to a larger audience. While there may be political consequences, surely the House must be collectively concerned for the image and reputation and perceived relevancy of Parliament itself. If Question Period were to depart even more from its origins, to become only free-time partisan political theatre, surely that is not in our collective interests.

● (1450)

It seems to me, therefore, that the appropriate rules for Question Period should recognize the following principles:

One, the time is scarce and should, therefore, be used as profitably as possible by as many as possible.

Two, the public in large numbers do watch, and the House, recognizing that Question Period is often an intense time, should be on its best possible behaviour.

Three, while there may be other purposes and ambitions involved in Question Period, its primary purpose must be the seeking of information from the Government and calling the Government to account for its actions.

Four, Members should be given the greatest possible freedom in the putting of questions that is consistent with the other principles, or our practices should seek, in the words of Mr. Speaker Jerome: "To reduce to an absolute minimum the negative disqualifications that may limit or restrict a Member's right" to ask questions.

Mr. Speaker Jerome, in his statement 11 years ago, put his view with regard to the first principle of brevity so well that I would merely quote it:

> There can be no doubt that the greatest enemy of the Question Period is the Member who offends this most important principle. In putting the original question on any subject, a Member may require an explanatory remark, but there is no reason for such a preamble to exceed one carefully drawn sentence.
>
> It is my proposal to ask all Hon. Members to pay close attention to this admonition and to bring them to order if they fail to do so. It bears repeating that the long preamble or long question takes an unfair share of the time, and invariably, in provoking the same kind of response, only compounds the difficulty.

I agree with these comments and would add that such comments obviously also apply to answers by Ministers. I would also endorse Mr. Speaker Jerome's view that supplementary questions should need no preambles; they should flow from the Minister's response and be put in precise and direct terms without any prior statement or argument. It is the Chair's view that it equally follows from the first principle, that time is scarce, that Members should seek to avoid merely repeating questions that have already been asked. I do not mean that other questions on the same subject should not be asked—as apparently I have been interpreted—just that subsequent questions should be other than ones already asked.

For similar reasons it has always been a fundamental rule of questioning Ministers that the subject matter of the question must fall within the collective responsibility of the Government or the individual responsibility of one of its Ministers. This is the only basis upon which Ministers can be expected to answer questions.

Beyond these few restrictions, there are a few other traditional restraints that flow from the principles above. Questions should relate to matters of some urgency and not be purely hypothetical. They should not seek a legal opinion or inquire as to what legal advice a Minister has received. They should not normally anticipate Orders of the Day. However, I hasten to add that there is a normal exemption to that with regard to the budget process which I fully intend to honour. Members should be very careful with regard to questions or matters that are *sub judice*. Ministers should be questioned only in relation to their current portfolios and not in relation to any previously held responsibilities or Party responsibilities.

Finally, I would remind all Hon. Members of the citations in Beauchesne and in our rule book regarding language and decorum. It seems to the Chair and, judging by the mail I receive, it also seems to many of our constituents that our language and decorum do not match those quite sensible citations and that we are not projecting the image of honourable men and women that is expected of us. Heckling and political quips are part of our tradition; barracking and personal insults must not be.

I intend to be as tough as I can in cutting off Members or Ministers in this regard, but there is little the Chair can do with regard to barracking from the benches on both sides except to appeal to all Members to realize that such behaviour reflects very badly on Parliament itself, and to ask again that we remember where we are. However, it is possible that excessive noise may blur the vision of the Chair and make it difficult to see Members rising.

As always, I seek the co-operation of the House in all these matters.

**Some Hon. Members:** Hear, hear!

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## ORAL QUESTION PERIOD

[*English*]

### EXTERNAL AFFAIRS

THE PHILIPPINES—ENCOURAGEMENT OF PEACEFUL TRANSITION OF POWER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the spirit of what you have just set forth to the House, I have a question for the Right Hon. Prime Minister. Has he or his Government informed the President of the Philippines that it is the overwhelming opinion of Canadians, I believe, that the results since the election have not properly reflected the popular will of that country and that Canadians would rather encourage a peaceful transition of power under the democratic tradition?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, in that same spirit let me take this opportunity to call upon President Marcos to recognize the obvious reality, that the interests of the Philippino people are best served by the establishment of a new Government having the confidence of the Philippino people.

**Some Hon. Members:** Hear, hear!

[*Translation*]

PHILIPPINE ELECTIONS—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I have a supplementary. We approved the Minister's statement, but considering that most independent observers condemned the procedure used in this election, why did the

Government of Canada wait so long before deciding to take the position it did just now? Why the delay?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, events in the Philippines were in a state of flux, and they still are. I have just made a statement that, I believe, is supported by Members of all parties of the House of Commons and by most Canadians. We intend to continue very prudently in this respect in order to promote lasting and durable stability in the Philippines.

[*English*]

SAFETY OF CANADIAN CITIZENS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I would think that the Minister would share, as I do, the concern of over 100,000 Philippino Canadians who have special emotions at this time. There are also thousands of Canadians living or present in the Philippines.

In view of the closing of the Manilla airport this morning and gunfire outside the presidential palace, will the Minister continue to keep us up to date on what measures have been taken?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this morning I telephoned the External Affairs critics of the Official Opposition and the New Democratic Party extending an invitation to maintain full briefings. Naturally, we will continue that.

In light of the current circumstances in the Philippines, I think it would be appropriate for me to counsel Canadians to avoid travelling to the Philippines if at all possible.

* * *

## SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns a story in *The Globe and Mail* today about the possible use of Canadian territory for deployment of SDI and it concerns the Government's support for the Anti-Ballistic Missile Treaty. Will the Minister assure Canadians that our country has not and will not be considered for use in any future deployment of the Strategic Defence Initiative?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the fears raised by the story in *The Globe and Mail* this morning are unfounded.

ANTI-BALLISTIC MISSILE TREATY

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, does the Minister agree that a Canadian-United States joint declaratory statement to respect the ABM Treaty as suggested by the NORAD committee report is too weak to allay the concerns of many Canadians and, therefore will Canada make it clear in the NORAD Agreement itself that it will not have anything to do with active ballistic missile defence?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the position of Canada with respect to the ABM regime is clear. The Government is in the process of considering the report tabled by the Standing Committee on External Affairs and National Defence.

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## EXTERNAL AFFAIRS

THE PHILIPPINES—OUTCOME OF PRESIDENTIAL ELECTION

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question concerns the Philippines. The Secretary of State for External Affairs stated that the Government wants to see a change of Government in the Philippines. Does that mean the Government is now publicly stating our support for Corazon Aquino to become the President of the Philippines tomorrow?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I would think it appropriate for the people and institutions of the Philippines to decide who will be their Government.

● (1500)

CANADIAN POSITION

**Ms. Pauline Jewett (New Westminster-Coquitlam):** In view of the fact that, as the Minister well knows, the election was a fraud and that the people have supported Corazon Aquino to be their new president, will this Government, as other Governments have done, say that it, too, supports her as the democratically elected President of the Philippines? If the Philippines do not do that, will we immediately withdraw recognition of the Marcos Government?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I have indicated the view of this Government that it would be appropriate for President Marcos to recognize that the best interests of his country would be served by the putting into place of a new Government which commands the respect of the people of the Philippines. I would not presume to dictate to the people of the Philippines how that could be achieved.

* * *

## ENERGY

PRICE OF GASOLINE

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The price of crude oil is now below $15 a barrel, yet

Canadian consumers have only seen a price decline of two cents per litre in the price of gasoline. The Prime Minister knows that is not fair. It is not fair to the consumers. When are we going to see a real drop in the price of gasoline at the pumps?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, as the Hon. Member knows full well, because he is the energy critic, the price we saw drop at the gas pumps reflects the price last December when prices started to fall rather gradually. The sharp decline in prices did not take effect until late January. Once that works its way through the system, we will see lower gas prices.

LEVEL OF TAXATION

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, my supplementary question is directed to the Minister of Finance. In view of what the Parliamentary Secretary said, will the Minister of Finance guarantee to consumers that the savings at the pumps will not be lost through increased or new taxes in the upcoming Budget?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the position of the Government of Canada has been stated very clearly by the Parliamentary Secretary to the Minister of Energy, Mines and Resources. I suggest the Hon. Member wait. He has the patience, I am sure, to wait for maybe 50 or 51 hours, and he will have some answers then.

POSITION OF MOTORISTS

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, as a supplementary to the last question, given that the Minister of Finance this morning bought an expensive new pair of Dack's goat-skin shoes, is he in a position to tell Canadian motorists that after Wednesday they will still be able to buy fairly reasonably priced shoes for their families?

**Mr. Blackburn (Brant):** At least they weren't Gucci's.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would like to explain to the Hon. Member that I did not buy those shoes. All the members of the Conservative Caucus bought those shoes for me and I appreciate very much their good wishes as expressed through that purchase. They are Dack shoes. They were made in Fredericton, New Brunswick. I will be delighted to have those shoes on my fee on Wednesday afternoon when I make my presentation.

CONTENT OF FORTHCOMING BUDGET

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, let me ask the Minister, then, if he would stand in his place in his ordinary shoes and, in view of the protests out there, assure us, that the Canadian motorist who, after all, had to pay because of the last Budget, will not be milked in this Budget for any more gasoline taxes at the pumps? Is the Minister prepared to make that commitment right now?

**Hon. Michael Wilson (Minister of Finance):** The Hon. Member should know that he is asking me to make statements he knows I cannot make.

**Mr. Broadbent:** You can say what is not going to be in the Budget.

**Mr. Wilson (Etobicoke Centre):** I appreciate very much the concern the Hon. Member is expressing. We on this side of the House share that same concern.

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[*Translation*]

## CONSUMER AFFAIRS

INQUIRY WHEN CANADIANS WILL BENEFIT FROM REDUCTION IN PRICE OF GASOLINE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, first of all, I would like to thank the Minister of Consumer and Corporate Affairs for finally publishing the O'Farrell Report. Better late than never. On page 19 of the report, the Director indicates his concern that a drop in the price of crude oil will not be reflected in the price at the pump, owing to a lack of competition among the three remaining refineries in Quebec, this according to the Director. I would therefore ask the Minister how he intends to provide a substitute for the laws of the market, to ensure that consumers will see a substantial drop in the price of gas in Quebec.

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I may simply remind my hon. colleague that this report by the Director of Combines Investigations is an entirely independent report, reflecting the Director's views following a study that he made. It is part of a series of five different reports by experts that were submitted and published, and of course I thought it was appropriate to ask him to submit his report to the Canadian Restrictive Trade Practices Commission for consideration. As soon as the Commission, which is now examining the oil industry, submits its recommendations, we shall be looking at them very carefully.

GOVERNMENT INTENTIONS TO ENSURE QUEBEC CONSUMERS BENEFIT FROM REDUCED CRUDE OIL PRICES

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I am sure that after a reply as vague as the one I just received, you will allow me a short supplementary.

Could the Minister inform the House what he intends to do to ensure that the Quebec consumer will benefit from the drop in the price of crude? The O'Farrelll Report suggests this might not happen, owing to a reduction in the number of

competitors. What does the Minister intend to do, besides providing us with vague replies?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I will make it short, and I simply want to say that the decision regarding the acquisition by Ultramar was made with a view to creating jobs and attracting investment to the province of Quebec, and enhancing the competitive position of Ultramar, for the benefit of the consumer.

* * *

[*English*]

## TOURISM

ADVERTISING CAMPAIGN—DEPICTION OF WOMEN

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my question is directed to the Minister of Tourism. He will know that women across the country are outraged at his commissioning of sexist commercials—

**Some Hon. Members:** Oh, oh!

**Ms. McDonald:** —in which—to keep the language parliamentary—women's bodies are used as decorative objects. Will the Minister undertake to withdraw all of the scenes which are contrary to the guidelines on non-sexist advertising, not just those scenes which are insulting to nurses, which he has agreed to withdraw, but all of the scenes that offend the equality and dignity of women?

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, after reviewing the commercials a number of times, I am completely satisfied that the commercials in question do not represent in any way at all any type of sexual stereotyping of women. In fact what we have tried to do, and what we have done, is get a good balance between men and women in the commercials themselves, as well as children.

As the Hon. Member knows, we have been in touch with the Nurses' Association because of the concern of their professional association. I talked with them on Friday about their problem. On Saturday I instructed my Department to remove the depiction of nurses from that particular segment. Other than that, I do not intend to make any other changes.

CONTENT OF COMMERCIALS

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, does the Minister not see that these commercials are merely a slicked up version of an old message: "Hey, Mister, want my sister?"

**Some Hon. Members:** Oh, oh!

**Ms. McDonald:** —and this use of women's bodies makes the Minister of Tourism Canada's number one pimp?

**Some Hon. Members:** Oh, oh!



**Mr. Speaker:** I think the Hon. Member will know why I am just going to go to the next question.

**Mr. McDermid:** Ask her to withdraw that remark.

**Mr. Speaker:** Order. The Hon. Member for Ottawa-Carleton.

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## NATIONAL CAPITAL COMMISSION

LOCATION OF NEW UNITED STATES EMBASSY

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, my question is directed to the Acting Minister of Public Works. As the Minister may know, there is considerable opposition within the National Capital region to the National Capital Commission's preferred site for a new American Embassy on the Mile Circle. Would the Minister tell the House whether this decision is a *fait accompli* or are other sites still being actively considered?

**Hon. Bill McKnight (Minister of Labour):** Mr. Speaker, I recognize the concern of the Hon. Member. No, there has been no formal recommendation for the site to which he referred. There has been a study commissioned by the National Capital Commission to look into the environmental and other impacts of such a location. A decision will not be made until spring. Between now and next spring, I am sure that any concerns the Hon. Member or any citizens of Ottawa may have, can be expressed directly to the Commission or to the planning process.

**Mr. Turner (Ottawa-Carleton):** Supplementary—

**Mr. Speaker:** The Hon. Member for Hamilton East.

* * *

● (1510)

## VIA RAIL

CONDITIONS AT TORONTO MAINTENANCE CENTRE

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of Transport. I wrote to the Minister three months ago regarding unsafe conditions at VIA Rail's Toronto maintenance centre. Is the Minister not concerned that in less than four months there have been 153 accidents at the yard and that management's response has been to ignore the problem and discipline workers who complain about unsafe conditions?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, these matters are being investigated and looked into as a result of the meetings which I had with CP, CN, and VIA Rail. I am sure that any safety deficiencies to which the Hon. Member refers will be corrected.

**Mr. Benjamin:** Meet with the guys who do the job.

*Oral Questions*

OVERTIME WORKED BY EMPLOYEES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, does the Minister not know that workers involved in fixing train brakes at the Toronto yard worked an average 92 hours overtime in the past seven weeks? One worker actually worked four weeks overtime during a seven-week period. How can the Minister expect Canadians to agree to his guarantees of rail safety when VIA Rail is cutting back and forcing the remaining workers to work dangerous periods of overtime?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the examples to which the Hon. Members has referred are precisely the kinds of things that we are investigating and hope to address in the very near future. As a result of the initiatives we have taken, we will once again make the railways safe and turn the situation around, which is quite different from what occurred over the last four or five years under the previous administration.

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## YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, 94 per cent of Canadians have expressed support for Katimavik. Young people all over the country are rallying to its support. Recently, two reports described—

**Mr. Speaker:** Order, please. The Hon. Member is now on his third statement or preamble. I would ask him to come to his question, please.

**Mr. McCurdy:** Mr. Speaker, my question is for the Prime Minister. In view of the wide support for Katimavik expressed most recently in two reports dealing with the crisis among Canadian youth, will the Prime Minister now act to reverse the decision to cancel Katimavik?

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, we were very clear about this last week. We said that the decision on Katimavik was final and irreversible.

I am sorry to see that when the Hon. Member read the Senate report, he failed to notice the emphasis on job creation for youth. Young people need jobs. This year, my colleague at Employment and Immigration is investing $330 million in job creation for young people.

**Mr. Speaker:** Order. This is starting to sound like a Minister's statement.

Supplementary Question.

[*English*]

REQUEST FOR REINSTITUTION

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, will the Secretary of State take into account what happened when the Government said it would not reverse its decision on pensions, and make a proper decision now in response to the strong feelings which have been expressed all across the country? Will he not, in fact, change his mind and reinstitute Katimavik in response to the concerns expressed by youth all across the country?

[*Translation*]

**Hon. Benoît Bouchard (Secretary of State of Canada):** Mr. Speaker, for the third time, I repeat that the decision on Katimavik is final and will not change.

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## TRANSPORT

SAFETY OF RAILWAY PASSENGER CARS—GOVERNMENT POSITION

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is directed to the Minister of Transport.

After six accidents within a few weeks, how can the Minister table a Bill on VIA Rail today which contains no new measures to provide more adequate and more complete protection for railway passengers?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, one of the very first objectives of VIA Rail is to carry out a safe, efficient, effective and reliable rail transportation service. That is consistent with Section 3 of the National Transportation Act. I think the Hon. Member is fully aware of the steps and initiatives which I have taken in the recent past in order to address the recent rash of rail accidents which have occurred.

PURCHASE OF PASSENGER CARS

**Hon. André Ouellet (Papineau):** Mr. Speaker, is the Minister ready to put his money where his mouth is? The Bill which he tabled today is a dead fish, unless there is a major financial commitment by the Government. Can the Minister tell us whether or not he has sought the approval of the Minister of Finance to allow him to purchase urgently needed new passenger cars?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, first, the Bill is not a dead fish. At least we brought in a Bill. The Government of which the Hon. Member was a member chose to create VIA with the stroke of a pen without giving it a clear mandate.

**Mr. Benjamin:** As a one-dollar item.

**Mr. Mazankowski:** Yes, as a one-dollar item.

**Some Hon. Members:** Hear, hear!

**Mr. Mazankowski:** First, VIA will have a clear mandate, a new costing order, and a mission.

**Ms. Copps:** And no passengers!

**Some Hon. Members:** Shush!

**Mr. Mazankowski:** With respect to the issue of equipment, I am advised by VIA that it is close to reaching a letter of agreement with a consortium formed by Bombardier and UTDC and that within a month or so a contract should be signed. At that time we hope that we will be able to acquire the necessary—

**Mr. Ouellet:** You said that a year ago.

**Mr. Mazankowski:** It does take a little while. However, we are doing something. We are not procrastinating; we are putting our money where our mouth is.

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## ENVIRONMENTAL AFFAIRS

### NIAGARA RIVER—DIOXIN DISCOVERED IN UNITED STATES CHEMICAL DUMP

**Mr. Alan Redway (York East):** Mr. Speaker, my question is for the Minister of the Environment. The Minister is aware that extremely high levels of dioxin have been found in another United States chemical dump on its side of the Niagara River. Will the Minister advise the House if dioxin is leaking into the Niagara River and into Lake Ontario and, if so, what is the Government going to do about it?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, there has been no confirmation that the dioxin has actually leaked into the groundwater, and through the groundwater into the Niagara River itself. However, the New York State Government and the U.S. Environmental Protection Agency are supervising a major investigation into the question and into possible required remedial action. In the meantime my Department, with the Government of New York, the Government of the United States, and the Government of Ontario, is putting the finishing touches on a master plan for the clean-up of the Niagara River in general.

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## HEALTH

### FEDERAL TRANSFER PAYMENTS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is for the Minister of National Health and Welfare. As he knows, on the Friday before the House adjourned for one week the Minister of Finance introduced legislation which would



restrict the increases in money going to the provinces in transfer payments. This is money used for post-secondary education and health. Does the Minister have any prediction of the estimated increase in the cost of health services over the next five years?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I am happy to be asked the question. The Minister of Finance in his previous Budget, and also in legislation which was tabled, clearly showed that the Government will increase its spending on both health and post-secondary education. It is projected to rise from the present approximately $65 billion to $90 billion. That is a good increase. I think that if people look at it objectively they will see it as such.

### COST PROJECTION INQUIRY

**Mr. Rod Murphy (Churchill):** Mr. Speaker, despite what you said earlier, my question to the Minister is this. Does the Minister have any figures in his Department which would tell us how much it expects the cost of health services to rise over each of the next five years? Does he have that information and will he give it to the House?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the legislation and the formula, as the Hon. Member knows, are before the House. If he takes a look at the formula in the legislation he will see that it is maintained at inflation plus. If he takes a look at it very seriously he will see that the Governments of the various provinces can maintain their health programs within those constrictions. In fact I hope that the Province of Manitoba will take its responsibilities seriously in regard to health and not cut back on beds as has been done, as well as start paying its share of post-secondary education.

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## ENVIRONMENT CANADA

### REORGANIZATION OF REGIONAL OFFICES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, my question is for the Minister of the Environment. Why is the Minister reorganizing Environment Canada offices around the country, muzzling officials, applying political criteria to public information, and preventing the public from hearing the facts as they really are?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, none of the statements in the Hon. Member's preamble is true. As the Hon. Member knows, my Department has the highest proportion of scientists in the Government of Canada. These scientists are a credit to the Department and to the country.

The fact is, however, that an expert in acid rain is not an expert in dioxin, just as an expert in dioxin is not an expert in PCBs. When an official makes a categorical statement to the public through the media in an area outside of his or her

expertise, especially in such a sensitive area as drinking water quality, then at best, the public is short-changed and, at worst, the public can become panicked. I am putting a stop to it.

STATEMENTS MADE BY OFFICIALS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, can the Minister assure the House that officials will be able to speak according to their knowledge of the facts and not according to the political wishes of the Minister?

● (1520)

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, it has nothing to do with politics. It has everything to do with ensuring that the public gets reliable information. When an official speaks with the authority of the Department of the Environment and of the Government of Canada, it is very important that that official speak within his or her area of expertise and competence, and not outside it. That objective is not a strike against information but a blow for reliable information.

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## VETERANS AFFAIRS

CHANGES IN UNEMPLOYMENT INSURANCE REGULATIONS

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, my question is for the Hon. Minister of Veterans Affairs. Given the complete inadequacy of most armed service pensions, can present and former members of the Armed Services look to the Minister to stand up for them and get justice from the Unemployment Insurance Commission? Will the Minister go to bat for these people and make sure that they can collect unemployment insurance benefits since they are required to pay into that fund?

**Hon. George Hees (Minister of Veterans Affairs):** Mr. Speaker, as the Hon. Member I am sure realizes, I do not answer questions put on behalf of ex-service personnel. I do answer questions put on behalf of war veterans.

I am very glad to assure the Hon. Member, as I am sure he knows, that in all matters to do with the veterans of this country, those who fought in our various wars receive the very closest attention from me and my Department, and get the very best attention that veterans in any country in the world receive.

**Some Hon. Members:** Hear, hear!

KOREAN WAR VETERANS

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, in the event that veterans from the Korean War are involved in this, will the Minister go to bat for them and ensure that they get fair treatment from the Unemployment Insurance Commission?

**Hon. George Hees (Minister of Veterans Affairs):** Mr. Speaker, I am sure the Hon. Member knows this, and if he does not, all he has to do is walk out of the House onto the streets of Ottawa or anywhere else, and ask any veteran he runs into, and he will tell him that this Minister and this Department are looking after their problems 24 hours of every day.

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## ENVIRONMENT CANADA

DEPARTMENTAL REORGANIZATION—OFFICIAL SPOKESPERSONS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of the Environment. The Minister just said that he is making changes in his Department to ensure that the scientists from the Department speak within their area of competence. Who decides whether a scientist in the Minister's Department is or is not speaking in his area of competence?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, there have been a few cases in which junior officials within my Department have been quoted as senior officials of Environment Canada when nothing could be further from the truth. They have been interviewed, and on the basis of those interviews, have given information to the public through the media without authority from their immediate bureaucratic superiors. That is the first line of reference. If in a given case it is appropriate for the Minister himself to give such approval, then fine, but it will be in rare circumstances.

REPORT ON TOXIC CHEMICALS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I think those concerned with the environment must be very worried about the Minister's answer. On January 30, almost a month ago, a team of 50 scientists from the Minister's Department issued a report on toxic chemicals—

**Mr. Speaker:** Order, please. This is becoming a preamble to a supplementary question.

**Mr. Gray (Windsor West):** Will the Minister say today that he has accepted the 24 recommendations in that report and is proceeding immediately to implement them?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, as usual, the House Leader of the Official Opposition is out of date, in this case by two weeks. I made a public statement to the effect that all 24 recommendations had been accepted, and most of them are now already being acted upon.

## HUMAN RIGHTS

ESTONIA—SEPARATION OF INFANT FROM PARENTS

**Mr. Andrew Witer (Parkdale-High Park):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. For the last year and a half, Leila and Valdo Randpere, two young Estonian defectors, have been trying in vain to secure the release of their two-and-a-half-year-old daughter Kaisa who is being held by Soviet authorities in Estonia. What action is the Government prepared to take in order to demand the release of this young political prisoner?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this is a most unusual situation in which the Hon. Member has interested himself. It is the situation of an infant, two and a half years of age, who has spent one-fifth of her life separated by Soviet authorities from her parents. We are looking at every possibility and opportunity by which Canada might achieve or contribute to the reunification of that family.

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## NATIONAL DEFENCE

INVESTIGATION OF FLEET INDUSTRIES

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my question is for the Associate Minister of National Defence. Would the Minister confirm that his Ministry is investigating the firm of Fleet Industries, and would he also confirm that DND has indicated it would accept no further materials from Fleet at this time?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, I can confirm that, based on complaints we have received, we have undertaken some investigations and have caused those investigations to be carried out. I cannot as yet confirm the second part of the Hon. Member's question.

NATURE OF INVESTIGATION

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, would the Minister indicate to the House what his in-residence inspection staff have been doing all this time while questions of inappropriate quality in parts for items like the F-18 have been in production?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, my information at this point in time is that questions of inappropriate procedures and so on have not dealt with the F-18 or in fact any aeronautic equipment or aerospace equipment, but rather with marine equipment. Nevertheless, the implied question as to what we are doing is part of the investigation and I am certainly most interested to ensure that our inspection services are adequate and that inferior products are not accepted by the Canadian Armed Forces.

## RAILWAYS

NEWFOUNDLAND RAILWAY—DIRECTIVE TO INCREASE FREIGHT RATES

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Transport. The Minister will be aware that the Canadian Transport Commission has issued an order to terratransport in Newfoundland to increase its freight rates rather dramatically. Will the Government of Canada be exercising its Order in Council authority to prohibit, as the Government did in 1985, these dramatic freight rate increases from being implemented in the Province of Newfoundland and Labrador?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, as the Hon. Member knows, decisions of this nature are subject to appeal, and intervenors and/or interested parties have 30 days within which to appeal to the CTC or the Governor in Council, and they can choose that route if they wish.

EFFECT OF RATE INCREASES

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, does the Minister agree with the comments contained in the CTC report to the effect that implementation of the Commission's recommendations with respect to freight rate increases will cause a loss of traffic for the railway system in Newfoundland and thereby further critically erode the viability of the railway in the Province of Newfoundland?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I am sure that the Hon. Member would appreciate the fact that it would be inappropriate for me to comment or express an opinion on a decision that was brought down by the CTC. There is an avenue of appeal or a process that can be taken. Until due process takes place, I really cannot add anything further to my first answer.

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[*Translation*]

## INDUSTRY

IMPACT OF MONTREAL EAST REFINERY CLOSURE—REPORT BY DIRECTOR OF COMBINES INVESTIGATION—GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Friday, the Director of Combines Investigations said in his report that closing the refinery in Montreal East would result in a lack of competition. My question is as follows, Mr. Speaker: Does the Minister agree with this statement? If so, what does he intend to do?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I will repeat what I said earlier. These are the opinions of the Director of Com-

bines Investigations. He is responsible for making a study when a situation of this kind occurs and to report on it, and that is what he did. I have asked the Director to transmit his views to the Canadian Restrictive Trade Practices Commission, which is now examining the oil industry.

* * *

[*English*]

## STATISTICS CANADA

INCREASED PRICES FOR PUBLICATIONS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Minister of Supply and Services in his role as Minister responsible for Statistics Canada. Can the Minister tell the House why he has ordered or permitted Statistics Canada to increase its fees for publications to such an exorbitant extent that publications which non-profit groups formerly got for $38.50 per copy now cost over $200? Why has he allowed this unfair tax to be imposed?

**Hon. Stewart McInnes (Minister of Supply and Services):** Mr. Speaker, the Hon. Member will know that our Department has made available, through public libraries throughout Canada and in all offices of the Department of Supply and Services, copies of every publication to ensure that any member of the public requiring the same will have them available at absolutely no cost.

• (1530)

[*Translation*]

INCREASE IN PRICE OF CERTAIN PUBLICATIONS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I have a supplementary for the Minister. Does the Minister feel it is right that an agency in Vancouver known as the Trade Union Research Bureau, which paid $592 for 32 publications in 1985, should now pay $2,829 for the same service? Does he think it is reasonable for agencies that try to help workers—

**Mr. Speaker:** Order. One question, please!

[*English*]

**Hon. Stewart McInnes (Minister of Supply and Services):** Mr. Speaker, the position of our Department is that supply and demand be the cardinal rule. If there are very few organizations that require the material, then obviously the cost factor will be a little higher. Cost recovery has to be a basis of this program, and we have announced that. There is widespread acceptance and, indeed, there is no prejudice, as I have already indicated.

## ENERGY

PRICE OF GASOLINE

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is for the Prime Minister. Why are Canadians being asked to pay $1.90 for the same amount of gasoline that can be purchased in the U.S. for $1.30?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** There are many reasons for that, Mr. Speaker. It has been discussed in this House many, many times. The Hon. Member was in the House when I gave the answer the last time. There are social benefits in Canada, social benefits that have to be paid for. I know Americans would gladly pay a few more pennies for their gasoline if they had a medicare system like ours in Canada.

**Some Hon. Members:** Hear, hear!

REQUEST THAT TAXES NOT BE INCREASED

**Mr. Ian Deans (Hamilton Mountain):** We are not talking about a few more pennies, Mr. Speaker.

Given that in the United States you can purchase the same amount of gas that costs you 60 cents more in Canada, can the Prime Minister assure us that there will be no additional increase in taxes on the price of gasoline to Canadians come budget day on Wednesday?

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I would suggest the Hon. Member be here at 4.30 p.m. on Wednesday and he will get the answer to that question.

**Some Hon. Members:** Hear, hear!

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## EXTERNAL AFFAIRS

THE PHILIPPINES—REQUEST THAT DIPLOMATIC RELATIONS BE SEVERED

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, my question is for the Secretary of State for External Affairs. It is regrettable that the Government of Canada will not recognize Carazon Aquino as the leader in the Philippines.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** If Ferdinand Marcos does not step down as the President of the Philippines—

**Mr. Hnatyshyn:** That is hypothetical.

**Mr. Nunziata:** —will the Government of Canada break off diplomatic relations—

**Mr. Speaker:** Order, please. The Member may want to ask a policy question about those relations but he is now asking a

purely hypothetical question. May I ask him to rephrase his question?

**Mr. Nunziata:** In view of the position taken by the Secretary of State for External Affairs, will the Minister break off diplomatic relations with the Philippines until a new Government is installed in Manila?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we think it highly important that the Government of Canada and other Governments interested in stability in the Philippines act in a positive way, designed to achieve that purpose in the Philippines, not designed to serve any other goal that might be sought here in Canada.

Our judgment is that it is important for Canada to register the view that it is time for President Marcos to recognize the current reality in the Philippines. We believe also it is important for this House and for the country to recognize that events are changing in the Philippines. It may well be that there will be clear support in that country for a regime led by Mrs. Aquino. If that is the case, it will be supported by the Government of Canada.

It may well be that some other constellation of forces would provide the kind of stability—

**Mr. Speaker:** Order, please. I know the House is interested, but this is becoming a statement. A short supplementary, please.

CANADIAN POSITION

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, in view of the fact that Canada no longer recognizes Ferdinand Marcos as the President in the Philippines, why would Canada continue to have diplomatic relations with an illegitimate leader in the Philippines?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Among other things, Mr. Speaker, there are some 3,000 to 4,000 Canadians now in the Philippines whom we do not want to place in jeopardy. There are very many Canadians of Philippine origin whose relatives and interests we do not want to place in jeopardy.

I think it highly irresponsible to suggest that instead of contributing to an evolution toward stability in the Philippines we should take a random act that might add to instability in that country.

**Some Hon. Members:** Hear, hear!

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## VIA RAIL

TWO-YEAR COST RECOVERY TARGET

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I would like to direct a question to the Minister of Transport in light of his announcement today about legislation and a rail passenger act.

In light of the situation of VIA Rail in terms of cost and the two-year period the Minister is prescribing as a target for cost recovery, can the Minister assure the House that the two-year period to reach the target of cost recovery will not commence until VIA Rail has its new transcontinental passenger equipment in place?

**Hon. Don Mazankowski (Minister of Transport):** That would be a little difficult to guarantee, Mr. Speaker. I doubt very much whether we could have new equipment much before the fall of 1988, but the provisions in the Bill will make it much easier to achieve those targets. A new costing order, and an incentive scheme are built into the legislation. Perhaps, Mr. Speaker, the details of this might be more appropriately explored during consideration of the Bill itself.

ACQUISITION OF RAILWAY STATION PROPERTIES

**Mr. Les Benjamin (Regina West):** Mr. Speaker, would the Minister assure the House that VIA Rail will be able to obtain properties, particularly railway stations, from either railroad at no cost or the legal cost of $1, in view of the fact that those properties have been written off, for which they received—

**Mr. Speaker:** Order, please. I am in some difficulty as to whether that question should properly be put in committee when the Bill is before committee as opposed to being put here. Order, please. The Hon. Member for Scarborough West.

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## EXTERNAL AFFAIRS

THE PHILIPPINES—SAFETY OF CANADIAN CITIZENS

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is for the Secretary of State for External Affairs and it concerns the Philippines.

The Minister has cautioned Canadians not to travel to the Philippines. Can the Minister advise the House whether the Government will be able to take action to assist Canadians already there should evacuation be made necessary by possible violence?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we are in constant touch with members of the Canadian community who are in the Philippines. I do not think it would be fruitful at this stage to indicate in any detail the contingency arrangements that are in place there, as indeed they are in place in many countries where changes might occur. I think the House would want to know that those contingency plans are in place.

We are in contact with Canadians there. I think that we can give a reasonable guarantee of the safety of Canadians in that region.

*Oral Questions*

CANADIAN POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I would like to put a further question to the Secretary of State for External Affairs arising, I believe, out of the ambiguity of the Government's position on the Philippine matter. He has said that the Government's position is to impress upon President Marcos the reality in this current situation, but he has fallen short of recognizing the alternative for the Presidency as a result of those elections.

The Minister has suggested in ambiguous terms, Mr. Speaker, that there might be some other constellation of power—

**Mr. Speaker:** Order, please.

**Mr. Turner (Vancouver Quadra):** My question: surely it is the position of the Canadian Government that we want the will of the Philippine people to be recognized in a legitimate Government? Surely that is what the Minister is saying?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** That is what we seek, Mr. Speaker. We also believe that it would be appropriate for the people of the Philippines to make that decision—

**Ms. Jewett:** They already have.

**Mr. Clark (Yellowhead):** —and not for the Government of Canada or some other Government to offer instruction to them before a situation that is now in evolution has taken the kind of form that would allow some reasonable guarantee of that kind of certainty in the Philippines.

I understand the interest of Members in the House in having a situation more clear cut than at the moment it appears to be. We believe that we have to deal with realities. We believe the reality now is that President Marcos no longer commands the support of the people of the Philippines.

**Ms. Jewett:** Because Aquino does.

**Mr. Clark (Yellowhead):** We believe it important that this country and others—

**Mr. Speaker:** Order, please. Although this is important, I must recognize the Hon. Member for Skeena.

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## NATIONAL DEFENCE

CHEMICAL WEAPONS INQUIRY

**Mr. Jim Fulton (Skeena):** My question, Mr. Speaker, is for the Minister of National Defence. Would he be prepared to table in this House those amounts that are now being spent in Canada for the production of both defensive antidotes to chemical weapons and the production of chemical weapons, particularly in relation to Suffield?

**Mr. Speaker:** That is properly an Order Paper question. I suspect that is what the Minister would want to say. Does the Hon. Member want to rephrase the question? Last question, please.

• (1540)

**Mr. Fulton:** Would the Minister of National Defence tell the House how much is being spent right now on the production of chemical weapons and defensive chemical weapons in Canada?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, apart from the question being of a nature which is properly put on the Order Paper, it would be inappropriate for me to allow that kind of fear to be aroused in the hearts of Canadians by that sort of statement. No chemical weapons are being produced in Canada and no Member of this House should try to leave the impression that they are.

**Mr. Fulton:** That's a lie.

**Mr. Speaker:** Order!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Skeena will withdraw that comment.

**Mr. Fulton:** No.

**Mr. Speaker:** The Hon. Member for Skeena will please stand in his place and withdraw that comment now.

**Mr. Fulton:** No, I won't.

**Mr. Speaker:** The Hon. Member for Skeena will simply withdraw the statement, please, for the sake of the House. Under the new Standing Orders the Hon. Member gives me no choice. He has the right simply to stand and withdraw, or I must name him.

**Some Hon. Members:** Name him.

**Mr. Speaker:** The Member gives me no choice. I must name the Member and require that he leave the House for the rest of the day. I must do so. I must name the Hon. Member for Skeena and I must ask him to leave the House for the rest of the day, under the authority of the new rules.

[*Editor's Note: And Mr. Fulton having withdrawn:*]

**Some Hon. Members:** Shame, shame!

**Mr. Speaker:** Order, please!

**Mr. Nicholson (Niagara Falls):** Get out.

**Mr. Speaker:** Order, please. All such comment is also out of order. Let me make it clear that the rules about language and conduct apply to all.

**Some Hon. Members:** Hear, hear!

**Mr. Ouellet:** Well done.

## CLERK OF PETITIONS' REPORT

**Mr. Speaker:** I have the honour to inform the House that the petition presented by the Hon. Member for Restigouche (Mr. Girard) on Friday, February 14, 1986, meets the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

* * *

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, my point of order actually arises out of your statement to the House today. I am a little disappointed that your ruling did not—

**Mr. Speaker:** Order, please. It is not possible to raise a point of order on a statement by the Speaker.

**Mr. Turner (Ottawa-Carleton):** I then have a different point of order, Mr. Speaker.

* * *

## HOUSE OF COMMONS

APPOINTMENT OF MR. CAMILLE MONTPETIT AS TABLE OFFICER

**Mr. Speaker:** I am very pleased to introduce to Members today a new Clerk at the Table, Camille Montpetit. Mr. Montpetit has been appointed, by means of a regular competitive process, to the position of principal clerk in charge of the Table Research Branch.

[*Translation*]

All Members appreciate the judicious advice and assistance offered by the Clerks of the Table, and I am sure that they will wish to join me in offering our congratulations to Mr. Montpetit on his appointment.

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[*English*]

## STANDING ORDERS

AMENDMENT RESPECTING ORDER PAPER QUESTIONS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I rise to seek the unanimous consent of the House with respect to two draft orders that have been the subject of discussion between the Opposition House Leaders. I think he will find a disposition at this time for these orders to be received by unanimous consent and passed without debate. The first one is:

That, notwithstanding any Standing or Special Order of this House, provisional Standing Order 64 shall be deemed to apply from 5.01 o'clock p.m. Friday, February 14, 1986, to all written questions for which notice is thereafter received; Provided that:

(1) the Provisional Standing Orders in force prior to the above mentioned time shall be deemed to continue in force in relation to any question then remaining on the Order Paper;



(2) the questions referred to in paragraph (1) above shall be immediately transferred to the *Monthly Supplement to the Order Paper—Questions*.

The second one is with regard to a different subject, Mr. Speaker, so perhaps you will put that question.

**Mr. Gray (Windsor West):** Mr. Speaker, the Government House Leader has just proposed an order to deal with questions on the Order Paper at the time the new Standing Orders are adopted. I want to say on behalf of the official Opposition that we are pleased to give our consent to this order. I appreciate the fact that the Government House Leader has, in effect, responded favourably to a suggestion I made at the time this came up a week ago.

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

**Some Hon. Members:** Agreed.

Motion agreed to.

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## THE BUDGET

DESIGNATION OF ORDER OF THE DAY

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, the second order which we have discussed which I think you will find a disposition to receive now by unanimous consent and to pass without debate is as follows:

That, notwithstanding any Standing or Special Order of this House, when the House reaches Orders of the Day on Wednesday, February 26, 1986, it shall proceed to the consideration of Ways and Means Proceeding No. 35; Provided that,

(1) if the House completes consideration of Routine Proceedings prior to 4.30 o'clock p.m. on that day the Speaker shall suspend the sitting until that time when the Orders of the Day shall be taken up;

(2) if the House has not completed its consideration of Routine Proceedings by 4.30 o'clock p.m. on Wednesday, February 26, 1986, the Speaker shall interrupt the proceedings then before the House and shall call Orders of the Day; and

(3) when the Minister of Finance has completed presentation of the Budget the House shall immediately revert to Introduction of Bills in order to provide for introduction of an Act to provide borrowing authority and the House shall then resume consideration of Ways and Means Proceedings No. 35 until the debate thereon is adjourned whereupon the Speaker shall adjourn the House until the next sitting day.

**Mr. Deans:** Mr. Speaker, I had an opportunity to review the proposed order. We will, of course, give our consent, although I must express my disappointment that the Government has so mismanaged financial affairs that it finds it necessary to continue to borrow.

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

**Some Hon. Members:** Agreed.

Motion agreed to.

*Point of Order—Mr. Turner (Ottawa-Carleton)*

## POINT OF ORDER

DISTRIBUTION OF QUESTIONS AMONG MEMBERS

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I have a point or order arising out of Question Period. As a private Member on the Government side I attempted to ask a supplementary question. In light of the reform of Parliament, I would like you to rule soon on this issue of a different distribution of questions in Question Period to all of us in this Chamber.

**Mr. Speaker:** Order. I did rule some time ago.

**Hon. James A. McGrath (St. John's East):** Mr. Speaker, may I ask if it is the ruling of the Chair that the 48 per cent of the private Members who support the Government are only going to be allowed three questions a day without supplementaries? This constitutes less than 8 per cent of the questions asked in the House. That, Sir, is grossly unfair. It is unfair to me and my constituents. I submit, with great respect, that it is unfair to the rest of us on the Government side of the House who support the Government but still have the on-going responsibility of representing our constituencies.

**Mr. Speaker:** With great respect, I have been waiting for four weeks for representations. For them to arrive, in some cases, this morning, was a little unfair. With great respect, I have already indicated my view on this matter. It is simplest to check the record for what I have said on the matter. I think that is the only fair thing to say to the Hon. Member. If the Hon. Member looks at today's Question Period, he will see that when we were able to get more Members in Question Period it was possible to share that distribution as well.

**Mr. Hnatyshyn:** Mr. Speaker, I do not want to intrude myself into this debate, but now that it has been raised, maybe I will intrude myself.

**Mr. Speaker:** It is not a debate.

**Mr. Hnatyshyn:** Of course it is not a debate, it is a point of order.

**Mr. Speaker:** Order, please.

**Mr. Deans:** Unintrude yourself now.

**Mr. Speaker:** May I suggest that the Hon. House Leader knows full well that he and I and the other House Leaders have an appropriate time to discuss this matter, and this is not it, with great respect.

**Mr. Hnatyshyn:** Mr. Speaker, I have a point of order.

**Mr. Speaker:** I will recognize the Hon. Member if he wishes to raise a different point or order.

**Mr. Hnatyshyn:** Mr. Speaker, I just want to indicate that next time we meet I will raise the topic discussed on the floor of the House.

**Mr. Speaker:** In which case I cancel the meeting. No, that is fine.

**Mr. Turner (Ottawa-Carleton):** I want to be there.

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# GOVERNMENT ORDERS

[*English*]

## CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestitute of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

**Mr. Speaker:** When the House rose at one o'clock the Hon. Member for Prince Albert (Mr. Hovdebo) had the floor. The Hon. Member for Prince Albert.

**Mr. Hovdebo:** Mr. Speaker, before the lunch break I was attempting to put before the House the concern that we in this Party and many of the people of Canada have with the decision that is being made by the Government to divest itself of many of the Crown corporations which have been established over the years, but particularly of Canadian Arsenals Limited. This is a firm which manufactures armaments. As I stated earlier, many of these corporations were set up by the Government over the years because the private sector was unwilling or unable to provide the necessary service which it was in the public interest of Canada to have provided. Many of these provincial and federal Crown corporations have been used, as the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) stated, to pay for the social services we all depend on. We have here a corporation which is doing just that. In the last year this company made a profit of $11 million. Taking a business approach, is it better to keep a company which produces a profit of $11 million to be used for those social services, or to sell that company for $90 million and eliminate the profit? That is a concern all of us should have.

• (1550)

Given an understanding of how we can best contribute to the peace of the world, do we want to increase the number of corporations in Canada that make armaments and leave that sector of the economy outside the control of the Government?

This is the moral problem involved in the selling of this particular corporation. We consider ourselves to be peacemakers. We have a very well-established policy concerning the sale of arms. They cannot be sold to nations considered to be a threat to Canada, to countries with whom the UN Security Council has banned arms trading, or to regimes considered

repugnant because of human rights abuses by security forces. South Africa and Chile are two such countries. However, lately we have had many examples of Canada moving into the world's arms race. Some headlines recently have said things like: "Canada supplies arms to Chile and turns a blind eye to their deployment". Or, "U.S. chases merchants of death", and the article specifically names Canadians arms going to parts of the world which are unacceptable to the Canadian Government. Another headline said: "Church groups alarmed at the increase of military exports". I am not suggesting that the group which is attempting to buy Canadian arsenals is going to disperse these arms illegally all over the world. However, we do know that armaments have ended up in the hands of the wrong people before and they will do so in the future. More and more arms with the stamp "Made in Canada" are appearing in Nicaragua, Chile and other places where they have no business being. That will happen more and more if we start selling arms for profit.

At present the Canadian Arsenals corporation exists because it supplies 90 per cent of its production to the Department of National Defence. That is the way it should be. However, do we want to increase the amount of arms produced in Canada for profit? Do we want to be part of the development of a war potential by our country?

I have a number of other concerns about this Bill. The Financial Administration Act requires that the Minister lay before this House any directives he gives to a Crown corporation. This Crown corporation had to prepare itself for sale, instructions had to be given for its sale, and the terms and conditions made known to those who may want to bid on it. However, none of that material has appeared in this House. I suggest that the Government has not fulfilled the requirements of that Act in this particular case.

There is another factor involved here as well, which I mentioned before, and that is that this corporation does make money. The Government, however, cannot use it. We have had our fourth divestiture of a Crown corporation. The Northern Transportation Company did not make money, de Havilland did not make money, and they used, in each case, the idea that there was something that was costing the taxpayer money, "therefore we are good fellows and we are going to sell it even if it did supply a private service or give us the kind of pride we thought we should have as far as Canada was concerned". We were proud of de Havilland as a national corporation owned by the people of Canada, but they sold it to a foreign corporation. In this case that particular situation could not be used as an excuse because this corporation did not lose money.

● (1600)

So what are we doing here—and this is what I would like to know and why I think the Minister should come before the committee to explain the policy of the Government—why is the Government they selling certain parts of the Crown corporation, or all of the Crown corporations? What is the basic policy behind this divestiture of Crown corporations? Are there certain areas or Crown corporations that are not going to be sold that are sacred to the Government? But that is a word that does not carry too much credibility with this Government. Will it proceed to sell them all off? This particular corporation, because it does not fulfil the requirements that have been established in the previous sales of Crown corporations, is probably a good testing ground. This may be the time when we should ask the Government and the Minister to come before a committee of this House to explain what their policy is on the divestiture of Crown corporations.

Regardless of what the Minister said in his original statement, it is a concern of ours that this particular sale does not have the real support of the union that represents the employees of Canadian Arsenals.

On December 4, 1985, *The Ottawa Citizen* suggested that the union was unhappy with the Canadian Arsenals sale. There was no consultation at all. This Government, which prides itself so much on consultation—although quite often it is just one-way consultation—did not really consult the employees' union and keep it informed as to how it felt about the sale of its company.

Before we go on to some other items we should also take a look at the really serious concerns that some people have about the Department of Supply and Services handling this sale for the federal Government, a Department whose basic responsibility is procurement. It is not a company that is well versed in sales; it is a company that is well versed in buying. We have been unable to receive from this Government any of the procedural background, although the Minister stated very categorically that it was done very democratically, everybody had the opportunity to bid, and that it went through four or five bids. I think that is probably correct.

There has been no opportunity for anybody in this House—as far as I know, unless it is for one of the members of the Government who is close to the Minister—to judge whether the whole process was above board. In fact, there have been some accusations against a senior official of DSS—although he have indicated by swearing an affidavit that he was not dealing with any aspect of the CAL sale—that this could be questioned as being a conflict of interest. We need an opportunity, and therefore we will be taking a look at these items in the committee when this Bill goes before committee.

As I mentioned before, the employees are not sure of their pension right now, after four or five months of the sale being almost completed, they do not feel secure about their pension plan.

We also have another concern, Mr. Speaker, that possibly some politics were involved in this. SNC was a large contributor to the Tory election fund in 1984. *The Toronto Sun* stated in December of 1985 that the SNC paid $1,000 into the campaign fund of one of the Ministers of the Government. Officers of the company paid additional funds into the central Tory campaign funds. *La Presse* also stated that SNC contributed in excess of $10,000 in 1984 to the Tory campaign. So these things also need to be investigated before we say yes and put the stamp on the sale of Canadian Arsenals.

There is also the fact that SNC already owns almost the entire armaments industry outside of Canadian Arsenals. Valcartier Industries, which at one time was part of Canadian Arsenals, together with Canadian Arsenals will end up being almost entirely a monopoly of armament production in Canada. It will be producing for profit.

There are a number of other areas which have to be investigated. If this is a method of getting rid of the deficit or selling off some of the assets so we can turn in that money to get rid of the deficit, is this a good business procedure? I think we should investigate whether, after five years or ten years, using the corporate plan of Canadian Arsenals, the net result to the Canadian Government will be better if it keeps this company or if it sells it. The Conservative Government, which prides itself on its great business acumen, should recognize that this kind of investigation should be part of the discussion which takes place before the actual sale of a corporation.

The previous speaker did mention the need to take a good look at the value of this corporation. As I say, it is already profitable. It is our understanding that its sale value is practically the same as its book value. Do we have any real idea whether the assets of the company that are being turned over to the purchaser are not worth much more than the $90 million which he is going to have to pay? all we have is the speech made in the House and the press release sent out by the Minister. There are no figures which would give us any indication that the approach being taken is acceptable and the amount offered is actually near the amount that could be received for this corporation. The agreements which are going between the two corporations are public papers. The Minister has not yet given any indication that he will make those papers available to us. It is the responsibility of Members on the committee to demand to see those papers before we approve this kind of divestiture of a Crown corporation.

• (1610)

I suggest that the sale of Canadian Arsenals is the first test case because de Havilland was sold under different circumstances. de Havilland was part of a larger corporation that had a mandate to privatize.

Canadian Arsenals was established for sound reasons. The Government believed it should have control over the production of armaments that are used by Canada and that might end up in countries that should not have them. I do not believe that the Government's reasons for selling this Crown corporation are adequate. When this Bill goes before the committee we will seek the information that will allow us and the people of Canada to determine whether the Government is selling this company for practical or for ideological reasons. This review will allow the people of Canada to watch how the privatization process will take place in the future and judge whether the Government of Canada is doing what is best for Canadians.

Canadian Arsenals is one of Canada's most successful Crown corporations. I find it difficult to understand why the Government would choose to sell a corporation that is third in profitability in the last five years. We must question whether the Government is selling this corporation for ideological reasons—to show that the sale of Crown corporations is good for Canadians.

Some 90 per cent of the product produced by this company is purchased by the Government. Why is it divesting itself of its source of these products?

The corporation is required to file a corporate plan pursuant to the Financial Administration Act. According to its corporate plan, the corporation suggests that its sales are expected to double in the next few years, thereby doubling its profitability as well. When we are considering whether this is a good business deal, we must question whether $90 million is a good price for a company that may have a profit or $20 million next year.

We are also faced with the moral question of the production of munitions for profit. Many Canadians, including church groups, have stated their opposition to such a policy. This is another issue which must be taken into consideration when studying the divestiture of Canadian Arsenals by the Government of Canada.

Canadian Arsenals also suggests in its 1985-86 corporate plan that it would increase its production because it was motivated by the Canadianization of the products. However, according to an article arising from the sale of Canadian Arsenals, the Minister stated that the Government will purchase some of its munitions from NATO countries and that this corporation will be increasing its sales abroad to other NATO countries. We must question the Government's policy in this regard.

When the Government was in opposition it was active in passing Bill C-24 to amend the Financial Administration Act and make Crown corporations much more accountable to the Parliament of Canada. Now that it is in Government, it is ignoring that Act by selling this Crown corporation without giving Parliament the information to which it is entitled.

The Government sold de Havilland without requiring parliamentary approval. At least in this case the Government must bring before Parliament the sale of this and all other Crown corporations that were formed as a result of legislation. While I am not pleased with the manner in which this divestiture is proceeding through Parliament, at least the Government must bring its sale before the House, as it will with all Crown corporations formed by legislation, so that Canadians will have an opportunity to determine whether the divestiture will be good for the economy and the people of Canada.

• (1620)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Humboldt-Lake Centre (Mr. Althouse)—Agriculture—Sugar-beet industry—Government policy. (b) Ontario and Quebec corn producers; the Hon. Member for Trinity (Miss Nicholson)—The Economy—Interest rate levels. (b) Exchange value of dollar. (c) Government policy; the Hon. Member for York East (Mr. Redway)—Criminal Code—Acquisition of firearms by persons convicted on gun charges.

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## GOVERNMENT ORDERS

[*English*]

### CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, I wish to say a few words on the sale of Canadian Arsenals to SNC. I had a couple of concerns when I heard about this sale. First, there is no way we in Canada should be left without a company that guarantees the production of ammunition for our use in Canada such as for our Armed Forces and, indeed, the sports world, which is becoming a very demanding market. The Government seems to have adopted a three-tier system in selling Crown corporations. First, if it can, it will sell these Crown corporations outright at whatever price. Second, the Government will chop a company in half so that it will be crippled in order to make the Minister of Finance (Mr. Wilson) look good. That is the target. It is not whether or not the Company is sold for a useful purpose. Let us face the facts. Third, the Government will just simply close a company down, period.

**Mr. Boudria:** Shame!

**Mr. Hopkins:** The Government could not care less what happens to the economy of the various regions or what happens to the individuals in those regions. Members of the



Government have been making glorious remarks about increased employment statistics in various cities across Canada, but I have yet to hear the Government announce how many jobs were created in Chalk River. I asked that question the other day and no one answered me. The Minister of Energy, Mines and Resources (Miss Carney) has no compunction about chopping Crown corporations. She will just whack them down. She does not care whom she hurts. She will just shut them down, get rid of the employees, but she will never call it a lay-off. "Lay-off" is a dirty word. The policy of the Government is to bribe them to leave, if it can, persuade them to leave, but never use that never use that nasty word "lay-off". What it is in fact is a simple decrease in jobs in a certain area.

Right now the Government is chopping away at the roots of Atomic Energy of Canada limited, another good Crown corporation. Canadian Arsenals Limited is a company which is quite a success story. Ninety per cent of its production right now is being used in Canada. One of its large customers, of course, is the Canadian Armed Forces. I am sure we all want to see an assured production of various types of munitions for all branches of our Canadian Armed Forces. That is a must guarantee with the sale of this plant.

I would also like to comment on foreign ownership. Because of the type of plant it is—there are only about two plants of any significance in Canada which produce ammunition—it is very important that ownership be retained by Canadians. I note in the guidelines that only 25 per cent of the value of Canadian Arsenals Limited is allowed to be sold to foreign owners. The preferable way would be to have it 100 per cent owned by Canadians. Another guideline seems to indicate that the company cannot be dissolved or liquidated without the approval of the Minister of Supply and Services (Mr. McInnes)—so he is still keeping his hand in—as a condition of the sale. But there must be assurances that a domestic source of ammunition will be maintained for the secure supply to our Armed Forces. I do not see that security clause in the Bill.

We have just heard some comments that it is bad to sell ammunition for profit. I do not know of any well organized businessman in this world who would go into business if he knew ahead of time that he would not make a cent. So I do not agree with that statement. What is wrong with selling ammunition to our other 15 NATO partners? There is nothing wrong with that. They are our allies. We are all involved in a common cause.

**Mr. McDermid:** That's right. Speak to them.

**Mr. Hopkins:** If we are going to sell this plant, I think it behooves the Government to ensure that support for this type of philosophy will be a condition of the sale. Many countries have munition plants which are owned by Governments. I visited one in Portugal which would be similar to this, although it is not as sophisticated as the type of plant we have here in Canada. Nevertheless, it makes munitions. So if we want to support our NATO allies with Canadian Arsenals Limited when it is sold to SNC, we should do it with lots of

energy, knowing that there is nothing morally wrong with supporting one's allies in the goal of freedom for mankind. If we do not have our freedom, our moral arguments cannot even be expressed because we will not have the right to do so.

I would like to know from the Minister of Supply and Services why he does not wish to table the Arthur Andersen Report which provides the details of this sale. In a letter to one of my colleagues, the Minister of Supply and Services informed him that the plant was worth anywhere between $80 million and $98 million. Surely, we have the right as Parliamentarians to see that report. If there is nothing wrong, as far as the Government is concerned, in selling the corporation, what has it got to hide? What is in the report? We know the company was sold for $92.2 million. The question then is, what is it worth? What about the $98 million figure? We also note as well—and this should be worth a lot of money to the Government when it sells a company to private industry—that there are about $200 million in back-log orders. Anyone would want to purchase a company with back orders like that. Why should they not be paying top dollar for it? The sales are projected to double in the next five years. The Hon. Member of Brampton-Georgetown (Mr. McDermid) is starting to quote some figures. Just give us the Arthur Andersen Report. We will take a look at it and let the Hon. Member know what we think about it.

**Mr. McDermid:** You wouldn't understand it.

**Mr. Hopkins:** I thank the Hon. Member for his compliment. That is typical of his gentlemanly-like conduct. The Hon. Member for Brampton-Georgetown always comes out with some very pleasant language in this House. He is an example of what the Speaker was talking about earlier today.

• (1630)

With regard to the conditions of purchase, SNC must ensure the portability of the employees' pension fund. This is a key part of the deal, in view of the fact that the Government of Canada did not see fit to talk to the union to find out what its views were on the matter, or even to discuss it with the employees at large.

SNC must complete the modernization of the Ville Le Gardeur plant and the investment may range between $40 million and $80 million. Whether or not the investment will qualify for 50 per cent subsidy under the Defence Industry Productivity Program has not yet been determined. I think it is important that we know what is in the report of Arthur Andersen. He was the Government's financial adviser. The Government said it would be open with the Canadian people and that it would hide nothing. Yet, here it is selling off Canadian assets and it does not want to tell the people what it is all about.

As a carry-on from Canadian Arsenals Limited, it has always been Canada's policy to try to provide ammunition and equipment which is inter-operable with that of other NATO countries. I certainly want to see this policy carried on when the Government sells Canadian Arsenals Limited to SNC.

As I mentioned before, Canadian Arsenals Limited will remain 75 per cent Canadian-owned. However, with an industry such as this, which has a considerable amount of security—in fact, it must have a certain amount of security built around it—I would think it would be in the best interests of Canadians to ensure that the plant continues to be 100 per cent owned by Canadians, as it has been since its inception in 1945.

I wish to say in conclusion that we cannot possibly let this moment go by without pressing the point home to the Canadian people that the Government is bound and raring to sell off Canadian assets left and right, if it can sell them at all. When it wants to sell off Canadian Arsenals Limited, which is a very profitable company, it means that it will certainly sell of anything else it can. However, I think the point must be made here that this is the same as having the President of the Treasury Board (Mr. de Cotret) secretly freeze the expenditures of all Government Departments about two weeks ago. Why? To make the Minister of Finance look good on Wednesday night. That is why. The Government has even cancelled the Canadian Armed Forces hockey tournaments because it wants to save a buck. The games are all down the drain.

I want to impress on Members of the House and on all Canadians that it does not matter whether it is a matter of DND school children, a matter of hockey tournaments or a matter of a Crown corporation such as Canadian Arsenals Limited, this Government is ready for sale. When the Prime Minister (Mr. Mulroney) said that Canada is open for business, what he really should have said is that the Tory Government is putting Canada up for sale.

**Mr. Deputy Speaker:** Are there questions or comments? The Parliamentary Secretary to the Minister of Supply and Services (Mr. Bradley).

**Mr. Bradley:** Mr. Speaker, I am totally taken aback by my hon. friend's comparison of DND school children with the sale of Canadian Arsenals Limited. However, I leave him to his method of scare tactics. We are aware of how it is done in the Party opposite.

I think the Hon. Member would not want it to go on record as a result of the confusion which was brought out in his presentation, which I am sure was not done on purpose. He should be aware that when he points out that there must be security of ownership, he is concerned about Canadian Arsenals Limited not being able to provide munitions for the Canadian Armed Forces. I am sure he is also aware that the conditions of the sale require that SNC maintain the corporation's research and development production capability for present and future requirements for the Department of National Defence. Further, the conditions require SNC to give priority to the contracts awarded by the Minister of Supply and Services (Mr. McInnes) over contracts from other sources, as was mentioned by the Minister this morning.

Also, the Hon. Member said that in the contract we were providing that SNC have 25 per cent foreign ownership. On the contrary, SNC is 95 per cent Canadian-owned. In fact,

500 of its 4,000 workers will own the company. In any case, it will not be a foreign-owned company.

Members of the Opposition opposed the sale of de Havilland. They put up a big scream. They said that it would be foreign-owned and sold to a foreign company. They said that if we sold de Havilland to a Canadian company then everything would be fine. Here we are selling Canadian Arsenals Limited to a Canadian company and they are still screaming. I am aghast at some of the comments.

**Mr. Deputy Speaker:** Is the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) rising on a question or comment?

**Mr. Boudria:** Mr. Speaker, I have a short comment and then I would like to ask a question of my colleague, the Hon. Member for Renfew-Nipissing-Pembroke (Mr. Hopkins). First, I would like to congratulate him on his eloquent speech. I know that the Parliamentary Secretary would have wanted to do the same but he must have forgotten inadvertently.

I would like to ask my colleague a question since he is knowledgeable about military issues. In view of the fact that in 1984, Canadian Arsenals Limited made a profit of $8.5 million out of total sales of $97 million and that in 1985 it made a profit of $11.298 million out of total sales of $103.7 million, and in view of the fact that the rate of return on equity was in the order of 19 per cent last year and 21.4 per cent this year, is it the view of my hon. friend that we should not proceed with any part of this Bill until the Andersen document has been tabled in the House for the benefit of all Members of Parliament? Given these two things, and I have just illustrated for Hon. Members the ratio between net income and sales, and knowing that the Government wants to sell the company for less than the appraised value which it claims was made by Mr. Andersen and which it refused to show us, is it the Hon. Member's view that we should proceed with this Bill only after we have viewed the document?

**Mr. Hopkins:** Mr. Speaker, that is the message I was trying to deliver. What is the Government hiding? Why does it not tell us what it is up to? When we start asking for information on sales it tries to accuse us of being against everything. Perhaps we should dig up some of the speeches Members opposite delivered when they were sitting on this side of the House. They would probably recognize their own words.

I wish to straighten out one thing while I am on my feet. The Parliamentary Secretary commented about my comment on 25 per cent foreign ownership. If I have to, I will draw him a picture. I said that the requirements are that the company remain 75 per cent Canadian-owned. I did not say that it was only 75 per cent Canadian-owned, and I am sure the Hon. Member would not want to change my remarks.

● (1640)

With regard to what the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) just said, I do not see any problem with the Government tabling all the information with regard to this sale. If the Government is going to sell something and everything is on the up and up, what is wrong with that? There is nothing wrong with that. The record of dealings with the employees and everything should be put on the table. The Government should not create all these suspicions and then indicate that, just because the Opposition is talking about not getting information, it seems to be against everything. All we are asking for is what we deserve to have and is our right to have as Members of the House of Commons representing our share of the public of Canada.

**Mr. Nunziata:** Mr. Speaker, as you know, during the last election campaign, members of Conservative Party made a great many promises to the people of Canada. My colleague and friend, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), has documented those promises in a paper entitled *The Tory Collection, 338 Commitments in the 1984 Election.*

In that election campaign, members of the Conservative Party promised to give high priority to parliamentary review. That was just one of the promises of the 338 promises that were made. During that election campaign, in their thirst for power, they promised to open up the Government of Canada in order to ensure that Canadians had full and complete information with respect to the governing of this nation, subject to the rare exception when highly sensitive material should be kept confidential. Other than that, they said that Parliament and through Parliament the people of Canada should be privy to information concerning the running of this country.

What happened to that promise of an open and accessible Government, a Government that would level with the people of Canada and be honest with them? We know now, 17 long and lonely months later, that those promises were but pure and empty rhetoric.

With respect to the divestiture of Canadian Arsenals Limited, there is the Arthur Andersen Report, a report that the Government is keeping secret. It has yet to give a reason for refusing to make public that particular report. We in the Opposition have no alternative but to question the Government as to why it wants to keep that particular report secret. One can only conclude that it has something to hide. If this deal is such a good deal for Canada and the people of Canada, why not put all the information on the table?

With the divestiture of this company, Canadian Arsenals Limited, we in Parliament at least have the opportunity to debate the matter. As you know, Mr. Speaker, when the Government decided to sell de Havilland, we were not even given the opportunity to debate the sale of that particular Crown corporation.

I only want to say in conclusion that I agree with my colleague who has just spoken about the views he has with respect to this particular piece of legislation. I would hope that before the debate on Bill C-87 is concluded the Government and the Minister will recognize that Canadians are entitled to, and indeed have a right to, full information. I cannot see the Government of Canada asking for the support of the Opposi-

tion when it is not forthcoming with full information on this particular matter.

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, Bill C-87 continues the ideologically motivated plunge into divestiture of Crown corporations without considering the matters from the point of view of what I think ought to be a more pragmatic approach. It is always an unfortunate thing to observe ideology overcoming good sense, but this Government seems totally committed to that point of view.

As the previous speaker indicated, at least the House is having an opportunity to debate this divestiture in contrast to the situation which occurred with de Havilland. I suppose that we should also recognize that at least in this case, there are assurances that the divested corporation will continue to be at least 75 per cent Canadian owned.

I think we should ask some serious questions, however, about the basic premise underlying the sale, but let us for a moment consider that we accept the premise. Let us for a moment accept that it is a moral and economic imperative to get rid of Crown corporations. Even if we were to accept that entirely questionable premise, there would still be some serious questions to be raised. Many of these questions have been examined in the media. Let us look at a couple of them.

First, there is the question why, in spite of the fact that dozens of companies expressed an interest in Canadian Arsenals Limited, only six succeeded in having their offers considered. We might also ask why the final bidders were forced to submit three revised bids between July and November 19, based, we hear, on the fact that the Department of Supply and Services kept changing its story. We also have to ask how we can pursue this sale under circumstances in which a senior official of DSS who is Directo General of Aerospace and Armaments left DSS on November 1 and went to work with CFN Consultants which, it turns out, was lobbying DSS on behalf of SNC which is purchasing Canadian Arsenals Limited. He may have signed an affidavit swearing that he would not be dealing with any aspect of the Canadian Arsenals Limited sale, but nevertheless, we are driven to considerable suspicion.

Perhaps, as was pointed out by the *Financial Post*, these peculiarities are explained by the fact that this is the first time DSS has had to travel the road of a privatizer. However, we also have to worry just a little bit about the fact that given this rather selective process of accepting bids, we note that SNC was a significant contributor to the campaign of the Minister of Regional Industrial Expansion (Mr. Stevens). We would also have to raise questions about the fact that SNC was a $10,000 contributor to the recent Tory election campaign. We must raise the question that ties in quite well with the expressions of concern on the part of those who failed to have their bids entertained as to whether this was a completely objective process.

We must also worry to some degree about the fact that SNC will now control both Canadian Arsenals Limited and *Les Industries Cartier Limitée*. It will have a virtual monopoly on arms manufacturing in Canada. We must also take note of the fact that recently crates of IVI ammunition were found in the camps of Sandinista Contras in Nicaragua in 1982. This raises serious questions about the extent to which we will be able to control exports. I think we should ask other questions as well.

• (1650)

Canadian Arsenals Limited has been a very successful and profitable Canadian corporation. As a most successful Crown corporation making a profit for Canadians, why should we be selling it? Ninety per cent of CAL's sales go to the Department of National Defence. If that is so, why should we be selling it? Sales are expected to double. It is the third most profitable company in Canada, and it will become even more profitable. Why then should we sell it?

**Mr. Nunziata:** That is a good question.

**Mr. McCurdy:** Unless we want to create a climate in Canada where arms are sold for as much profit as possible, why should we sell it? It seems to me that there are more serious questions to be asked.

Not too long ago there was an article, I believe, in *The Toronto Star* that pointed out the consequences of what Eisenhower called some years ago the military industrial complex. If one looks at the United States, one finds that we have a situation in which tremendous profits are made at the expense of the taxpayer, with repeated controversies over cost overruns of a monopoly industry supplying arms to the U.S. military, which has a complete license to charge taxpayers whatever it may choose, of corruption gone uncontrolled and unstoppable in a situation where private enterprise has complete rein in supplying arms and munitions. It is a situation that causes moral bankruptcy.

It is a situation which in Canada need not exist. Yet we are told that under privatization Canadian Arsenals Limited will expand and will probably expand its product and engage in the merchanting of arms all over the world. We hear references to the sale of arms to Third World nations. I do not know whether that is the sort of thing that the Canadian taxpayer wants to see.

I think the Canadian taxpayer does not want to see its Armed Forces well armed with high quality armaments. I do not think Canadians want to see a situation which will change the circumstances of reasonable profits being earned by reasonable costs. I do not think the taxpayers see any necessity for Canada earning income by becoming a competing merchant on the world scene selling arms to nations which ought to have higher priorities for feeding their people instead of pursuing the path of war. I do not see the justification for this.

I want to ask Members opposite what their defence is for the sale of a profitable company, what their defence is for placing the sale of armaments and munitions in the hands of private industry, what their response is to the concern of Canadians that we not follow the path of our southern neighbors where armaments become the focus of the entire economic status of a

nation. I ask all Members to consider very carefully the implications of legislation which at the same time abandons the taxpayers' company and the potential for reasonable profit and reasonable sales of munitions versus a situation in which we will increase our status as merchandisers of death around the world.

**Mr. Bradley:** Mr. Speaker, I think I should point out to the Hon. Member for Windsor-Walkerville (Mr. McCurdy) that he continually referred to selling the munitions industry in Canada to the private sector. I am sure the Member is well aware, and I would not want him inadvertently to give the wrong impression. In reality, all other munitions manufacturers in Canada are privately owned. Of the five major manufacturers, only the one, Canadian Arsenals Limited, is a Crown corporation.

The Member referred to the fact that we would be exporting munitions with this venture. If SNC expands Canadian Arsenals' base and creates jobs east of Montreal in an area about which we are very concerned and which his Party and the other Party beside him have made many points about in the last little while, I will not oppose that expansion and creation of jobs in the east Montreal area; I will applaud them.

**Mr. McCurdy:** Mr. Speaker, It does not at all surprise me that a Tory would stand before us and say that willingly he will create jobs anywhere by selling arms. Our Party says that there are too many other needs to be met in this country, too many jobs that could be created by fulfilling real needs than having us try to create jobs in any way, shape or form through the sale of munitions to anyone.

**Mr. Nunziata:** Mr. Speaker, the Hon. Member for Windsor—Walkerville (Mr. McCurdy) raises what I consider to be the most important issue facing Parliament today. He asks the question, why should we sell Canadian Arsenals Limited when it is a profitable corporation?

As you know, Mr. Speaker, last year this Crown corporation made $11.3 million, the year before it made $8.5 million, the year before that it made $6.9 million and the year before that, it made $5.3 million. In 1980 it made a $3 million profit, not a loss, a profit. The issue then becomes whether the Government of Canada should be involved in certain corporations or whether certain Crown corporations should continue to exist. We all know that the Conservative Party is philosophically opposed to the Government being involved in business.

**An Hon. Member:** You have got that right.

**Mr. Nunziata:** The Member uses a profanity to indicate he is in agreement with me. There is no need to use profanity.

**Mr. Turner (Ottawa-Carleton):** I think you should clean out your ears. There was no profanity.

**Mr. Bradley:** We said that you said something right for a change.

*Métis Nation*

**Mr. Nunziata:** I am simply trying to point out that it is the philosophy of the Conservative Party to divest the Government of Canada of certain Crown corporations. I would simply ask the Member for Windsor—Walkerville whether he believes that the people of Canada would want to divest themselves, would want to sell a Crown corporation that has shown a positive track record in terms of making money over the last five or six years.

**Mr. McCurdy:** That is a very interesting question, Mr. Speaker. The Government is taking all kinds of polls. The Government is polling constantly to get the views of Canadians. I challenge the Government to take a poll and ask Canadians whether they would willingly sell a company that is profitable, even at these modest levels.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the Hon. Member.

[*Translation*]

Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

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● (1700)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

### HISTORIC EVENTS

SUGGESTED REAFFIRMATION OF MÉTIS RIGHTS

**Mr. Keith Penner (Cochrane-Superior)** moved:

That:

Whereas 1985 is the centenary of the Northwest Resistance, the most important event in the history of the Métis Nation and a milestone in the history of Canada; and

Whereas the leader of the Métis people, Louis David Riel, was executed for his role in that resistance; and

Whereas Louis David Riel negotiated Manitoba's entry into Confederation and was thrice elected to the House of Commons; and

Whereas the Métis people have continued to strive, since the death of Louis David Riel, for the recognition of their rights; and

Whereas the *Constitution Act, 1982* recognized and affirmed the rights of the Métis people;

Be it resolved that this House

1. acknowledge the significant contributions of the Métis people to the development of the West and the creation of Canada;

2. recognize Louis David Riel as the founder of Manitoba and a father of Confederation;

3. celebrate with the Métis their unique culture and heritage;

4. support self-government and a land base for the Métis.

He said: Mr. Speaker, this resolution was motivated by the fact that last year, 1985, marked the centenary of the so-called Northwest Resistance, or the Northwest Rebellion, considered to be the most important event in the history of the Métis

people of Canada. The Métis, descendants of early white fur traders and Cree or Ojibway Indians, were a prominent group of people in the early days of the Northwest. In fact, Sir, as the first quarter of the 19th century ended, the Métis had established themselves as the most influential group in the Northwest. Historian George F. G. Stanley has stated: "The Métis regarded themselves as the advance guard of a new economic and political order".

They formed a new society on the plains of what is now western Canada. At the beginning much of the Métis community was centred around the Red River in what is now the Province of Manitoba. Prior to 1886 the Northwest was considered to be the domain of the Hudson's Bay Company. Their rather spurious authority over this region flowed from the original Hudson's Bay Company Charter of 1670 which had been granted to the Governor and the Company of Adventures of England by King Charles II for purposes of trading from that region northward into Hudson Bay.

In the year 1869 the company came to sell vast tracts of this land to the Canadian Government. As you might expect—that has a familiar ring, Mr. Speaker—the native people, the first citizens of the region, of which the Métis were the principal group, were not consulted about the nature of this sale or the amount of land involved in the sale between the Hudson's Bay Company and the new Government here in Ottawa recently established by means of Confederation.

You can easily imagine, I believe, the sense of anxiety which this move caused for the people of the Red River. The people there were deeply concerned about things that are very close to all of us today as they were then. They were concerned about such questions as their religion, their language, and the security of their land base.

Just in passing, Mr. Speaker, I will tell you that the Hudson's Bay Company got a settlement from Ottawa of £300,000 for the land to which they had a very thin legal claim, if any claim at all. Of course, the majority of the people in that community, being the Métis people, got nothing at all. I will just remind the House that such is the history of our country as it relates to our aboriginal people.

When the surveyors arrived at the Red River settlement they set out to carve up the land now considered to be government land, or so Ottawa believed that it had somehow come into possession of this land. They began to carve it up into standard 640-acre square sections. There were well-justified and very deep-seated feelings of resentment on the part of the Métis people which began to bubble to the surface as this process got under way. The people who lived there were being threatened. They were angry because they had already demarked the land according to their needs. They had demarked the land along the river in long river lots. That is the way they used it. It was convenient for them to have the land marked in that fashion, but along came these surveyors with a totally different and alien system.

Historians have pointed out that these Métis lands were now being prepared for settlement by the Government in Ottawa. They were being prepared for settlement according to the township survey system and according to the homestead regulations. These new systems and regulations were being imposed on the Métis people. There was no negotiation, consultation, or agreement. They were imposed. The real issue here was, of course, the issue of land claims, an issue which continues to the present day. Instead of dealing with land claims at that time we had the trial and error approach of the federal Government in its transcontinental development plan. The Métis people were desperate. In desperation they turned for leadership to a man who had been away from their community for a while, namely, Louis Riel. Louis David Riel came back to the Red River settlement in 1869. He had been away for a number of years attending a Jesuit college in the City of Montreal. Under Riel's very effective leadership the Métis forced the surveyors to leave with their task incomplete. Following this achievement they went on to occupy Fort Garry. They formed a provisional Government with Louis Riel as the president, then they sent a list of rights to Ottawa.

I must remind the house that there was a one-year hiatus between the HBC surrender, whether legitimate or otherwise, and the Royal Assent here in Ottawa which passed jurisdiction to the Canadian Government. The HBC authority, for whatever it was worth, had come to an end and the new Canadian authority over that settlement, again legitimate or otherwise, had not yet been established. Legally speaking, for that one year that territory was without a Government. It was, therefore, entirely legal and proper for the Métis people to establish a provisional Government. In fact, Sir John A. Macdonald himself said: "It is quite open by the law of nations for the inhabitants to form a government *ex necessitate* for the protection of life and property and such a government has certain sovereign rights".

Naturally, in this community at the Red River there was some opposition to this provisional Government. Some of the settlers who lived there did not agree with what was taking place. They were a minority, but they were reluctant to go along with the concept of a provisional Government. This was so, Sir, even though Louis Riel called a convention in 1869 for the purpose of uniting the whole body of mixed-blood settlers who formed over 80 per cent of the population of the Red River. He encouraged them to demand that Canada negotiate with them the terms of Canada's Confederation.

• (1710)

On December 8 Riel issued a "Declaration of People of Rupert's Land and Northwest" to the effect that since the Hudson's Bay Company had, without the consent of the settlers, sold the country to a foreign power—we could say, Sir, an unrecognized power—the people of the Red River were, in the absence of any legal authority, free to establish their own Government and hold it to be the only lawful as well as effective Government in the Red River.

On January 25, 1870, Riel called another convention and this time invited the French and Scottish settlers to attend. At this convention a list of rights was drawn up, the provisional Government I spoke of earlier was firmly established with Riel

as the president, and this list of rights was sent to Ottawa. The House may be interested in what that list of rights contained. Here it is. An elected local legislature. Representation in the Canadian Parliament. Appropriation of public lands for roads and schools. The official languages to be French and English. Winnipeg to be connected with the nearest railway. A steamboat connecting Lake Superior and Red River within five years. The franchise to be granted to every man over 21. Confirmation of all existing privileges, customs and usages.

There was nothing very radical or revolutionary there, nothing that any of us in this House can object to, except, perhaps, the limited franchise to men over 21. However, that was still the unfortunate norm of the day and it is difficult to criticise except in retrospect. Nevertheless, as I said a moment ago, there was some opposition and resistance in the community. There followed arrests and one prisoner, Thomas Scott, was executed by firing squad. The new *Canadian Encyclopedia*, which has enjoyed such great success across the country, refers to this Red River rebellion as being a movement of national self-determination by the Métis of the Red River colony.

Well, if there was some resentment by a few people in the colony, there was also a controversy back here in eastern Canada. Despite the controversy over what Riel was doing, in 1870 the Manitoba Act was passed by the Parliament of Canada. It incorporated many of the rights which I quoted earlier from the Métis list of rights which had been drawn up by Louis Riel and his close advisers and approved by the convention he had called. Under the Manitoba Act of 1870 the Métis were to receive 1.4 million acres of land. Now, time does not allow me to describe the full and sad history which reveals how that land was either kept from these people or tricked away from them by one means or another, often with the banks being the major culprits. I should point out that after the passage of this Act, amnesty was granted to all who had participated in the uprising at the Red River community. Only Riel was exempted from that amnesty because it was alleged that he had played an important part in the death of Thomas Scott. So, for several years Riel remained a fugitive. However, during that period of time he was elected to the Parliament of Canada three times but was prevented on each occasion from taking his seat in this House. Finally, in 1875, Riel himself was given amnesty provided that he was prepared to leave the country, his home and his land, for a five-year banishment.

With his departure, Sir, the Métis people of the Red River began to disperse. They moved out of Manitoba, westward along the South Saskatchewan River, and there faced exactly the same problems they had faced back home. There were questions about their legal right to the land. There were those pesky surveyors once again with their preconceived ideas of how the land should be carved up and divided. So, in frustration, once more the people sent a delegation to see Riel who was now teaching school in Montana. He was asked to come back, and he did. In a meeting held in Prince Albert he urged all those in attendance, Métis, whites and Indians alike, to present their grievances to Ottawa. So you can see that already western alienation was beginning to take form. They were to present their grievances to Ottawa just as Members of Parliament from western Canada and other parts of the country present their regional grievances in one way or another to this House. Petitions were sent and, just as today, or at least before we adopted our new rules, there was no response to those petitions. So Riel discovered that the co-operation he had tried to build up among the different groups began to wane. However, there was one issue which, more than anything else, caused division, and that was the question of aboriginal rights. Does that not sound familiar? It is a question which still plagues us as we move closer to the 21st century. Riel once again resorted to a route that he was familiar with, that of the provisional Government which was proclaimed at Batoche on March 19, 1885. However, this time the situation was different. The Northwest Mounted Police were in place. It was easy to bring a militia and weapons into the area by means of the railway, and so the armed engagements of the Northwest Rebellion commenced.

The militia, under General Middleton, was sent in. There was some very, very fierce fighting and, in due course, the rebellion was quelled. Riel surrendered, was taken to Regina as a prisoner, tried by a six-man jury, and found guilty of treason. He was hanged in Regina on November 16, 1885. Sir, I believe that was a dark day for Canada. It was an event which now symbolizes injustice for the Métis people. They regard it as a cynical act, political in nature and carrying with it all of the ugly implications of racism. This despicable act is a constant reminder of the social, economic and political injustice done to our first citizens, the aboriginal people, the Métis people of the new West.

The need to somehow correct this historical injustice is, from time to time, discussed and considered by scholars, and even Members of this House. However, the idea of a pardon for Riel by the Canadian Government is now rejected by the Métis people and their leaders because a pardon, it is believed, would only serve to perpetuate the alleged guilt and make legitimate a political murder. Riel was the leader of a democratic revolution. It was the Métis who led Manitoba into Confederation and Louis Riel is the Métis father of Confederation. He rebelled against oppression, which I have described briefly but which was really much more serious than mere words can convey in a short time. He contributed to the cause of freedom and led the Métis struggle for freedom, a struggle which goes on even today.

In 1932, at a meeting in St. Albert in the Province of Alberta, the Métis Association of Alberta was formed and the minutes of that meeting are available to us. I would like to read just the opening paragraph from those minutes because they enunciate for us a basic Métis principle. It says:

> The history of our country shows that we have given service and sacrificed much in the upbuilding of the west. We have suffered as a result, but we do not forget that we are a responsible race and are prepared to play our part in the upbuilding of this country, Canada.

● (1720)

Today the Métis people have won recognition in our new Constitution. They are demanding their rightful place in the

Confederation of Canada. Those among them who are dispossessed and who are among the poorest of the poor are seeking a land base. Others, who live in an urban environment, want some say and some influence over the various institutions that impact and impinge on their lives. A recent policy paper from the new Ontario Government says, "They may wish to receive guaranteed participation in existing legislatures, school boards and other special purpose bodies".

The one greatest priority, Sir, and I end on this note, is their need for economic development, special programs which they manage and which can lead them out of the dreadful poverty cycle in which they find themselves. When the resolution talks about self-government or self-determination it is those kind of goals that are referred to, goals that are reasonable and obtainable. I ask this House to consider carefully and to give its consent to this resolution. It is submitted on behalf of the Métis people of Canada, and if we were to respond to it positively, I believe we would be acting in the spirit of our new Canadian Constitution, which recognizes that the Métis people are one of the three major aboriginal groups in our nation.

**Mr. Gerry St. Germain (Mission-Port Moody):** Mr. Speaker, today is a very, very special day for me and my father in that I became a proud grandfather and he a great-grandfather for the first time.

**Some Hon. Members:** Hear, hear!

**Mr. St. Germain:** I am honoured to speak of my Métis heritage during this debate, only hoping that the words and the thoughts that I convey today will one day show my new granddaughter that she has a special heritage and a family history to be really proud of.

I would like to take this opportunity to express my views on the motion introduced by the Hon. Member for Cochrane-Superior (Mr. Penner). At this time I would like to point out that without question I know that the intentions of the Hon. Member for Cochrane-Superior are above reproach. I think all Canadians can look to the Métis heritage with pride, recognizing in it a strength and vision which characterized the mixture of Indian blood lines with those of our early European settlers, and which continue even up to today. The motion presented to us this afternoon seems to consist of two very different issues; the recognition of Louis David Riel as a national figure, which is undoubtedly an important step in the right direction, and the issue of self-government and land claims by the Métis people of this country.

I would first like to mention that as a Métis brought up in Manitoba I am fully aware of the important contributions of the Métis people in the development of the western provinces. There can be no question of the importance of Louis Riel's support in giving direction and inspiration to the Métis people in their participation in the Canadian Confederation.

This motion seeks recognition, not only for the Métis of Canada but also for their recognized leader, Louis David Riel.

The question of whether Louis Riel should be recognized as a father of Confederation is interesting, and at the same time seems a bit irrelevant. I would like to clarify that. In explaining my vision of Riel's commitment to Canada, I would like to speak briefly on the question of whether Riel should be recognized as a Father of Confederation. This is an interesting one. Certainly he should be recognized as a prime mover of Manitoba into Confederation, but what is a Father of Confederation? It appears that there is no official list of Fathers of Confederation, only a traditional list. Tradition in Canada has been to refer to the delegate at the three pre-Confederation conferences as Fathers of Confederation. These conferences were in Charlottetown and in Quebec in 1864 and in London in 1867, and comprised some 34 delegates. No official protocol list exists that describes the Fathers of Confederation. Many will point out that Joey Smallwood has frequently affectionately been referred to as the only living Father of Confederation. This appellation pays homage to his contribution of bringing Newfoundland into Confederation. Even this designation is based on usage rather than on legality. In fact, he is not a Father of Confederation. Extending the logic of pre-Confederation conferences, if Mr. Smallwood is a Father of Confederation, so too are all of the other signatories at the Ottawa conference in 1949, which led to the entry of Newfoundland into the Union. I am referring to Louis St. Laurent, Gordon Bradley and many others who were all signatories at this time.

You can see that there is no easy formula to determine who is a Father of Confederation. It could create a dangerous precedent to be selective as to who we assign that designate to. In effect, each province has its own history of pre and post Confederation development. Each is equally important to the Canada that we know today.

In clarifying my vision of Riel's commitment to Canada, I think Riel should be honoured as a truly great Canadian and should stand alone on his own merits. Riel not only contributed to the formation of this great nation, he went even further, he laid down his life for that very cause. I honestly believe that this legislation cannot change the course of history, and that Riel's role cannot be limited to that of a Father of Confederation. He represents more than just a political figure, he is a maker of history.

Consultations have taken place with Métis leaders prior to the introduction of this motion before the House, but I am of the understanding that no consultations took part with the Hon. Member for Cochrane-Superior. I have spoken to the leaders of the Métis movement just as recently as this morning and they informed me that they have not been consulted. Possibly he has met with them. He stated in his delivery that he had and, as I say, I do not question the integrity or the intentions of the Hon. Member. In my discussions with them, they stated that no consultation had taken place prior to the presentation of this motion to the House. In the past the Liberal Party paid only lip service to the plight of the Métis. It actually used us for political expedience, and only now is it examining the possibility of giving that national hero the medal that he deserved 100 years ago. History cannot be corrected 100 years later. Certain Parties have always tried to portray themselves as the great saviours of the Métis cause,

but what did they actually do for the Métis of the West? I will tell you what they did, they spoke of the poverty we lived in, prejudices we were subjected to, the lack of educational opportunities that they spoke of, but they did nothing about them. There were family upheavals and discrimination. I know what grave injustices were done, I lived them. I spoke to Angus Spence before he passed on so suddenly last year. He was a prime mover and shaker within the Métis organization in Manitoba. He told me of the discrimination that he lived with in his part of Manitoba, of the religious discrimination that existed even among the Métis that was brought upon them because of the discrimination within the Province of Manitoba. It seemed that the darker one's skin as a result of one's ancestral background, the more the discrimination. I have lived it.

• (1730)

Previous Governments had somehow hoped that the guilt that had been borne by all Canadians would simply disappear like a bad dream. But we remember, and we only wish that Riel will rest in peace and be honoured as a true patriot. We do not want this to carry on. We want Riel to take his rightful place as a Canadian. As Métis, we do not want a preferential spot; we want an equal spot like the place held by every other Canadian in this great Canadian mosaic.

Riel was three times elected to the House and represented the Provencher constituency during a very unstable political period. If we try to understand the forces on the political stage at that time, we realize that there is no doubt that the Métis people and Riel played a vital role in the founding of Manitoba. There is no doubt that Riel is a true national figure.

Let me speak briefly to the second element of this motion. As my hon. friend, the Hon. Member for Cochrane-Superior knows, land claims are now under review by the Minister of Indian Affairs and Northern Development (Mr. Crombie). There is no doubt that their land was taken from them. The Hon. Member spoke of long river lots that were inhabited by my grandfather, Jean Baptiste St. Germain, Louis Zastre, the Monette and the St. Denis families along the Assiniboine and Red Rivers. Some of them managed to maintain their lands but much of it was taken.

When we go back to the history of La Prairie du Cheval Blanc we recall the names of Cuthbert Grant, Pascal Breland and up to the time of Angus Spence. We think of those who worked so fervently to improve the plight of the Métis.

There is no doubt that injustices were done at that time. But again, I go back to the original motion. I believe we are dealing with two important issues but one is clouded by the other if we do not deal with them separately. Riel is a true national hero. I do not understand the relationship between the two aspects of the Hon. Member's motion. Hopefully, all of the items raised by the Hon. Member will be resolved to the satisfaction of those who were so adversely affected.

Let me reiterate my position as a Métis. I am proud of my ancestry. I thank the Hon. Member for Cochrane-Superior for his wish for recognition of the national Métis hero, Louis David Riel. Riel cannot be resurrected from the dead and we can only try to learn by history's lessons. We must always remember that our duty is to seek to do justice within our own time.

I have spoken to members of the Métis organizations across the country. I want to consult with all Parties in the House in seeking to establish a true method of recognizing Louis David Riel for the great Canadian he was. I will be taking it upon myself to consult with the Secretary of State (Mr. Bouchard) in the hope that we can establish a unanimous consensus as Canadians and politicians in bringing forward a resolution that would be acceptable to all and would truly reflect what Riel was and what he contributed.

I would like to make my last words in the debate those of Louis Riel, who was never able to offer them in the House. He said:

[*Translation*]

"One's country is the most important thing on this earth, and it is hallowed by the traditions of one's ancestors".

[*English*]

Let us reflect on this man's heroic stance in our nation's history and not resurrect our past mistakes but go on to build a better, stronger and proud Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Rod Murphy (Churchill):** Mr. Speaker, it is an honour to debate the resolution that has been submitted by the Hon. Member for Cochrane-Superior (Mr. Penner). This is not the first time I have had an opportunity in the six years I have served in the House to speak on the significance of Louis Riel and the contribution he has made to the Province of Manitoba, the development of western Canada and the development of Canada as a whole.

I have introduced resolutions under the old Standing Order 43, calling for the pardon of Louis Riel when that was being sought by the Métis people themselves. Their position with regard to a pardon has changed and they no longer believe that a pardon would be sufficient to recognize the role Louis David Riel has played.

I have lived all of my life in Manitoba. I was always amazed that we did not study Louis Riel very much in school. We learned about the railway and that he was a person from Saskatchewan causing trouble with the railway. We talked about how Manitoba was developed as a province but the actual study of the contribution made by Louis Riel and the Métis was passed over in one or two days.

As a former teacher of history I will certainly not blame the teachers or those who wrote the curriculum. It is a matter of their perception of history at that time. They had their vision of Canada as a nation of the English and the French. They had their vision of Canada in the west developing as a natural consequence of the expansion of the Anglo-Saxon and French population base from the east to the west in this country. That was a natural oversight and I do not think it can be said that it

was a matter of racial prejudice or tension that existed between the English and the French in Manitoba.

● (1740)

We now have a chance to move forward. I have gone to many of the communities in my riding where the Métis live and I have noted that there is more study being done of the role of Louis Riel and of the significant contributions the Métis people have made to Manitoba. In many ways, the fall-out of the French language dispute which occurred in Manitoba just two years ago has helped to remind people of the original contribution of Louis Riel and the fact that he, through his emissaries, negotiated with the Government of John A. Macdonald and has guaranteed the rights of the English and the French in that province. That is something which many politicians refuse to recognize even at this time. But there was a constitutional clause which guaranteed the rights of English and French groups and certain religions and also recognized that there was a group of people, the Métis of Maniotoba, who had the right to their own land. That is something which is still sought by the Métis people. They have hired Thomas Berger, a former Justice of the British Columbia Supreme Court, to represent them on this issue through the courts. That is one route the Métis people of Manitoba have taken to try to resolve the land issue.

Other things are happening as well within my province and I would like to talk about them. One of the previous speakers who now represents the Province of British Columbia, was born and brought up in the Province of Manitoba. He mentioned that there are other problems the Métis people face. The Métis people are really a nation which was founded in Canada as a result of the history of our country. There was the intermixing of the native population with those who came to Canada because of the fur trade and the Hudson's Bay Company, and for homesteading. The Métis people, especially in the riding I represent, but in other parts of Manitoba and western Canada as well, have not had the type of economic development or Government assistance from which other Canadians have benefited. We have all heard the statistics given by Hon. Members, including myself, in the House. We have talked about the need for native people to get post-secondary education, to become doctors, lawyers, nurses, social workers and to develop their own businesses. We have also talked about the terrible statistics with respect to the health of the Métis and other aboriginal people. We know about the tuberculosis, alcoholism and other diseases from which many native people suffer. We have heard of their mortality, their shorter life-span. It is no wonder that that has become a real concern because as I travelled around western Canada I saw the type of housing of the Métis people. I know of the lack of water and sewage. Quite often their drinking water is completely unsafe. They have no protection as do the Treaty Indians. The federal Government has recognized responsibility to provide education and water and sewage for Treaty Indians. Mind you, that is a responsibility which federal Governments have reneged on for many years and it is still an issue in many of the regions in my riding. In fact, the federal Government has not provided adequate water and sewage and is making no real attempt to come up with a system to provide them. We can compare what is happening with the Treaty Indians, who at least have the protection of the treaties. The federal Government is supposed to provide some basic necessities for the Treaty Indians. In many cases, they are much better off than the Métis people who are basically without any protection, without any land or real home site in western Canada. Some of them have land in the southern parts of the provinces, but in the north the Métis people were shoved off the reserves and tended to live in communities that were adjacent to reserves but without any clear title to the very land that they, their fathers, and sometimes their grandfathers and grandmothers—not to be sexist—had lived on for years. They trapped that land and fished off its shores. They had existed there. They were brought up there and their families were raised there. They were brought up there and their families were raised there. But there was no legal recognition of that fact. They were excluded from homestead Acts, for example.

I am proud to say that within Manitoba much of that has changed. There has been a recognition that there needs to be an improvement in the way of life of native people whether they are Treaty Indians and officially under the sponsorship of the federal Government or whether they are Métis people who in many cases have to rely on provincial Governments for their support.

It is interesting that the Métis National Council, in its issue which came out this winter—and which includes a copy of the draft resolution submitted by the Hon. Member for Cochrane-Superior—talks about how the Council sat down with Premier Pawley and how they agreed on the need to promote Métis economic development. They talked about the increased need to recognize Métis culture and heritage, about the need for Métis participation in the delivery of services and programs to meet their own particular needs and circumstances, and they agreed that the Métis people must participate in Government decision-making in matters which directly affect them. So there is a process which has been going on in northern Manitoba, where the bulk of the Métis live, although they live elsewhere as well, to ensure that we do what we can to aid in the development of the native people, to make sure they have education and levels of services in their communities commensurate with their size. That is happening but it is still only a partial effort. There are things the federal and provincial Governments must do in order to ensure that native people, whether they be Treaty Indians or Métis, have that which they need in order to develop.

As a New Democrat from Manitoba, I think we have made great strides in the last 20 years in my province. I am sure that other Hon. Members from Manitoba, regardless to which Party they belong, would agree that this has happened. But that is not to say that all has happened that should have happened or that all is perfect for the native people in the province.

In the last 10 or 15 years, housing programs sponsored by both the federal and provincial Governments have increased

the quality of housing. When I first moved north in 1970 there were Métis people living in tar-paper shacks in Manitoba. I know from my travels to other parts of Canada that the same thing could be said of Ontario and other parts of this country as well. There were almost no native teachers in northern Manitoba. There were no native social workers. There was no one with native ancestry taking training to become an engineer. There were very few native people in any university program whatsoever. The idea of a native businessman was something that no one would have thought would ever exist unless it was to do with some freighting for the Hudson's Bay Company. That was their status some 20 short years ago in the Province of Manitoba. We now have a program, again sponsored by both federal and provincial money—actually a number of programs—which encourage natives to become teachers. Over 300 people have completed those programs and are now teaching within Manitoba. There is a program for the development of native social workers. There is a program for nursing. There are also other programs to encourage the economic development of native people both individually and through their communities.

The history of Louis Riel does not have to be debated in this House. I think all of us recognize his contribution. There may be some who would argue about the details of it. However, there can be no legitimate debate with respect to the fact that Louis Riel was the founder of Manitoba and that through the process he established the Provinces of Saskatchewan and Alberta were able to develop in a way which may not have happened had the negotiations not taken place between the people of the Red River settlement and the Government of Manitoba in the years 1869-70. That was a negotiation which took place between the people who lived in Red River and the people who were running the Government in Canada. It set out the Manitoba Act, which is the basic constitution of the province. It obviously influenced the development of our province. By anyone's definition that would be good enough to ensure that Louis Riel be recognized as the founder of Manitoba and a legitimate Father of Confederation in his own right. I hope that would not be questioned by anyone in this House.

● (1750)

What we have to do is to find the best means to further the economic development of the people of Métis ancestry, just as we have to ensure that we develop the possibility for economic development for the other aboriginal people of Canada. We will make mistakes as we go along that road. However, it is incumbent upon us to recognize that, when Government talks about restraint, hopefully, in the Budget which is to be tabled two days' hence, we will not find that programs which would enhance native economic development are being cut.

Even though we will make mistakes with regard to the development of economic opportunities for native people and even though we offer training programs, such as the one with regard to limestone development in northern Manitoba—a massive development under the native affirmative action program—we must ensure that certain people in our society do not try to turn us from the road we must follow. Even though from time to time we may find that native leaders and native businessmen will make mistakes, perhaps with money which comes from the Province of Manitoba or the coffers of the federal Government, we should not allow certain elements of our society to turn us from the road we must follow. It will take a massive commitment not only to solve the health problems and to provide basic housing but to provide the proper education, training and economic development opportunities for these people. Anyone who says otherwise is not really thinking.

As I said earlier, there will be failures as we go along this road. However, we as representatives of the people of Canada should be willing to accept that. We should be willing to get up and say that there will be problems, but that should be no reason to cut off funding. Certainly, there were problems with some native leaders who perhaps misused money. In some cases it was done illegally and in others it was done in ways not very different from the way federal Cabinets sometimes deal with money. That is to say money was spent in ways which we would not judge to be the wisest expenditures of money.

However, when we hear such voices—and they are often from the right, but sometimes they come from other parts of the political spectrum as well—we should say that, yes, there will be failure and that, yes, there has been abuse, but let us look at what we should be doing together in the country to help those who need our help the most. That should be the criteria of the programs. We should be judging the programs on the basis of what we can do to help. We should ask how this can best be achieved. We should say no to those people who are benefiting or trying to benefit by attacking the native people and yes to those who seek to help them.

[*Translation*]

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, as a Quebecer, I feel it is important to take part in the debate today on the motion presented by the Hon. Member for Cochrane-Superior (Mr. Penner), and I wish to congratulate him on his presentation today in the House. I also want to thank and congratulate the Hon. Member for Mission-Port Moody (Mr. St-Germain) who is a Metis and a Member of this House, and who serves the Government of the Canada, and I want to express to him my appreciate of the work he is doing in our Government.

Metis blood runs through his veins, and in the Hon. Member for Mission-Port Moody, we have a shining example of what the Metis people stand for.

Since we have very little time left, I would like to comment briefly on one aspect of this motion that bothers me a little, and I am referring to the recognition of Louis Riel as the founder of Manitoba. I think no one here in the House would challenge this title, but my objection is that it should be left up to the Province of Manitoba to recognize its founders. What would the Metis people or a province think of having the federal Government making this decision? Mr. Speaker, I see this as a form of interference that would be very ill-received by

the provinces. I think it is up to the provinces to name their founders, and not up to the federal Government which has no business in this area.

That is the only reservation I have regarding the motion before the House today, and once again, I would like to congratulate the Hon. Member for Cochrane-Superior on a motion that shows great sensitivity to the history and aspirations of the Metis people. And as a Quebecer, I would like to repeat that I also feel great affection for and a great affinity to these people who are seeking their own identity within the great Canadian mosaic.

[*English*]

**Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada):** Mr. Speaker, I too would like to speak to this motion and congratulate two Hon. Members. I wish to congratulate my friend, the Hon. Member for Cochrane-Superior (Mr. Penner), who is one of the most respected Members of this Chamber and who is eminently qualified to bring forward a motion which draws to the attention of us all the continuing concerns which we have about the situation which the Métis people have faced for so many years. I also wish to congratulate the Hon. Member who spoke just before me for the brevity of his remarks in order that the Government and I, as the Parliamentary Secretary to the Secretary of State, can point out that we as a Government consider the nature of this motion an extremely important one.

I wish to move directly to the fourth point of the motion which deals with self-government and a land base for the Métis. I do not think there can be any doubt of this Government's support for increased self-reliance for the aboriginal peoples. For example, the Minister of Indian Affairs and Northern Development (Mr. Crombie) has placed before the House a Bill designed to establish self-government for the Sechelt Indian band of British Columbia. The Government is pleased to welcome any proposals from other aboriginal communities designed to further reliance on their own capacities. Likewise, and I think we only have time to emphasize this one point, the Government has supported the efforts of aboriginal peoples to have a right to self-government enshrined in the Constitution. As my colleagues from all sides of the House have pointed out, that has to be one of the key developments to happen in many years in terms of the recognition not only of the Métis but of all aboriginal peoples, in terms of enshrining their rights to self-development andd self-government in the Constitution.

To this end the 1985 First Ministers' Conference on aboriginal matters brought together the Governments of Canada and of the provinces and representatives of aboriginal organizations and the territories to discuss ways to achieve these goals. On behalf of the Secretary of State (Mr. Bouchard) and the Government of Canada I can say that we are actively working to achieve the goals which were set out in the 1985 conference.

I would once again like to congratulate the Hon. Member for Cochrane-Superior for bringing this most important matter to the attention of the House and to the people of Canada.

• (1800)

[*Translation*]

**Mr. Deputy Speaker:** The hour allocated for Private Members' Business has now expired.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### AGRICULTURE—SUGAR-BEET INDUSTRY—GOVERNMENT POLICY. (B) ONTARIO AND QUEBEC CORN PRODUCERS

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, on February 4 I rose in the House to inquiry as to the Government's policy regarding sugar. I did this because the sugar industry is in trouble. Last year, for the first time in 60 years, no sugar-beets were planted in Alberta. Two weeks ago, the refinery in Winnipeg closed, putting 95 people out of a job and possibly spelling the beginning of the end for the sugar industry in Manitoba. In Ontario and Quebec, several hundred sugar-beet growers, along with the 25,000 farmers who grow corn for the high fructose corn syrup market, face an uncertain future.

[*Translation*]

The normal and artificial evolution of raw sugar prices on the world market over the last four years is just about to put out of business the Canadian sugar beet industry.

[*English*]

Ninety-five per cent of world trade in sugar consists of long-term buying and selling agreements. The remaining 5 per cent is sold on the free market, which is generally conceded to be a dumping ground for excess sugar. In most of the years since 1960, world production has exceeded consumption and as a result, the prices in this small free market have been greatly depressed, often to but a fraction of the real cost of production for any country. Canada buys about 90 per cent of its sugar on this free market at bargain prices. However, unlike other sugar-producing developed countries, Canada forces its own producers to meet and compete against these artificially low prices.

Our sugar industry is obviously being damaged by these imports, but the Government refuses to refer the matter to the Canadian Import Tribunal. Unlike the Government of the United States, it refuses to support producers by instituting a floor price for raw sugar. In short, regarding sugar policy, this Government is continuing the non-policy of the last Government.

It has been argued that for health reasons, we should not encourage an increase in consumption of sugar. However, that does not mean that we should let Canadian sugar-beet and corn growers go out of business. Do not forget that over 90 per cent of our sugar comes from overseas but we go on consuming sugar. The question really is: Where should it be grown?

It has already been argued that it is just good business practice to keep importing sugar at artificially low prices as long as we can. For some people that might be good, but is it good for Canada as a whole? I say hardly.

Never mind that cheap sugar is dumped on the market at below the cost of production. Never mind that this makes it even more difficult for developing nations to diversify their agricultural production into food crops for local consumption. Never mind that it further threatens our way of life by throwing farmers, machinery manufacturers and refinery workers out of work and onto the unemployment rolls. Never mind that the U.S., the European Community, Japan and other developed sugar-producing countries protect their producers.

The hard fact is that consumers in this country tend not to benefit from the low-price policy. If we were benefiting from that policy, why have we not noticed a decrease in the price of ice cream, candy, soft drinks, beer, bread, sweetened yogurt or frozen and canned foods? It sounds like the same old story that we have been hearing recently in the House about the petroleum indistry and the long wait for the lowering of the prices of gasoline.

The decline in the domestic sugar industry also means that consumers are subjected to wild fluctuations in the price of sugar. Most people in the industry remember the tripling in price that occurred in 1980 when foreign supplies ran low. Prices in Canada jumped three times. If that is what the Government means by good business practice, it sounds a lot like short-term pain for long-term pain. As the President of the UPA recently stated:

[*Translation*]

"We believe that it would not be in the national interest to let such a strategic industry disappear."

[*English*]

The Minister himself was getting to the crux of the matter last October when he stated that we in this country ought to think pretty long and hard about being totally dependent on somebody else for an essential food.

● (1805)

[*Translation*]

But the Minister has had enough time to think. He has been putting off the decision for too long. It will be March next week. Last week, or rather last year I asked why this delay.

Last April, he replied:

We wish the decision could have been made earlier but we are preparing a long-term policy and it takes time.

He went on to say:

I repeat, a decision must be announced this week because sugar-beet growers will have to plant their crop very soon. If they do not plant this year we will lose a major agricultural industry.

In January the Minister told us that a national sugar-beet policy would be unveiled by February 10—

[*English*]

In his words "at the very latest". Why was the announcement not made? Given the importance of the industry, why has there been such a delay? Is the Government siding with some factions of the industry which benefit greatly from cheap sugar at the producers' expense? Is the Government afraid to establish a national sugar policy because it has just killed the National Energy Program? Is the Government afraid of following the example of other countries in erecting barriers against artificially low-priced sugar? Is the Canadian sugar industry an indirect early casualty to free trade negotiations?

If the Minister fails again this week to make a clear statement on the issue, the Government will reinforce the impression that the sugar industry in Canada is expendable. Producers in other sectors, producers of eggs, hatching eggs, chickens, dairy products, hogs, fruits and vegetables will grimly take note. They and other Canadians will be filled with foreboding as they see their Government by its inactions submitting its citizens to a buffeting by factors beyond their control.

The Government had to decide whether it wants a sugar industry as part of Canada's agricultural economy. The Government has to decide soon, Mr. Speaker.

**Hon. Charles Mayer (Minister of State (Canadian Wheat Board)):** Mr. Speaker, I want to thank the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) for raising this issue tonight. It gives me an opportunity to clarify a few things.

First, the Hon. Member is correct when he said that we are concerned about the Canadian sugar-beet industry. If that had not been the case, we would not have announced in the spring, 1985, a program by which we hoped most sugar-beet growers would plant their crop. That is what happened, with the exception of Alberta. Unfortunately the Alberta growers could not come to an agreement with the sugar refinery in Alberta. The same kind of support was available for producers in Manitoba and in Quebec. They planted and harvested a sugar-best crop. Some money made available from the federal Government has already been mailed to producers and some is in the process of going out. We are concerned about the industry.

Second, if we were not concerned about the industry, we would not have begun to look at the possibility of establishing a national sugar and sweetener policy. I think that is obvious.

The Hon. Member should be aware that we called a meeting July 24 in Ottawa. We asked all participants concerned about the sugar-beet industry in the spring, 1985 to attend. Representatives of the provinces of Albeta, Quebec and Ontario attended because of their concern over the high fructose corn syrup industry. Producers were there, refiners were there, the

industrial users were there. Everybody was there except for the Province of Manitoba representatives. I found that unfortunate and I think the Hon. Member should know that.

If he wants to show as much concern as he does here tonight, he should be talking to his counterparts in the New Democratic Party in Manitoba and asking them why they have not been as concerned about the industry and why they did not choose to participate and help the federal Government in terms of establishing a national sugar policy.

The Member should know that Manitoba Sugar did not close down two weeks ago in Winnipeg. It simply sent out notices against the possibility of there not being a crop planted in Manitoba this coming spring. They are required by law to give 90 days notice in Manitoba. They do that against the possibility of there being no sugar-beets to process. We are concerned about the sugar-beet industry. We are the first Government ever to begin to look at a national sweetener policy. That is evidenced by the fact that we are well advanced in making a decision. Unfortunately, a decision has not been made as quickly as I or anyone would have liked. I am a farmer and the Hon. Member is a farmer. He knows that the sooner those kinds of decisions are made, the easier it is for farmers to plant. I know that. Ideally we should have had a decision sooner, but we are attempting to be fair to everyone involved, including the producers and the consumers.

• (1810)

The Member rightly pointed out that some of the benefits of the low world market prices have not flowed through to the consumer. That is true from the evidence that I have seen. At the same time, we are attempting to be fair to everyone involved. There are jobs at stake.

With regard to the amount of sugar that is consumed in the country, he should know that about 30 per cent of it ends up on the table and about 70 per cent is used industrially in further manufacturing. Those are things which we are taking into consideration. I would again suggest that if he really wants to make his case he should be talking to his NDP colleagues in Manitoba and asking them to be helpful rather than dragging their feet. The more co-operation we receive in this matter, the better it will be for everyone, above all the sugar-beet industry for which we are trying very hard to develop a policy which will allow that industry to survive and prosper as it has in the past 60 years in the country.

THE ECONOMY—INTEREST RATE LEVELS. (B) EXCHANGE VALUE OF DOLLAR. (C) GOVERNMENT POLICY

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, on February 3 the Canadian dollar fell below the 70-cent mark for the first time in history. Three days later the Bank of Canada borrowed $2.4 billion to add to our foreign exchange reserves, which are used to defend the value of the dollar, and began intervening heavily in the market to prop up our currency. The Bank of Canada then jacked up interest rates by more than two-thirds of a percentage point in a further effort to attract investors. Prime interest rates rose within hours from 11.5 per cent to 12.25 per cent, their highest rate in 15 months.

The Government takes the position that this action to boost the dollar was necessary in order to halt a speculative attack on our currency which, according to the Government, was prompted by "negative sentiment" about our economy. Clearly there is doubt and uncertainty, but it is due less to inherent problems with the economy than to the Government's lack of resolve or agenda to deal with those problems. The Government's costly intervention in the market did nothing to address this fundamental problem which was what triggered speculation in the first place.

The decline of the value of the dollar over the last few months is due to a lack of confidence internationally in the ability of the Conservative Government to manage the economy. Even before the dollar fell below the 70-cent mark, the Government was devoting considerable effort to attempts to keep its value up. It was obvious because short-term interest rates have been steadily increasing over the last few months. The higher interest rate policy did not stop the dollar from sinking to an historic low. When we consider our domestic economy, the consequences of continually raising interest rates give much cause for concern.

Higher interest rates discourage spending and encourage saving. This is not a good prescription when our goal is to sustain and strengthen economic recovery. Higher interest rates mean it costs more to borrow. Therefore, businesses cannot afford to expand or to hire new staff, consumers have to reconsider or postpone large purchases, and people renegotiating mortgages will pay more. Higher interest rates mean less economic growth and a larger deficit, because higher interest rates mean more interest added to payments on the national debt.

The recession of 1981-82 was the worst since the Depression. We are recovering from it now, and our first objective should be to do all we can to build on that recovery. We should be concentrating on jobs, economic growth, and stability. Rising interest rates constitute a major obstacle to achieving those goals. Unless interest rates drop, economic growth will slacken and we will have no further improvement in the employment rate.

The Government sees deficit reduction as the key to lower interest rates on the assumption that a reduced deficit will revive international confidence. The other side of that coin is that Government restraint measures aimed at cutting the deficit take money out of the domestic economy, thereby making economic growth and job creation harder to come by.

• (1815)

The Government must act promptly to ease interest rates in order to avoid undercutting economic growth. It must make a serious effort to address the matter of declining international confidence in the ability of the Conservative Government to manage the economy. We cannot afford any more flashy but shortsighted manoeuvrings on international currency markets. We cannot afford any more bank bail-outs or tax concessions to

large corporations, or open-ended tax exemptions. Nor can we afford to let high interest rates choke off economic recovery, or tax away the purchasing power of low and middle-income Canadians. This week the Government will bring down its second Budget as well as the Estimates for its expenditures over the next year. Let us hope that the Government moves to correct the inequities arising from its first Budget and to articulate, through new proposals, its view of the way to revitalize the economy and strengthen recovery.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I made a few notes for my reply to the Hon. Member for Trinity (Miss Nicholson). First of all, I was astonished when she referred to the inequities in the Income Tax Act, since we know that the Income Tax Act was largely a product of the previous Government. We did not make the Income Tax Act what it is today. The former Liberal Government did.

Mr. Speaker, I may remind the Hon. Member that to date we have closed the loopholes in the legislation and that furthermore, it was this Government that introduced the minimum income tax. I think this should be recognized instead of just talking about what the Income Tax Act contains.

Now, to get back to interest rates, the short term rise in the bank rate was justified as a way to counter the negative speculation going on around the Canadian dollar. I believe that in the final instance, the market, and not a person, agency or government, should be allowed to set the value of the Canadian dollar. That is how we intend to proceed. However, the Conservative Government has committed itself to the extent that it will not allow private intervenors to play games with the value of our Canadian dollar. And was our basis for intervening.

Economic recovery in Canada—and I think this has been amply demonstrated—depends on creating jobs and on a reasonable inflation rate. Mr. Speaker, as far as job creation is concerned, we have created 560,000 jobs in Canada in eighteen months, resulting in an unemployment rate of less than ten per cent for the first time in five years.

Mr. Speaker, last week, and not eighteen months ago, I was doing some door-to-door canvassing in my wonderful riding of Trois-Rivières. The people are happy. They are glad to have jobs. They are satisfied because we brought the unemployment rate down, and we are going to bring it down even further. I think that is the main point.

Canada's Gross National Product has grown two per cent more than its U.S. counterpart over the last year. Our productivity has improved, which makes us more competitive on international markets. Mr. Speaker, that is what the Conservative Government has accomplished.

Mr. Speaker, most economists and analysts have said that the declining value of the Canadian dollar was due to speculators. Since everything else in the economy is doing fine, the unemployment rate is down, the inflation rate has decreased, the dollar should normally rise within a reasonable delay and interest rates should drop again in the near future. As evidence, the interest rate at noon was 11.84 per cent as compared with 12.1 last week. At noon today our dollar was worth 72.4 cents.

So, Mr. Speaker, the Conservative Government has got the Canada's economy under control and is making sure that everything points towards renewed growth, lower unemployment and brightening prospects generally.

• (1820)

[*English*]

## CRIMINAL CODE—ACQUISITION OF FIREARMS BY PERSONS CONVICTED ON GUN CHARGES

**Mr. Alan Redway (York East):** Mr. Speaker, at midnight on August 11 of last year, two police officers knocked on a door in Metropolitan Toronto. They had a search warrant. They suspected that the resident of the house whose door they were knocking on, Allan Boyarski, was hiding illegal drugs and that he was likely armed. As soon as the two police officers, who were in plain clothes, identified themselves, Boyarski drew a 32 calibre hand-gun and fired at the police. Obviously, the police fired back. An exchange of shots took place and, at the end, Boyarski was dead.

A short time ago this incident was investigated by a coroner's jury in Toronto. They discovered that five months before his death he had been convicted of illegal possession of another hand-gun. That hand-gun had been confiscated from him at that time, but the firearms acquisition certificate that he had used to acquire the gun was not confiscated. In fact, between the time of his conviction and the time that this incident occurred on August 11, 1985, just five short months, Boyarski apparently had acquired two further hand-guns and he used them in the shoot-out with the Metropolitan Toronto police.

As a result of that, the coroner's jury recommended that the Criminal Code be amended to ensure that anyone convicted of a firearms offence within the past five years have their firearms acquisition certificate automatically confiscated. As a result, they would not be in a position to acquire any other weapons with that same firearms acquisition certificate. Also, they would not have the right to get a new firearms acquisition certificate within the five-year period after the conviction.

Of course, a magistrate has to make an order denying that certificate. The jury recommended that there be an automatic cancellation of any outstanding certificate and that no new certificate be issued. That would be an automatic part of a conviction for a hand-gun offence of that sort.

On February 10 I asked the Minister of Justice (Mr. Crosbie) if he would be prepared to amend the Criminal Code of Canada in accordance with the recommendations of the coroner's jury. At that time he indicated that the following Friday—that would be a week ago this past Friday—he would be meeting with his provincial counterparts in Vancouver and

that they would be discussing the whole issue of tougher gun control regulations. I am sure that when he got together with his counterparts, the provincial Attorneys General and Ministers of Justice, they undoubtedly discussed the usual concerns that are raised whenever tougher firearm regulations are dissussed. There are a good many of those concerns, as Members know.

There are concerns raised by hunters who feel that it is their right, their privilege, and that it dates back historically, to bear arms and to use those arms. There are the concerns that are usually expressed by target shooters, and I have them in my own constituency, who feel they have the right, and they have had it for many years, to acquire and possess weapons and use them for target practice. Many of them belong to target clubs and use them within an organized club setting. There are the concerns, of course, of those people who have antique guns. In fact, this past Christmas season I visited a home which had a wall full of antique guns. It is a long-standing historical right to collect guns and to have them around. There are also the concerns of those who use guns in their profession or occupation. That is another long-standing right. All of these various concerns, whether it be hunters, target shooters, gun collectors or professionals who use these guns in their occupation, have certain rights that have been built up over time. They have some legitimate concerns and reasons for having possession and being allowed to have possession of firearms.

● (1825)

Having said all of that, I think it is quite clear that the public also has a right to be protected in their homes and on the streets from the fear that somebody may have a gun and use it to injure or kill them or their families. I believe that right overrides the rights of the hunters, target shooters, gun collectors and professionals. It is a right that we must look after and protect. This must be done through a form of tougher gun control. One way to accomplish this is to take the recommendation of that coroner's jury in Metropolitan Toronto and amend the Criminal Code accordingly. That would go a small way toward giving us some further protection.

The Parliamentary Secretary has had the benefit of consulting with the Minister and the Minister has had the benefit of consulting with his colleagues. I hope that tonight the Parliamentary Secretary will be able to tell us that there will be changes, that there will be tougher gun controls, what they will be and when they will be introduced.

**Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, I thank the Hon. Member for his question. I would like to be able to tell him tonight that the details of the amendments he is seeking to the Criminal Code will be in the next Bill. I can tell him that his concerns are shared by the Department.

I am assured by the Minister that when the next set of amendments are brought to the Criminal Code, these gun control provisions will be the subject matter of amendments. This decision of the Minister flows from his meeting with the Attorneys General of the provinces that was held last week.

When these amendments are brought forward, we can have a debate in the House that will enable all Members to discuss these rights to which the Hon. Member for York East (Mr. Redway) has referred. Surely, people have a right to be protected but there are also the rights of gun collectors and hunters. I believe that we can achieve a just balance and it is with this in mind that I think these amendments will be brought forward soon.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.29 p.m.

# HOUSE OF COMMONS

**Tuesday, February 25, 1986**

The House met at 11 a.m.

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I have the honour and privilege to present another petition signed by over 900 persons who live within the National Capital Region, and in particular residents who live near Mile Circle Park in my riding, who are strongly opposed to the potential destruction of the parkland within the Mile Circle by the National Capital Commission for commercial use by foreign embassies.

**Mr. Speaker:** For the record, the Hon. Member will assure me that that petition has been certified.

**Mr. Turner (Ottawa-Carleton):** I assure you, Mr. Speaker, that it has been certified.

* * *

[*Translation*]

### QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, Question No. 362 will be answered today.

[*Text*]

SCIENTIFIC RESEARCH TAX CREDITS

Question No. 362—**Mr. de Jong:**

1. Since 1984, how many Scientific Research Tax Credits (SRTC) have been utilized to date by companies or individuals whose asset size are (*a*) under $1,000,000 (*b*) $1,000,000 to $9,999,999 (*c*) $10,000,000 to $19,999,999 (*d*) $20,000,000 to $29,999,999 (*e*) $30,000,000 and over, and in each case, how often were such credits resold or flipped by the above listed through companies or individuals?

2. Since the implementation of the SRTC, what (*a*) has been the total revenue loss by the Government (*b*) will be the total revenue loss expected by the Government?

3. What was the total revenue loss calculated at, prior to the Minister of Finance's announced moratorium on the SRTC?

4. What is the revenue loss expected to be since the Minister of Finance's announced moratorium or freeze on the SRTC?

**Hon. Elmer M. MacKay (Minister of National Revenue):** 1. The Department does not capture statistics that reflect the assets of companies or individuals who have utilized the SRTC program.

Since the passage of the SRTC legislation on January 19, 1984 until December 31, 1985, there have been 8,572 designations filed by 1,862 corporations representing $3.4 billion in Part VIII tax. However the total of $3.4 billion includes some $800 million in "rollovers" (purchases of credits by one research company from another research company resulting in double accounting) leaving actual Part VIII tax of $2.6 billion. Of the 1,862 corporations, about 60 per cent were involved in quick-flips.

2. An estimate of the revenue loss to the Government cannot be provided until after the tax returns of the corporations involved have been audited by the Department's auditors.

To December 31, 1985, as a result of monitoring and review of the designations filed, collections enforcement was actioned on $410 million Part VIII tax, on which payment or security of $118 million has been made. In addition, Part VIII tax of $111 million has been voluntarily paid or secured.

3 and 4. The Department of National Revenue did not calculate revenue loss prior to the Minister of Finance's announced moratorium of the SRTC on October 10, 1984. Data which was collected as part of the Department's monitoring process was communicated to the Department of Finance and that data related to the number and value of designations which were being recorded.

As mentioned earlier, revenue losses for this program cannot be calculated until after the corporate returns in question have been examined and all avenues of recovery fully implemented.

[*Translation*]

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

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

### WAYS AND MEANS

DUTY RELIEF, REDUCTION AND DEFERRAL PROGRAMS

**Hon. Ray Hnatyshyn (for the Minister of Finance)** moved that a Ways and Means motion respecting the Consolidation of Duty Relief, Reduction and Deferral Programs, laid upon the table on Thursday, May 23 1985, be concurred in.

Motion agreed to.

**Hon. Barbara McDougall (Minister of State (Finance))** moved that Bill C-98, an Act to consolidate various enactments that provide for drawbacks, reductions, refunds and remission of duties, other than export drawbacks for which provision is made in sections 82 to 87 of the Customs Act, to amend the Customs Tariff and to repeal or revoke the enactments so consolidated, be now read the first time and be printed.

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

* * *

### IMMIGRATION ACT, 1976

MEASURE TO AMEND

**Hon. Ray Hnatyshyn (for the Minister of Employment and Immigration)** moved that Bill C-55, an Act to amend the Immigration Act, 1976, be read the third time and passed.

**Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, in introducing this Bill for third reading I would like to make some observations that were not permitted during the report stage, and to clear up some of the confusion that has been generated in previous debate.

I would like to remind the House of the purpose of Bill C-55. The combined effect of these amendments is to allow the IAB to do more work, to be more efficient, and to retain effectiveness in the face of a mounting queue of appeals. The Bill will also equalize appeal rights between citizens and permanent residents of Canada.

Through the debate it was evident that some Members opposite feel that Bill C-55 is designed to eliminate the refugee claims backlog or pre-empt Parliament's options for a new determination system. Mr. Speaker, the Bill will do neither.

The IAB has a backlog in immigration appeals and in refugee determinations of greater proportion than can be managed by 32 new Members. This capacity, however, will allow the Board to reduce the immigration appeal backlog and prevent further growth until a new and simpler system is legislated and put into effect. Not to do this would deprive many people of an opportunity for a hearing within a reasonable time, and would be an invitation to even greater abuse of the claims process than is now taking place.

• (1110)

In regard to pre-empting the form of a new system, I can only reaffirm that the options remain open. The fact that these appointments are being made to the IAB signifies only that for the time being we must work within the existing system. The new appointments are short term so that in future we will have choices regarding the housing of a new system without being constrained by the existance of a large ongoing organization. The fact that we are adding more capacity to the IAB will not satisfy those Members opposite who think an amnesty is the only thing to do. However, it will satisfy the broader community who wish to see our compassion dispensed with due regard to merit. I hope all Members will therefore join with the Government in giving speedy passage to this Bill.

The Bill proposes several amendments to the Immigration Act. They are minor in nature and designed to increase the flexibility and capacity of the IAB to deal with a greater number of cases. Under the current Act the maximum number of Board members is 18. We realize that with one as chairman and the guideline of three members per hearing, we have the option of five teams to do the work. This Bill would increase the maximum number of members to 50. The Board reviews appeals of family class applications which have been refused abroad. It hears appeals against deportation orders by certain people who have come to Canada and have not been admitted or who, having been admitted, have run afoul of the Immigration Act. The Board also makes a redetermination of refugee claims which have been evaluated by the Refugee Status Advisory Committee but subsequently rejected by the Minister.

All of these categories of cases are important, but the Board has far more work than it can do. This Bill will permit the Board to appoint new members as needed, for two-year terms, with the possibility of one extension depending on the workload. In addition, the number of vice-chairman will be increased from five to 13, giving the Board even greater flexibility. The Bill would also require that not fewer than half the vice-chairman be members of a provincial bar for at least five years. To ensure that Board members are used effectively, the Bill would permit the chairman to delegate responsibility on technical matters to one-member panels and, on more serious matters, when the parties consent, to a single-member hearing.

The Supreme Court of Canada ruled in the Singh case that all refugees before the IAB were entitled to an oral hearing. The effect of this decision is to lengthen the already long line of people awaiting hearing before the Immigration Appeal Board. The increase in membership will permit more redeterminations and thereby respond to the Supreme Court's ruling.

In addition to the refugee claims' backlog there are also more than 1,000 family sponsorship appeals pending. Families which cannot be reunited because of a legal prohibition must wait more than a year to determine whether relief may be

possible. Some of these cases involve the parents of Canadians for whom delay cannot be sustained. Bill C-55 goes farther than simply reducing the delay for these people. It extends the right of appeal to permanent residents as well as Canadian citizens. The right of appeal has always been available only to sponsors who are Canadian citizens. In our view that is not consistent with the Charter of Rights and Freedoms. Therefore, this Bill will grant the right of appeal to permanent residents as well as Canadian citizens. I represent a community which is 50 per cent ethnic in nature. The City of Saint Laurent, one of our important cities, has some 68,000 people, and 50 per cent of those are members of cultural minorities, all of them immigrants to Canada. We know the great challenge people face when they give up everything in their homeland to come to a new country, quite often with only the shirts on their backs, and then be faced with lengthy delays in the immigration process. So, it is really a proud moment for me to be able to participate in a process which will speed up this whole operation and once and for all help clean up the backlog.

As I tried to state very clearly, this Bill does not pre-empt what will be done in future legislation dealing with the refugee determination process. We are trying to correct an existing situation and allow new legislation to cover the refugee experience in days to come. I hope all Members of this House will give speedy passage to this Bill on third reading so that the IAB can continue its effective work in days to come.

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, Bill C-55, an Act to amend the Immigration Act, is a Bill which the Minister responsible has said, in this House and in Vancouver recently, would go far to correct some of the problems faced by the Immigration Appeal Board. There is nothing wrong with the Bill in that it certainly will do something. However, it will not do what the Government claims it will do. Perhaps I can give an example to show exactly what I mean and impress upon the Government the necessity of some urgent action in this regard.

I have heard Members in this Chamber, especially Conservatives, whenever I have said anything about immigration, say to me: "Well, how many immigration appeal cases have you had?" or: "What do you know about immigration?" I must admit that I do not deal with as many cases as some Members from central Canada or other provinces. However, I can tell you that in my home community of Gander, Newfoundland, over 100 people a year depart from aircraft arriving from the Soviet Union, East Germany, Cuba or other East bloc countries, to claim political asylum. When I look at this Bill I see that it will only take care of that number of people who get off those aircraft in Gander, Newfoundland, that is all.

The Government says it is going to address a problem. What is the problem? The problem is a clogging of the system of appeals before the IAB. This Bill increases the size of that Board. It does what a judge in a Canadian court said should be done with respect to oral hearings. However, all it does is to take care of an extra 100 or 200 appeals a year. In other words, it will take care of Gander, Newfoundland, but it is not addressing the problem.

No one knows the exact number for sure, but there are over 15,000 people claiming refugee status who have to be dealt with by the IAB. Under the family sponsorship appeal program there is an additional 1,500 or so waiting to be heard. Those numbers are increasing daily, yet the Government of Canada has the audacity to come into this Chamber and say that by dealing with this Act to amend the Immigration Act we will over the next two or three months increase the size of the IAB, and effect other changes. To do what? To correct the problem that we have in Canada today with appeals under the Immigration Act.

• (1120)

As I say, there is not much wrong with the Bill, but there is not very much right with it either when you look at the size of the problem that we have in Canada today. It does not address the major problem of the backlog. It does not do other things that have to be addressed by this Government. It does not do anything to address the unfairness of the immigration system that we have in the country.

You could have a case of somebody who wants to bring over a family member from some other country. That sponsor may have had that appeal before the Board for a couple of years, and perhaps there is a stalling tactic at the other end for those family members. I can cite for you a case where a gentleman wanted to bring over his father and his sister. For five years that case was stalled until finally the father died. The sister, by this time, had reached the age of 21. Then, of course, sponsorship went right out the window. For five years that was held up. Now, granted, it wasn't solely the responsibility of the Appeal Board because they had a problem on the other end.

Let us consider the case of somebody who gets on a plane in one country and is perhaps briefed on what to say, or the answers to give to the questionnaire that he is given when he arrives in Canada claiming refugee status. On the basis solely of that questionnaire his or her answers to the questions determine whether or not that person will be successful in being able to remain in Canada. Then I compare that to the other case where somebody waits for five years and does not make it in the end anyway. You can see a tremendous unfairness within the system. The Bill does not address that either.

What does the Bill address? It does not address the backlog, it does not address the unfairness in the system. It does not address the fact that Canada is now seen as the place people who know the system and are able to work it can be successful in getting into this country. There are many who should be allowed into this country but are not successful. I do not know what else to say about the Bill except that it does not do very much; it does nothing.

**Mr. Boudria:** A band-aid.

**Mr. Baker:** The Hon. Member said a band-aid. You could call it a band-aid, but there are different sizes of band-aids.

**Mr. Boudria:** A small.

**Mr. Baker:** There are very large ones, small ones, medium ones, so I suppose this is a strip off the small one. But I cannot see any other good that it does. Yet the Government of Canada has this incredible problem which was created over the past year and is not doing a thing about it. Some 25,000 people are held in limbo. I suppose this is because we are a signatory to the United Nations agreement, but to do nothing about the problem is absolutely ridiculous.

I do not know what the Government intends to do. The Hon. Parliamentary Secretary said: "Well, this is not the ultimate solution because the Government of Canada is going to do something." It is going to take some action". What we want to know is when the Government of Canada is going to take some action. What is it going to do? How is it going to relieve the unfairness in the present system which has come to light over the past year, since this Government took office? I suppose that is all one can say about it, it doesn't do anything at all. Perhaps it helps 100 or 150 extra cases a year, enough to take care of Gander, Newfoundland, but it does not address the problem at all.

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, I rise, in the absence of the Member for Spadina (Mr. Heap), to join in this debate on Bill C-55. I have been listening with interest to the Member for Gander-Twillingate (Mr. Baker) addressing this matter and describing the Bill in various ways. I may characterize the Bill somewhat differently from his characterization, but certainly it is a fine question in terms of timing and the value of this Bill to decide exactly how to characterize it.

I note that Bill C-55, an Act to amend the Immigration Act, 1976, was given first reading in the House on June 19, 1985. It comes to us now for third reading late in February of 1986. In the interim a number of important things have happened. One of those has been the report of Rabbi Plaut on the question of refugee determination.

This is certainly a very serious problem that faces the Government of Canada, a matter of very great concern to many Canadians and a matter that is of interest to every Canadian in terms of our undertanding of Canada's place in the world in providing a place where refugees can find a refuge which preserves their lives and allows them to re-establish family and property. If they have to lose everything except their lives somewhere else, they should be able to make something of themselves in the large spaces, and I trust the friendly climes of this country.

The matter of refugee determination is an enormously important one which this Bill is surely designed, in the Government's mind, to address. That is precisely the difficulty that faces us, because Rabbi Plaut's report has not been the only one which dealt in a humane and compassionate way with the difficulties that face persons who regard themselves as refugees from one country or another.

This Bill comes before us now for third reading after the Committee on Labour, Employment and Immigration has considered it and provided in its fifth report, tabled in the House last November on November 7, a range of recommendations designed to furnish the Government of Canada with means to deal in a compassionate way with the matter of refugee determination.

The Government has 120 sitting days in the House to respond to that report. So we continue to wait. The Government has almost until the end of April to provide its response to that report of the Standing Committee on Labour, Employment and Immigration. I am concerned about what the Government's response will be. If the Government tells us in the next couple of months that the action taken as a result of Bill C-55 is adequate to deal with the enormous administrative and human problem of refugee determination, we will know that it has failed to fulfil its obligation to provide compassion in the administration of Government. That is why we are awaiting the response of the Government about a new structure of refugee determination. I fear that the changes to the Immigration Appeal Board we are considering may be the Government's view of an adequate response. If so, it has failed the people of Canada and will have lost a place in the honourable traditions of this country.

• (1130)

We recognize that the present Immigration Appeal Board is hard pressed and that an increase in its number is in order. In fact, the Hon. Member for Spadina has proposed an increase to 36 to allow the board to expand its activities and meet other immigration appeal needs that exist. However, we are concerned that increasing the personnel to 50 in order to take care of all cases may be a temptation not to establish the kind of refugee board that is called for.

It is of great human importance that a review board be established to provide a different approach to the problem and allow for procedures that are not adversarial, as they are with the Immigration Appeal Board. We must not have an appeal structure that continues the full adversarial traditions that govern our law courts with their ancient Anglo-Saxon roots of trial by ordeal. We are dealing with refugees who often come from societies where they have been attacked and suppressed by authorities in their countries after being involved in struggles for human rights and social justice against repressive regimes. The Government must establish a refugee board whose procedures make it possible for those claiming refugee status to present their case in a non-adversarial setting. It could be in the nature of an interview by a couple of people who listen carefully and exemplify the kind of compassionate approach to refugees for which Canada takes pride. The Government will have failed completely if it does not establish such a refugee board and only proceeds with an increased Immigration Appeal Board with its adversarial setting.

I suggest that the Bill is useful only if it provides additional resources for an immigration appeal process which has been overloaded with cases that should have been dealt with long ago, given the enormous backlog. Obviously, we have no objection to expanding the Immigration Appeal Board to 36 in order to ensure that those cases not involving refugee status are dealt with more expeditiously. However, the concern

remains that this will be a small response to very large problems. Since we are still awaiting a response from the Government, we are not assured that it will establish a refugee board with different procedures that will ensure a relaxed atmosphere and humane consideration for the situation facing people who have come to Canada from many parts of the world.

There is another disturbing aspect to the establishment of a larger Immigration Appeal Board. In order for the new appointees to deal immmediately with the backlog they will have to immerse themselves in the subject and learn a great deal to provide proper adjudication of these matters. There are questions about the advisability of appeal board members becoming specialists. However, this is likely to happen with the striking of sub-boards or splitting up the board to hear cases. The expanded Immigration Appeal Board will not be able to fulfil its responsibility of dealing with refugee claimants in the fair and humane way that Canadians expect of those appointees.

There are numerous reasons why I hesitate to call this a good Bill. I might call it a good Bill if I was assured that the Government plans to take the action recommended in the fifth report of the Standing Committee on Labour, Employment and Immigration. Then one could regard this Bill as simply an improvement to the ability of the Immigration Appeal Board to hear cases. However, we will only know how to regard this Bill with the passage of time, when we know whether the Government plans to develop the institutions that are required to live up to our tradition of compassion and openness to refugees.

I make those reservations because of our experience with another bill coming from the Department of Employment and Immigration dealing with employment equity. One could not regard the provisions of that Bill as objectionable if they are part of a genuine Employment equity bill. The provisions of that Bill provide for reporting, suggest that standards be established and arouse hope that there will be progress made by employers. However, practically everyone in the country who is genuinely concerned about the achievement of employment equity in Government and business across the country is convinced that there should be a timetable and well formulated plans as well as an adequately established and financed enforcement mechanism to ensure that employment equity will in fact be achieved.

After weeks of consideration of that Bill in the committee and in the House, it does not appear that the Government plans to move any further than that quite truncated Employment Equity Bill. As my Party's critic for multiculturalism, having seen the Government fail in the development of employment equity in this area, I am concerned that this Bill to expend the Immigration Appeal Board to deal with the backlog of cases will continue to be the mechanism for those seeking refugee status to present their cases and that the adversarial procedure will continue to be the norm. The officers who seem by their practice to think it is more important to exclude people from Canada than it is to provide refuge in this country will continue their work. Those manifestations of a mean spirit which one sees in a Conservative Government at various times will continue to be exemplified in this area unless we are fortunate to have a Government which acts responsibly. I should not call that "fortunate", should I? We expect responsible Government and we expect a compassionate Government in this area. Later this year we hope to see the Government present a Bill to establish the refugee determination board, or whatever it may be called, which provides for those non-adversarial procedures which will ensure that those frightened people, those people who were tortured in their country and still bear the wounds of this oppression in their minds and spirits and in their very bodies, will have a fair, generous, open and compassionate opportunity to have their refugee status established. If that happens, then I will be prepared that day to look back for a moment and say that Bill C-55, which deals with other matters as well as with the backlog which does require additional resources, and with 50 members rather than 36 members, was probably a good Bill. In the meantime, I suspend judgement on this Bill. However, out of a concern that a penny-pinching Government is not going to do that, I will in fact be voting, even if only on division, against this Bill. I fear that the Government is not going to act.

• (1140)

**Mr. Friesen:** Mr. Speaker, I would like to ask the Hon. Member who just spoke if he agrees with his colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), who spoke on this subject yesterday? He said quite forthrightly that Immigration officers were making decisions in overseas posts by way of their friendship with dictators in those lands. Would the Hon. Member agree with his colleague, the Hon. Member for Ottawa Centre, with that spurious allegation?

**Mr. Epp (Thunder Bay-Nipigon):** Mr. Speaker, I do not have the knowledge which would allow me to agree or disagree, so I probably cannot provide any satisfying response to the Hon. Member. Perhaps I could say that I hope to God that is not true. I hope to God that for the sake of this country, which values its land as a place where refugees can find escape from the oppressive regimes which tarnish the face of the globe, no Canadian officers anywhere in the world would be involved in anything of that sort. Perhaps that indicates where my heart lies. The information is not in my hands.

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I would like to speak very briefly on Bill C-55 this morning and perhaps take the opportunity at the same time to say a few words on the whole immigration issue. I am a new Member of the House of Commons and I am not located in a riding where a large number of immigrants live. Nevertheless, as we all do, I get a number of immigration cases and I cannot help but get the feeling of how unfair the present system is with its built in unexcusable delays. There are cases of constituents who come to see us and tell us that their spouses have been deported. Sometimes the people have been married for years, and the

spouse has to leave the country and reapply to come back in order to join their loved ones.

One of my constituents has been waiting two years for her husband, who is now in India, to be able to apply to come back to Canada. Her husband had been here on a student visa. They got married and he lived here for some years with his wife. He then had to leave the country in order to reapply to come back. Of course if one was in the country illegally at that time, one would expect that that person would have to rectify whatever was inadequate on one's dossier, to start with. However, that being said, to cause a family to be separated for years in order to accommodate a shuffling of papers hardly seems fair to me.

An individual who had been sponsoring his sister to come into this country phoned me last year. The difficulty in this particular situation was that, although the individual had filled out the proper documentation, the young woman at the other end who was applying to leave had to obtain an exit visa from that particular regime. By the time she received the exit visa the application filled out by her brother had already elapsed. The Canadian applicant applied again to have his sister allowed to come here, but by the time his new application had been processed the exit visa for the sister had expired. Any system which creates that sort of difficulty for no logical reason cannot be considered as fair.

Bill C-55, in a very small way, as the Parliamentary Secretary indicated, hopes to address some of the issues involving backlogs but, obviously, it is not going to correct the situation I have just described. In our offices abroad there are such backlogs in processing applications that the resultant delays are causing a complete denial of justice.

**Mr. McDermid:** That's unfair.

**Mr. Boudria:** Does the Hon. Member opposite want the floor?

**Mr. McDermid:** It's very unfair.

**Mr. Boudria:** If the Hon. Member wants the floor, I am perfectly willing to let him ask questions later. Perhaps he can start writing one out now and he will have finished the first line in the next half hour. Meanwhile, I will continue to speak on behalf of my constituents, whether he likes it or not.

There are other immigration issues with which I have had to deal in my constituency which are equally unfair. As you know, Mr. Speaker, because you do travel extensively through the riding I have the honour to represent, my constituency is largely rural. Of course, many farmers do apply to have people come into this country to work on their farms. Some of them, of course, are only temporary workers and that would not involve the discussion at hand here. What is of concern to me the people who come into this country to work on a permanent basis on Canadian farms. There are many decisions made which are equally unfair, and I would like the Parliamentary Secretary to take note of some of these problems. Hopefully at some point in the future they will be corrected for the benefit of those people I represent.

There is the case of a farmer in his sixties who had a person from Holland come to work on his farm. This was part of the student exchange program. The young person who came from Holland was a graduate in various sectors of agriculture, principally dairy production and other related fields involving the raising and production of dairy products. He had a proficiency and knowledge of such issues as artificial insemination, the records of production of dairy cattle and so on. This particular person was highly qualified in this field.

• (1150)

Unfortunately, in this particular case the farmer became very ill and had to be hospitalized for some time. He applied for permission to have this individual stay in the country for a longer period of time because without him to run his farm it would cease to operate. He obtained a short extension. However, the farmer, not being in any better state of health after some period of time, was in a situation in which he wanted this individual who came from the same country from which he had come to remain on his farm on a permanent basis. He was told by people in the Department that that could not be done on a permanent basis because in their view there were ample Canadians qualified to perform this type of work. So the farmer placed an ad in the newspapers, as he was required to do, in order to find a Canadian who had the knowledge for which he was looking. No one applied. I should not say no one applied because apparently at one point in time one individual did apply. The applicant had been working in the bush or something like that and had absolutely no knowledge of farming. He had no knowledge of modern technology or farm machinery.

There are those in the Department who evaluate these types of situations who are still of the opinion, unfortunately, that people working on farms are not too qualified and that anybody could do the work. They felt my constituent had been unreasonable in not accepting the person who was not qualified. All this to say that at one point immigration officials wanted to deport this individual. By so doing they would have effectively shut down a very large dairy farm in my constituency since there was absolutely no one left to run it. It was even quite difficult to find someone just to assist the farmer in taking care of his farm operations. It was definitely not possible to find someone of the proper calibre and with the proper experience to actually manage the farm operation. I see an Hon. Member sitting across the way who has some knowledge of agriculture. I am sure he would agree that we want people in agriculture who are not only well meaning but who have some knowledge of what they are doing, such as the farmers we have in my constituency.

In this particular case I had to make representation all the way up to the Minister to obtain a temporary extension to have this individual stay for another short period of time. It was eventually granted. It would have been completely outrageous had it not been granted. However, one cannot help but wonder in cases such as this why it is necessary to have dozens of interventions, interviews, refusals, appeals and more appeals to the Minister in order to obtain what was only just and

equitable to start with and which most reasonable people should have been able to recognize the very first day. It was very difficult to convince the authorities that, indeed, this was the proper decision.

The unusual thing about this situation is that the whole process involving my constituent was taking place at the same time as I was hearing cabinet Ministers in the House making long-winded speeches about how we should be increasing our immigration targets. They were telling us that they wanted to increase immigration targets, at the same time as they wanted to deport some people who were working in my constituency, people who we could not do without in terms of the needs felt by the farming community.

So I say to the Parliamentary Secretary that although a large number of the issues I have raised have nothing to do with the number of judges sitting on the Appeal Board, they nevertheless have to do with the whole malaise which exists within the immigration system in Canada. I hope that he will take note of these few points.

Some of the situations have been with us for many years and some have even gotten worse over the last year or two, as has been pointed out by my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker). However, whether these inequitable situations have existed for six months or six years, the fact remains that they need to be rectified and addressed as soon as possible by all Members of Parliament. They are not issues on which we want to be separated along Party lines. I think we will want the system to be fair.

I believe all Parties have indicated their willingness to agree with the new quotas which the Minister has recently indicated. We all want the process to work. There is no disagreement among Members on all sides of the House that it be approved. What is needed now is the willingness and desire to put the machinery in place in order to sort out the areas in which we have huge backlogs. Bill C-55 identifies one small area. However, there are others, such as the people in our offices abroad who require far greater attention in terms of taking care of the backlogs.

To summarize, I believe there is a willingness on the part of all Members, and it is my hope that there is a willingness on the part of the Government, the Minister, the Parliamentary Secretary and the officials in the Department, to take note of some the things about which we are talking today in the hope of correcting inequitites which exist in the system, both in terms of the representation in the appeal process and elsewhere where the system is deficient.

**The Acting Speaker (Mr. Charest):** Are there questions or comments?

**Mr. McDermid:** Mr. Speaker, I have a question for the Hon. Member. I know he is new in the House and does not have too many immigration cases in his constituency. There are a couple of things I would like to point out to him, especially since immigration is probably one of the largest constituency problems I deal with in my riding of Brampton-Georgetown.

The Hon. Member alleged that the hold-ups in our embassies throughout the world, the bureaucratic delays, are causing some concerns. I point out to him that there are only three countries in the world which have open immigration policies today. They are Australia, the United States and Canada. Canada probably has one of the most liberal immigration programs in the world today—small "l" liberal.

The literally hundreds of thousands of applicants who wish to come into the country every year is mind-boggling. I have just returned from a business trip to Yugoslavia where I saw the line-up of people who wish to emigrate to Canada. No matter where I go in the world and no matter what embassy I visit there are line-ups of people who wish to come to Canada. Were the Hon. Member to reflect on what he said about the bureaucracy and those who work extremely hard in our embassies to try to accept applications and wade through hundreds of thousands of them, he would want to retract the accusation he made that in fact they are holding up immigration to the country. I think he will find in fact that they are not, that they are doing an excellent job under difficult circumstances in most instances and he would want to back off from that type of statement.

• (1200)

I will be very brief with my final point. Members of Parliament always end up dealing with the problem cases. We never hear about the cases that go through without any hitches and they are by far the majority. We hear about the problem cases and we can stand here day after day talking about them. I think kudos should go to the Department and to those who are involved in the immigration end of things for the great job they are doing for this country.

**Mr. Boudria:** Mr. Speaker, I listened very attentively to the Hon. Member across the way. Perhaps if he had listened a little more attentively to what I said he would have been able to understand it. Let me repeat it a little slower so that perhaps he will be able to understand.

I indicated very clearly to the Hon. Member that the delays that were being caused outside this country were the same as the delays we had internally with the appeals process, and that we have to deal with the number of people who can process the applicants. Very clearly, we cannot merely rubber stamp applications. We do not want undesirable people to enter this country. What we must do is increase the number of people who can deal with the process and make decisions. Leaving at the same level the number of people working in offices elsewhere in the world will not solve the problem of my constituent who waited for years and is still waiting today as we are talking to have her husband re-enter the country—

**Mr. McDermid:** He did something illegal.

**Mr. Boudria:** —even though they have been married for a long time. The individual in question did not enter this country illegally. He came to this country, stayed here as a student and later on got married and stayed here for some time.

**Mr. McDermid:** Why was he deported?

**Mr. Boudria:** Under the laws that exist now, the individual would be allowed to stay in the country because he had been married for a certain length of time. That law was changed only a few weeks after the individual had been deported. The law was changed by the present Minister. Before accusing my constituent, the Hon. Member should be a little more aware of the facts.

The Hon. Member said that we only hear about problem cases. I would hope so. It is our job as Member of Parliament to fix the problems of our constituents and to make this place a better place for them. It is not our job to take things that are right and make them wrong. It is our job to take things that are wrong and make them right. That is why I was elected as a Member of this House.

Finally, I would like to thank the Hon. Member for complimenting the previous Liberal administration on the immigration policy that was established in this country.

**Mr. McDermid:** The inexperience of the Hon. Member is showing through again. The present Immigration Act was the result of the work of three Parties over a number of years. The Bill was put together by all three Parties and agreed to unanimously by all three Parties in the 1970s and was brought into effect in 1978. For him to take credit for his Party is not being entirely honest with the electorate.

**Mr. Boudria:** Mr. Speaker, again I suppose I did not say it slowly enough. I want to thank the Hon. Member for complimenting the previous Liberal administration which was in power in 1978 at the time the law was passed. I thank him very much for that compliment to the Liberals, and a great administration it was.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I was very interested in listening to the introductory remarks by the Parliamentary Secretary during his speech at third reading stage of this Bill. He referred to his constituency as being a highly ethnic one. My constituency of Winnipeg North is and has always been, since people began to move to western Canada, the gateway for immigrants to Canada, particularly for those who are usually called ethnic immigrants.

My father came to this country 80 years ago from the Ukraine. Today a very substantial number of my constituents are of Ukrainian, Polish, Jewish and German origin. We have always been proud of that. In recent years, these people have been joined by other immigrants who have come from many other countries. I know that in listing them I will miss some groups, but they have come from Portugal, China, India, the Phillippines, the West Indies, Laos, Vietnam, Chile and Yugoslavia. They have come to this country to live in my constituency, as well as in many other urban constituencies, and they are making important, useful contributions to this country.

As I am sure is the case with the Parliamentary Secretary, constituents from many of these countries regularly come to my office because they need help. What is the help they need? They need help because they have relatives they want to have join them in Canada. Very frequently these requests are turned down. Why is this? The Government of Canada requires them to have a certain level of income so that when their relatives come to the country the applicant can guarantee that the relatives will not become a charge on the state, and the incomes of many of these people are too low. I will deal with that in a few moments. As well, they are turned down because of the kinds of jobs these prospective immigrants fulfil in Canada.

I have taken up many such cases, and I am sure in some cities like Toronto, Vancouver or Montreal in which there are many more immigrants than there are in Winnipeg, Hon. Members have taken up even more cases. I have taken such cases up with the present Minister of State for Immigration (Mr. McLean) and the present Minister of Employment and Immigration (Miss MacDonald). Under the Liberal administration, I took up many such cases with Liberal Ministers. Time and time again I was turned down. I have frequently pleaded for the Government, Liberal or Conservative, to take a more humane attitude toward this situation. In theory, members of all Parties support family reunification. I thought things were going to be better with this Government.

The present Minister of State for Immigration made a statement on October 31, 1985, on this matter. This statement is reported at page 8218 of *Hansard* under the title "Immigration", "Future Levels of Immigration—Statement of Minister of State (Immigration)." Let me put on the record some of the things he said:

> Immigration levels are being increased to 105,000 to 115,000 in 1986 and 115,000 to 125,000 in 1987 . . . During this period, the level will be rebuilt in a moderate, controlled manner which will, in a balanced way, support the reunion of families, the admission of humanitarian immigrants and the selection of economic immigrants.

He went on to say:

> First, family class. The family class will remain the cornerstone of immigration policy, and we will continue to process applications on demand.

He went on:

> The Government is going to emphasize increasing the number of assisted relatives and other independent applicants who have, since May 1982, been unable to emigrate without a validated job.
>
> These individuals will be admitted on the basis of a revised selection system. Qualifications and skills will be stressed. Preference will be given, however, to assisted relatives through the allocation of bonus points.

That sounded very good, Mr. Speaker. On the same day, in commenting on that statement, the Hon. Member for Spadina (Mr. Heap) indicated that he had certain reservations. Let me put on the record a couple of the reservations about which he spoke. In his speech he said:

● (1210)

> The category of families and the category of assisted relatives are being unnecessarily held back by the practices of the Employment and Immigration Commission. They are being held back in three ways. One is that excessively high incomes are demanded of Canadians who wish to bring over, to sponsor an assisted relative.

Then he went on to say:

> There is also the matter of the visa offices which are very poorly distributed in the countries from which many of our immigrants come, and it takes sometimes years to process an application because there is one office for India, two offices

for all of Africa, two offices for all of Central America, and those have to go through Trinidad.

Then, in referring to the Minister, he went on to say:

He has implied that there might be an increase—he has not stated it—in the family class. In fact, there is no increase.

That was last October. I have to say to the Parliamentary Secretary, as I would say to the Minister if he were here, that I find I am still having the same difficulties. I had a case from India where the application was turned down. When I pressed the Department, I received a letter giving the detailed reasons for the application being turned down. I gave it to the persons who approached me. They accepted the objections. They went back and took care of every objection; they met all the objections which were listed in the letter. Months have gone by and the applicant has still not been permitted to come to Canada.

I should like to deal with the question of income requirements. The Government says that it believes in family reunification, but if one of my constituents—and this is not only happening in the City of Winnipeg—wants to bring in his or her sister who is married and has a couple of children, the applicant is turned down because he or she does not have an income of over $20,000 per year. Not many new immigrants are so well established that they have an income of over $20,000 per year.

I could show the Minister the correspondence in one particular case. The applicant in question said: "Well, my income is a couple of thousand dollars below what you say is required. My brother is also prepared to join in the application, and our joint income is substantially higher than what is required". However, they were told that the Department does not accept joint applications and joint incomes. What the Minister implied in his statement about family reunification is not working, because the income requirements are far too high for most new immigrants.

Let me deal with another requirement. The Minister said there was a list of occupations and that if the person for whom an application was being made had those qualifications, he or she would be given points. I have the list in front of me. I say to the Minister and the Parliamentary Secretary that it would be ludicrous if it were not so sad.

Let me put on the record some of the occupations which supposedly help applicants—managers in natural sciences, engineering and mathematics; managers in social sciences; administrators in medicine and health; chemists, physicists and meteorologists; civil engineers, electrical engineers and industrial engineers; economists, sociologists, social scientists and psychologists. That is just a small portion of the whole list. I ask the Parliamentary Secretary, when we talk about the kinds of people who approach me or his office, how many of them are from those groups? Very few, very few. I have looked through the list and I have only found two or three categories under which the kinds of people who come to me would have relatives who could qualify. If I look at the service occupations, I see specialied chefs and cooks, watch and clock repairmen, perhaps printing press occupations, and that is about it.

The Minister tried to create the impression—and I assume he believed what he was saying—that because of the new approach of the Government there would be a substantial increase in the number of application for family reunification which would be approved. I say to the Minister that it will just not happen. I appeal to him and to the Government to adopt a much more humane approach to the whole question of family reunification in the immigration policy.

I will not deal with the problems of refugees. My colleague from Thunder Bay dealt with them very well. As he pointed out, the Bill is one small step, to implement one small recommendation of the many excellent recommendations made by the parliamentary committee which held a large number of meetings, and by Rabbi Plaut in his report. I hope the Government will deal with those recommendations in a humane and generous way. In my view, this Bill will do very little.

**Mr. Shields:** Mr. Speaker, I am sure the Hon. Member did not want to mislead the House when he read off the list of occupations. I am familiar with the communications which he has. I point out to him, and I think he would agree, that that list opened up the Immigration Act and the approach of immigration because it allowed more independent applications to come forward. It was not through family reunification. He tied it to family reunification, which is still in existence and is working very well. It really concerns independent applications, and I wonder if the Hon. Member wants to comment on that.

**Mr. Orlikow:** Mr. Speaker, I am very happy to comment on that. In so far as family reunification is concerned, if the Hon. Member is correct that the list from which I quoted has nothing to do with family reunification, we are back to the situation where the person for whom the application is being made has to have a job offer in Canada which cannot be filled by a Canadian. That was the policy until very recently. Given the fact that a million and a quarter are unemployed, that virtually excludes everyone.

The Hon. Member is correct that it is for independent applicants. My fear is that the Government wants mainly to encourage—and I do not say exclusively—people to come to this country who have the money or the means to establish themselves as independent business people. While I am not opposed to those kinds of people coming, if it is the only thing we want to do, it is wrong and certainly mitigates against family reunification in which I am a great believer.

• (1220)

**Mr. Shields:** Mr. Speaker, I just want to clarify something. The Member is misleading, albeit inadvertently I am sure, the House. The point system that was allocated in the list to which he referred only enhances the opportunity for individuals to emigrate to Canada. It does not require a certified job offer. It only enhances the position of the immigrant by giving him five or ten points to add to his independent application. This tended to open up the door in some of those occupations. It is not tied to the amount of money individuals have to allow them to come here as the Member indicated. Surely he wants to set the

record straight rather than leave the impression which he has left.

**Mr. Orlikow:** Mr. Speaker, I cannot believe that the Member listened to the remarks I made. I made two points. The first was that until very recently in order for an application to be approved the applicant had to have an offer of employment for a job which the employer and the Department of Employment and Immigration could not find a Canadian to fill. I made the point that there are very few jobs like that given the large number of unemployed. If that was changed recently, I have not heard about it and would like to know about it.

The second thing I said was that most of the people who come to my office who have applied for permission for relatives to come to join them in Canada indicate that those relatives do not have the specialized skills for 90 per cent or more of the occupations listed in this document. That is all I said. If the Member thinks I am wrong, I would be very happy to have him show me how I am wrong.

**Mr. Redway:** Mr. Speaker, I was listening to the Hon. Member's comments with respect to the certified job offer requirement and the new regulations which have been issued by the Department of Employment and Immigration with respect to the employment situation. I thought the Hon. Member would be aware, as I believe all other Members of the House are, that in 1982 the Government imposed the requirement of a certified job offer on independent applications for immigration to the country. That requirement meant that virtually no one could come to Canada because it was impossible to find a job which the Canada Employment Centres would certify there was no one in the country to fill.

However, as of January 1 of this year changes were made. Those changes included the list of occupations which the Hon. Member has in front of him, for which there is no longer the requirement of a certified job offer. A person who fits into those categories can now apply without having a certified job offer in the country and can come to the country under the point system as indicated by the Hon. Member.

Whether or not the people who come into his office fit into the job categories which do not require a certified job offer is another question. Since the beginning of January literally dozens of families have come to my office who wanted to bring relatives here but could not under the strict requirements of the family reunification provisions and who now see some light at the end of the tunnel. They see that there are these job categories for which there is not the requirement of a certified job offer into which their relatives and friends can fit. I am certainly finding that this is very beneficial and helpful to the people in my constituency. I am sure that if the Hon. Member takes a closer look at those categories and discusses them with the people coming into his office, he will find them most helpful to them, too.

**Mr. Orlikow:** Mr. Speaker, as I tried to make clear in my speech, it is obvious that most of the occupations on the list really help only a very small percentage of the potential applicants. Many organizations interested in third world countries have indicated that when we make these kinds of arrangements we encourage the movement of the skilled and best educated people from those countries to Canada. Those countries need those people much more than we do in Canada. However, that is a problem which we can discuss on another occasion.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to participate in this debate on Bill C-55. A number of speakers before me touched on a number of broad and important areas relating to immigration. There is no disagreement that the entire process of immigration is integral to what this country is about, given that to a significant extent this country is the result of individuals and families coming to the shores of Canada and building a home here. They have given to the country and, reciprocally, the country has given them a chance. Therefore, immigration is not a one-way street. The country does not only give, but receives. Immigrants who have come to the country have perhaps come with very little from an economic point of view, but with wealth and riches in social and cultural attributes.

Part of the success of our past immigration policies, and part of the respect that which Canada enjoys from nations abroad, has been based on a policy that has drawn its strength and spirit from a thrust of compassion. I hope the Government will see fit to continue a policy of immigration which is compassionate and sensitive and which speaks, not only to the domestic and narrow views and challenges which the country faces, but also to the often very difficult forces at play throughout the world. Canada must continue in future years to play the part which it has played in the past.

A number of speakers have indicated that there is a *comme ci comme ça* feeling with regard to Bill C-55. There are certain parts of the Bill which are good. For instance, the amendment to allow permanent residents to make appeals to the Immigration Appeal Board is a positive move. The central thrust of this legislation permits the increase of commissioners on the Immigration Appeal Board from 18 to 50. That is the main amendment to the Immigration Act which the Government is making through the Minister of Employment and Immigration (Miss MacDonald). Quite frankly, one has to say that this Bill addresses the symptom rather than the illness. It takes the easy way when immigrants and refugees are looking for concrete action.

• (1230)

Another part of the backlog has to do with the family reunification process. We know that generally the process is working quite well and that the vast majority of applications under the program are approved quite rapidly. The problem lies with those families who are not permitted to sponsor brothers, nephews, aunts or uncles. This is a problem to which we ought to pay closer attention. We underestimate the importance that family sponsorship can have in making a potential immigrant a successful Canadian citizen. We are undere-

stimating the resources available to an individual who has family in this country. We should be giving greater weight to applications under that program because, if we do, we would eliminate the bottle-neck that this legislation seeks to address. As I said, rather than addressing the cause, it prefers to address the symptoms.

The refugees affected by this bottle-neck in the system have been patient for a long time and now they are coming to Ottawa to make their case. I have met these people in my riding, as well as in cities like Montreal and Vancouver. They have been waiting for some real action. Of course, it can be argued that if we have 50 commissioners instead of 18, we will hear more applications and solve more problems. However, if we approach the problem that way, how long will it take to deal with the current backlog, not to mention the growing number of new applications each day? It will take a long, long time. Yet people are asking for something to speed up the process, as well as make it more compassionate and more fair and understanding. We do not want an adversarial situation involving the applicant and the Immigration Appeal Board.

I have had instances in my own riding where people have to come before the IAB with solicitors to prove their case to the ultimate degree. There is a family in my riding which has been in this country for three years. Before the establishment of the new civilian Government in Argentina they had to escape the military regime because they were both professors at universities in Buenos Aires. One of the first groups to be persecuted by the Argentine military regime was the Academe. They left their country with their children and tried to establish a new life in this country. Now, after more than three years in Canada, after establishing themselves here, after acquiring English as a second language at night school, after holding down menial jobs because their degrees were not recognized here, which is another significant problem we have overlooked, and after their children have been Canadianized and now speak English rather than Spanish, they are being asked to return to Argentina because it is deemed to be safe under a civilian government.

That might be true to a certain degree. For the moment things are a little more tranquil and secure under a civilian government. However, how can we know what will happen tomorrow?

This family is afraid to go back to their home country because they fear persecution in the future. They fear for the future of their children in that country. They would rather stay in Canada. They are contributing members of this society. They both work, pay their taxes and contribute to the social and economic wealth of this country. Therefore, should we not stop and think about whether we ought to send them back, having made them go through the IAB process to state their case time after time after time?

What do we mean when we talk about compassion in Canada? What do we mean when we say we should address the cause of a problem rather than the symptoms? We mean that we should not take the narrow-minded approach which says let us increase the number of immigration officers and, if that does not work, introduce another Bill and increase the number again. No, there comes a time when you must look at the problem and say enough is enough. We cannot allow ourselves to introduce bank-aid solutions because they will not work. It might be a good public relations gimmick, but deep in our hearts we know it is not the proper way to address the depth of a serious and growing problem.

The Minister also talked about fighting to eradicate phoney refugee applicants. He is right to a certain degree because there are individuals who take advantage of the system to the detriment of those who have a legitimate case. Therefore, the Minister is in part correct to ask his officials to try and weed out those applicants who make life difficult for the majority of people with legitimate cases. However, the Minister failed to go after the growing industry involving phoney immigration consultants and lawyers. I am getting sick and tired of talking to constituents and sponsors of immigrants, as well as to refugee applicants, who have paid hundreds if not thousands of dollars to these low-lifes who do nothing to aid their case. Individual lawyers and consultants simply use that as a scam to make a dollar. Individuals are using these people to pay for the shingle they have outside their office. It is growing and becoming more serious.

• (1240)

I had a case in Toronto last week of a Portuguese individual who was just there visiting for three months. No one knew that he was coming for a visit, in terms of the bureaucracy. He got a call from a so-called immigration consultant asking him if he required his services to stay in the country. When the visitor suggested that he was only here on a visit the so-called consultant said, "Yeah, that's for sure. I have heard that before". Therefore, that also speaks to a wheel in the system that is connecting these phoney consultants to potential cases for them.

If we are prepared to rid the system of phoney refugees in this country then we also have to apply equal force to those people in this society who live off the proceeds of immigrants who do not know any better and place their trust in these individuals. The immigrant may not speak the language very well and, therefore, they are very much impressed by the pinstriped blue suit and tie individual who comes and says, "A thousand dollars and I will get your cousin into this country". These are not isolated cases because I have heard about them from other colleagues in the House as well. Therefore I urge the Minister and this Government to have the compassion and the courage to stamp out what I would suggest is a very serious white-collar crime.

When we also talk about being compassionate and being progressive, which our immigration policies have been, we must also recognize those individuals who come to this country with degrees and professions. Quite often what happens when they come into this country is that the degrees are not recognized. After years of training in their own reputable universities and educational institutions in their home countries they come to this country and take jobs as janitors, construction

aides and the like. I am not suggesting that those occupations are demeaning, by any means I am suggesting that when an individual who has taught in his home country and cannot get a teaching profession here and is forced to clean and scrub floors when, in fact, that individual could be contributing in a different sense, then that too is incorrect and needs addressing.

There was a disagreement in terms of individuals that were allowed into this country perhaps because they had more money. I believe the Member from Winnipeg was alluding to that. I think perhaps what he was alluding to was the whole question of entrepreneurial immigrants. Last year the Standing Committee on Employment, Labour and Immigration, which obviously has a majority of Conservative Members, was dangerously toying with concepts of entrepreneurial immigration.

Let me point out very quickly at the beginning of this debate that I support a stream of entrepreneurial immigration. In fact, it was the Liberal Party which was in Government that sponsored and introduced such a stream, but we never intended to make it a cornerstone, or to elevate the whole entrepreneurial stream to the detriment of others. The Immigration Committee was toying very dangerously with boosting up the entrepreneurial element to a degree that was overriding the others. It is a mistake, because while we require entrepreneurs, foreign investment, individuals who are willing to invest and start to build companies and enterprises in this country, we also have to realize the history of this country. We must take into consideration the plight of other individuals who, while they are not wealthy and do not bring extraordinary amounts of money into this country, bring something else that this country depended on years ago. I would submit to you that this country will require that reinforcement in the years to come.

Many poor immigrants have joined Canada's entrepreneurs, and some have joined Canada's wealthy circle. Many immigrants have brought trades to this country and have taken jobs that you and I perhaps do not want to do. They work from seven in the morning until seven at night, often six days a week. I am not suggesting that those jobs are demeaning. All I am suggesting is that there are those individuals across the globe who are prepared to come to this country to enjoy the opportunities here and undertake those types of positions, and we have to be sensitive their situations.

When we talk about occupations I think there tends to be conflicting information. I have contractors in Toronto in my constituency who say that, "We cannot find enough certified and qualified bricklayers", for instance, or "carpenters, plumbers, electricians, tool and dye makers". Yet when I have individuals who are sponsoring relatives from abroad who happen to be carpenters or plumbers what they are told is that we have an abundance of those individuals in Canada, many of whom are unemployed. So there tends to be a conflicting nature which really needs to be updated. We really need to be with the times. Do we need to fill those types of positions or do we not? I am running into a lot of conflicting evidence that says the contrary.

The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) said, "We only get the problematic cases". We sometimes get the more problematic cases, but I would also submit to him that we also get the average run-of-the-mill cases, individuals who come to the Member of Parliament first rather than going down to Bloor Street and visiting their immigration officer. So we get a lot of standard, average, every day applications. We need to pay attention to those problems and difficulties; not only the problematic ones, but those that are reflective of the pool of applications that the bureaucratics are facing. I am not suggesting, and neither is this Party, that the bureaucrats go out of their way to take their sweet time in processing applications.

There are places in this world such as Hong Kong and New Delhi where it takes three years to process an application. I would submit to him that that is not good enough, and that rather than placing blame we should be trying to address the cause and not the symptom.

I realize you are motioning that my time is up, Mr. Speaker. I would once again like to appeal to this House to be somewhat more compassionate, somewhat more courageous, and use a little conviction when we are speaking of immigration, rather than trying to touch the superficial element in dealing with the symptoms rather than the cure. Let's address, attack and whip the cause of the difficulties. Let's make Canada a country that is a lot more just.

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, when this Bill was introduced in the House last June the Minister said that his principal purpose was to deal with the refugee backlog, which at that time was around 15 or 16,000 persons. It was rather strange that the Minister should put forward this Bill to deal with the refugee backlog, because the Minister had received in April of 1985, just a few months previous, the Plaut Report which dealt with the refugee determination process on a broad basis and made many recommendations to deal with that entire problem. We now know that in Canada over the last few years there has been a great increase in refugees from many troubled spots in the world. I guess that is a symptom of the political disruptions which are taking place on many continents. There are refugees from Central America, Africa, Sri Lanka, Bangladesh, Indo-China and Central and Eastern Europe. There has been a great increase in the number of refugees coming to Canada claiming refugee status. Therefore, there has been an increasing backlog which led to the Minister, under the previous Government, appointing both the Ratushny and Plaut commissions to study this matter.

● (1250)

The Plaut Commission reported several recommendations to the present Minister in April, 1985. However, in June we saw Bill C-55 which attempts to deal with the problem simply by increasing the number of people on the Immigration Appeal Board to 50 members. That has been criticized as a solution because it is simply a band-aid solution to deal with symptoms and does not really deal with the causes of the problem.

Furthermore, it is a complete disregard of the recommendations made by the Plaut commission.

What did the Government do? In its usual way it introduced the Bill in June, 1985, but also made a reference to the Standing Committee on Labour, Employment and Immigration to study the Plaut report and the whole process of refugee determination. Eventually the same committee was referred Bill C-55. Therefore, the committee had before it at the same time, Bill C-55 dealing with this increase in membership on the Immigration Appeal Board as well as the reference to study the Plaut commission recommendations and the refugee determination process.

The Bill has been returned to the House with one minor amendment from committee. We also have two reports presented by the Standing Committee on Labour, Employment and Immigration dealing with the process of refugee determination and the refugee claimant backlog. I believe that they are good reports and have the unanimous support in principle of all the Parties in the House.

The committee, made up of Conservative, Liberal and New Democratic members, put forward several recommendations to deal with the entire problem of refugee determination in this country and the backlog which now amounts to some 19,000 applicants. One must remember that the process was complicated still further following the Supreme Court decision in the Singh case on April 4, 1985. The decision was that by virtue of our new Charter of Rights, all applicants for refugee status had a right to an oral hearing before the Immigration Appeal Board. That meant the process was made more complex and more time consuming.

The Standing Committee dealt with that and made recommendations. Although their report was tabled in the late fall, we still do not have a Bill from the Government to implement the recommendations put forward by that committee.

We set out certain principles in that report to which we all agreed. We said that four basic principles are fundamental to the approach of the Standing Committee and the recommendations it has made. Consequently we recommend first, that it is the committee's strongly held conviction that Canadians do not want people sent back to countries where they have been persecuted or where they still may be persecuted because it conflicts with our basic principles of justice and fair play. People should be treated in a humane fashion and should not be sent back to countries where they will be executed for political reasons.

Second, we said that every person in Canada who wishes to claim that he or she is a Convention refugee should have an unqualified right of access to a formal process that will adjudicate the claim.

Third, all Convention refugee claimants should have their case decided at a non-adversarial oral hearing. In this respect we were following the decision in the Singh case before the Supreme Court.

Fourth, we said that the decision maker in the formal process, whatever that process should be, shall have the power in addition to declaring an individual to be a Convention refugee, to recommend to the Minister that specific individuals who are not within the strict definition of Convention refugee nevertheless be considered for landing on compassionate and humanitarian grounds.

The committee studied this in some depth and heard from many witnesses, both with respect to Bill C-55 and the Plaut report and refugee determination. The committee's recommendations are substantial, well founded and the result of much consultation. On the other hand, this Bill is not the result of much consultation and is simply a confused half measure to deal with a serious problem. It contains a few clauses that are good policy and an improvement to the Immigration Act, but they are a minor part of the Bill.

The over-all solution in this Bill is not what is needed, nor what the witnesses recommended. It is not what Plaut recommended.

We agree that by appointing more people to the Immigration Appeal Board the process will be expedited. However, if that is all that is done, it is an unfair and outdated process that is being expedited without getting to the bottom of the problems confronting refugees who have been waiting a long time—several years for some—to have their case heard by the Immigration Appeal Board. The Bill does not deal with the problems studied by Plaut and the committee.

While we are unhappy with the Bill, there are certain merits to it. However, we want the Government to introduce a Bill which will implement the recommendations put forward in the fifth and sixth reports of the Standing Committee on Labour, Employment and Immigration that were presented by its chairman, the Hon. Member for Calgary West (Mr. Hawkes). I believe they are excellent reports and, if implemented by legislation, will meet the needs of refugees in this country. I wish the Parliamentary Secretary or the Minister would intervene in this debate to tell us when that legislation implementing those two reports will be introduced. Such legislation, combined with the provisions of this Bill, would make sense, but this Bill alone is a half-way measure and cannot be supported with very great enthusiasm by Members of the House.

[*Translation*]

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

[*English*]

The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) can resume at that time.

At 12.58 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

*S.O. 21*

# STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

## CONSUMER AFFAIRS

REQUEST THAT GOVERNMENT RESCIND DECISION ON GULF-ULTRAMAR TRANSACTION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, the newspaper *La Presse* reported that the Minister of Consumer and Corporate Affairs (Mr. Côté) has released what is referred to as the O'Farrell Report.

Mr. Speaker, to anyone who reads this document it is clear that the Conservative Government, especially the Prime Minister (Mr. Mulroney), was wrong to approve the transaction between Gulf and Ultramar because Quebec consumers will be penalized as a result of shutting down the refinery in Montreal East.

Mr. Speaker, the Government preferred to protect a foreign, British multinational instead of protecting the interests of Quebec consumers, and I can only hope that the Government will reverse its decision in order to save the 450 jobs that are at stake and protect Quebec consumers against the impact the Government's decision will otherwise have on the price of gas.

* * *

[*English*]

## MUNICIPALITIES

UPGRADING OF INFRASTRUCTURES

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, it has been well over a year since the Federation of Canadian Municipalities proposed that the federal and provincial Government join in a co-operative program to fund the much needed upgrading of municipal infrastructures, but to this date the federal and provincial Ministers have not met to discuss such a program.

Sooner or later we shall have to renew the water lines, sewer lines, bridges, and roads in Canada. We can pay for it now, or our children can pay ten times more for it later. The Government had an opportunity to deal with this most important problem in the last Budget, but it failed. In fact it made the situation even worse by imposing new taxes midway through the fiscal year on materials needed for such projects.

With tomorrow's Budget, the Government has another opportunity. It can provide up to 285,000 person-years of employment, worth-while employment, by funding such a program. It is my hope that the Government will finally realize that concrete proposals in this regard will go a long way to accomplishing the very things it claims it wants to accomplish.

## EMPLOYMENT

CANADIAN JOBS STRATEGY—ESTABLISHMENT OF LOCAL ADVISORY BOARDS

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, one of the finest features of the Canadian Jobs Strategy, along with providing thousands of Canadians with marketable job skills, is the establishment of local advisory councils. These councils, composed of volunteers, have given Canadians from all walks of life an opportunity to participate directly in employment development initiatives in their own communities.

The City of Scarborough is served by two excellent advisory councils, both of which are looking at the city's long-term employment needs and how the federal Government can play an effective part in helping new job-creation projects. The boards are also assessing the kind of skill training from which unemployed people in their community would benefit most.

The local advisory councils are working. They are bringing government officials and local community representatives together to find productive, local uses for federal job creation—

**Mr. Speaker:** Order, please.

* * *

## FISHERIES

GULF HERRING QUOTAS

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, today I rise to urge the Minister of Fisheries and Oceans (Mr. Siddon) to incorporate into the 1986 Gulf Herring Management Plan the same principles which formed the basis of the 1985 Management Plan. The 1985 Plan provided a quota for the George's Bay area fishermen. A geographic sub-allocation of the fall quota provided equitable access to the inshore quota for fishermen from various locations.

I wish to emphasize the importance of the herring catch to my constituent fishermen. This fishery is a critically important part of the source of their annual income. I urge the Minister to consider the foregoing aspects of this important matter.

* * *

## ENVIRONMENT CANADA

DESIGNATION OF SPOKESPERSONS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, officials in Environment Canada are going to pay for their Minister's past mistakes. Speaking about the selection of official spokespersons in Environment Canada, the Minister of the Environment (Mr. McMillan) said yesterday: "It is appropriate for the Minister himself to give such approval". In a subtle way the Minister will impose censorship on his scientists. He is saying, in essence, that as a politician and a Minister, he inevitably has the right, and intends to exercise it, to decide what

scientific information should be given to the public. So much for the open Government promised by his Party.

● (1405)

From now on, according to the Minister, there will be cases when he will decide whether to give information and who should give information on matters respecting public health. His policy destroys the open relationship built up over the years between the public, the media, and Environment Canada scientists. What a sad state of affairs.

* * *

## INCOME TAX

### TASK FORCE PROPOSALS TO IMPROVE SYSTEM

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, in advance of the Budget of the Minister of Finance (Mr. Wilson) on Wednesday, many Canadians have been telling the New Democratic Party's Tax Probe 86 Task Force of the reforms they want in the Budget.

Because our income tax system has become so complex and riddled with loopholes, the Task Force has found a good number of proposals for improvement, including the following: better reporting to the public of the tax remissions to companies such as Dome and Syncrude, and the loss to taxpayers of millions of dollars because of favourable tax rulings to companies such as Olympia & York, Petrofina, and Genstar; "value for the dollar" tests for tax concessions to demonstrate whether the tax money forgone from corporations has produced the jobs and economic development claimed; and greater progressivity in the personal income tax system, which could raise another $1.7 billion in revenue annually if the pre-1982 tax rates were restored.

These are only three of many proposals made by the NDP Task Force. The Minister of Finance would be well advised to implement them if he wants to make the Canadian tax system more efficient, more fair, and more acceptable—

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

* * *

## TOURISM

### SUPPORT FOR ADVERTISING CAMPAIGN

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, I wish to remind the House that the Canadian tourism industry is in the very best of hands. The new $20-million advertising campaign announced by the Minister of State for Tourism (Mr. Murta) is sweet music for tourism business people across Canada. Automobiles bearing United States licence plates have been in decline in the past decade, and our economy has clearly felt the shock wave.

*S.O. 21*

Tourism in Canada is second only to lumbering in the total revenue it generates. We can build on this $18.6 billion industry. Tourism provides direct employment for 600,000 Canadians, and indirect employment for another 500,000.

Our best customers live immediately south of the border, and Canada must be sold to them. We live in a sophisticated, wealthy and modern country, with distinct cultures and lifestyles. Our doors are open for all to enjoy.

* * *

[*Translation*]

## THE ECONOMY

### SITUATION OF SMALL AND MEDIUM-SIZED BUSINESSES

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, a poll published recently by the Canadian Federation of Independent Businesses revealed that the rate at which small and medium-sized businesses in Canada are closing has dropped to its lowest level in sixteen years.

According to the Federation's President, Mr. John Bulloch, in 1985, 5.9 per cent of small and medium-sized businesses in Quebec closed their doors, compared with 6.9 per cent in 1984, the last year the Liberal Government was in power.

This reversal is due to increased economic stability, increased consumer demand and the fact that the Progressive Conservative Government shares the concern of small and medium-sized businesses across Canada.

Furthermore, Mr. Speaker, while business closings are down, openings of new businesses are up. Last year, openings of new small and medium-sized businesses exceeded closings by 5 per cent. This new development will certainly help create jobs for all Canadians . . .

**Mr. Speaker:** I am sorry to inform the Hon. Member that his time has expired.

* * *

[*English*]

## NATIONAL PARKS

### WOOD BUFFALO NATIONAL PARK—DISEASES AFFECTING BUFFALO

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the health of buffalo in Wood Buffalo National Park has been of major concern to wildlife and Parks officials for several years. Tuberculosis and brucellosis are endemic within the herds. These animals are used as food by people in the area. Hence, there is a danger to the health of persons. The diseases could spread to domestic livestock outside the park.

It is time that this serious problem be addressed. No longer should it be neglected. If necessary, the diseased herds should be slaughtered and replaced by disease-free stock.

*S.O. 21*

[*Translation*]

## UNEMPLOYMENT INSURANCE

### RESTRICTIONS RESPECTING PREMIUMS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, the other day I received a letter from one of my constituents which accurately reflects the sentiments of Canadians. This is part of a letter I received from a woman in Ville d'Anjou: "I worked for forty-three years without drawing any benefits. Now, supported by the federal Government, employers are making it quite clear when we reach a certain age, that it is time to retire. Without warning, we received a letter in the mail saying that as of January 5, 1986, they had to count our pension benefits as well. This means that if we have about $250 a week in pension payments, we lose our entitlement to unemployment insurance benefits. This is unfair, because at the age of 57 and over, we cannot find a job for decent pay, and with a pension that is not indexed to the cost of living which is steadily increasing, we are going to have trouble making ends meet until we get old age security benefits.

Why is the Government always picking on the average worker who has worked hard to make a living, while that same Government encourages the richest people in this country . . .".

• (1410)

[*English*]

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

* * *

## EXTERNAL AFFAIRS

### THE PHILIPPINES—OUSTER OF PRESIDENT MARCOS

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, today is a great day for the people of the Philippines. It is a great day because they have deposed Ferdinand Marcos and have done so without widespread bloodshed or violent revolution. It is a great day because popular will and a yearning for democratic expression have won in the Philippines.

**Some Hon. Members:** Hear, hear!

**Ms. Jewett:** Today is a day for recognizing one woman above all others. Today we rejoice in the triumph of Cory Aquino. In the face of great odds, threats, and intimidation, she has triumphed. It is a victory for decency, compassion, democracy, and the possibility of reform.

In our rejoicing today let us also remember that the deposing of a tyrant does not always lead to quick and easy democracy. I hope that Canada will be an active, useful, and supportive ally of President Aquino and the Filipino people in their quest for political, economic, and social reform.

## REAL ESTATE

### INCREASE IN RESIDENTIAL SALES

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, in a recent announcement made by the Canadian Real Estate Association it was reported that home sales across Canada increased by 21.7 per cent over January, 1985. This positive and continued upward trend in home sales activity resulted in 12,348 residential properties trading hands in Canada last month, an increase of more than 2,200 transactions over January of last year.

The President of the Canadian Real Estate Association, Mr. David Hawkins, stated that increased home sales reflect the level of consumer confidence in Canada, a consequence, I would strongly suggest, of the assertive and decisive economic policies of the Conservative Government. In Mr. Hawkins own words: "When families choose home ownership, they reflect their faith in the economic strength of the nation".

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## VIA RAIL

### LACK OF PASSENGER CARS ON TORONTO-OTTAWA ROUTE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, Via Rail tells us to use it or lose it. Our problem is to find it. Via Rail has so reduced the number of cars on the Toronto-Ottawa run that would-be passenger often have to book seats a week ahead. One Ottawa ticket agent says he turns away $1,500 worth of business every weekend.

Many Sunday evenings every seat is taken; some people are standing and others are turned away. Is this because so much Via Rail equipment purchased under the previous Government is now in the repair shop? If Via Rail wants to be profitable, let it put more cars on the tracks. Discouraging prospective passengers is no way to run a railway.

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## LABOUR CONDITIONS

### COMPARISON OF UNEMPLOYMENT RATES

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, the Government brags that unemployment has been reduced to 9.8 per cent, which means 1.3 million Canadians without work. That is not acceptable. If the recession is over as the Government claims it is, then we should have at most the 7.5 pre-recession unemployment rate of 1981. The average unemployment rate from 1965 to 1980 was 5.6 per cent.

On February 8, 1986, an article in the St. John's *Evening Telegram* stated in part:

> The jobless figures released Friday gave rise to some pride by federal Tories—
>
> But figures can be misleading . . . the number of unemployed, . . . actually rose by 109,000 last month—
>
> To say the situation in Newfoundland is bleak would be putting it mildly—

While the Tories express pride in their job creation, they cannot ignore the fact that there are still more than one and one quarter million people without work in this country.

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

* * *

## INCOME TAX ACT

CALL FOR CLOSURE OF TAX LOOPHOLE

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, as the Minister of Finance (Mr. Wilson) prepares to bring down the Budget tomorrow, I again want to appeal to him to put an end to the abuse of limited partnership provisions in the Income Tax Act, provisions which have become the biggest, costliest, and most wasteful tax loophole since the scientific research tax credit.

• (1415)

As the chairperson of the Tax Probe 86 Committee, I recently became aware of the following example. A company in Manitoba called Organic Research Limited advertised to potential investors that for $50,000 they could reap the following benefits: a $10,000 reduction in taxes from the investment tax credit, a $20,000 tax saving through the flow-through share provisions, and the company would buy back the shares for $29,000 almost immediately. This adds up to nearly $60,000 in benefits for an investment of $50,000, courtesy of the taxpayers of Canada.

This is even more ludicrous when one considers that Organic Research Limited is doing research into turning trees into sugar, at a time when the sugar-beet industry in southern Alberta, Saskatchewan, and Manitoba is on its knees. It is time that this nonsense was stopped.

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF NATIONAL ASSEMBLY OF KOREA STEERING COMMITTEE CHAIRMAN

**Mr. Speaker:** I would like to draw the attention of Hon. Members to the presence in our Gallery today of Mr. Si Chae Jeong, Chairman of the Steering Committee of the National Assembly of Korea.

**Some Hon. Members:** Hear, hear!

*Oral Questions*

# ORAL QUESTION PERIOD

[*English*]

## EXTERNAL AFFAIRS

THE PHILIPPINES—RECOGNITION OF NEW GOVERNMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday he said that the Canadian Government would not recognize Mrs. Aquino as the new President of the Philippines, even though he said quite clearly in the House—

**Some Hon. Members:** He didn't say that.

**Mr. Turner (Vancouver Quadra):** That is exactly what he said.

**Some Hon. Members:** Sit down.

**Mr. Speaker:** Order, please.

**Mr. Turner (Vancouver Quadra):** —even though he said that it was time, in the opinion of the Canadian Government, for President Marcos to go. Why is it that he has given the impression to Canadians that what he was waiting for was not the expression of the will of the Philippino people but the reaction of the United States on whether or not to recognize that new Government?

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, there have been changes in the Philippines which were in evolution yesterday and continued in their evolution. There is now a new Government in the Philippines which is in effective control of the country. I celebrate that development. Canada has welcomed the election of that Government which is in control of the Philippines. I would hope that Members of the House would forgo the temptation to seek to score irrelevant political points and would, instead, make clear that the whole House works now to achieve stability and good relations between Canada and the new Government of the Philippines.

**Some Hon. Members:** Hear, hear!

[*Translation*]

INQUIRY WHY GOVERNMENT WAITED FOR UNITED STATES REACTION BEFORE RECOGNIZING NEW GOVERNMENT OF PRESIDENT AQUINO

**Right Hon. John N. Turner (Leader of the Opposition):** I have a supplementary, Mr. Speaker. Instead of analyzing the will of the people of the Philippines, why did the Canadian Government wait for the U.S. to react before asking for the

resignation of President Marcos and recognizing the new Government under President Aquino? Why?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, unfortunately, the Leader of the Opposition is misinformed, perhaps owing to his concern about his own problems.

[*English*]

TIMING OF RECOGNITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I will put it as carefully and as quickly as I can. Why does the Government have to wait for the United States before doing the right thing? Why did the Government not offer recognition to the President of the Philippines when it became clear that the people of the Philippines had given her that recognition?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, what we were waiting for was the decision of the people of the Philippines.

**Some Hon. Members:** Hear, hear!

**Mr. Clark (Yellowhead):** That is the decision which has now been made clear, and the Government of Canada has acted as a consequence.

[*Translation*]

**Mr. Chrétien:** Mr. Speaker, I have a question—

[*English*]

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** What a difference a day makes. Order, please.

* * *

● (1420)

[*Translation*]

## NORTH AMERICAN AIR DEFENCE

CRUISE MISSILE TEST PROGRAM—GOVERNMENT POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I have a question for the Associate Minister of National Defence who has answered this kind of question before.

Canadians were horrified to hear that another cruise missile has crashed on Canadian soil. Does the Government intend to stop the cruise testing program, since these tests have clearly shown that the safety guarantees provided by the American authorities are worthless with failures like these?

[*English*]

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, aside from the fact that I did not make that statement, the technical answer is that in fact there has not been a Cruise missile crash on Canadian soil in this instance. It crashed in the Beaufort Sea.

**Some Hon. Members:** Oh, oh!

**Mr. Blackburn (Brant):** Big deal.

**Mr. Speaker:** Order, please.

**Ms. Copps:** They're selling that off to the Americans too.

**Mr. Speaker:** Order, please!

**Mr. Andre:** I am advised that, when released from the aircraft, the engine on the Cruise missile did not ignite, did not start, and the missile crashed into the sea, which I guess is one of the reasons why tests are being authorized.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Really funny.

**Mr. Speaker:** Order, please.

**Mr. Broadbent:** It's a red joke, Harvie.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please!

**Mr. Chrétien:** Mr. Speaker, what we need is a test of a Minister who gives that kind of answer. The Beaufort Sea is Canadian territory, not American territory, as it was last summer.

**Some Hon. Members:** Hear, hear!

REQUEST FOR HALT TO TESTING

**Hon. Jean Chrétien (Saint-Maurice):** Is it the intention of the Government to confirm that Canadians are absolutely against the use of Canadian territory for repeated dangerous testing failures like this? Will the Government affirm to the Americans that we do not want this type of testing to escalate into the introduction of star wars testing on Canadian soil, after which we may suffer the same consequences?

**Ms. Jewett:** You started it all.

**Mr. Riis:** Ask him who started it, Harvie.

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, of course it is Canadian territory, but it is not Canadian soil.

**Mr. Turner (Vancouver Quadra):** The bottom is Canadian soil.

**Mr. Andre:** As a matter of fact it is on the ice at this time of year.

**Mr. Chrétien:** You should go on ice, Andre.

**Mr. Andre:** The Government has every intention—

**Mr. Nystrom:** Harvie for leader.

**Mr. Andre:** —of continuing the agreement negotiated by the Government of which the Hon. Member was a part.

INVESTIGATION OF TEST FAILURES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the same Minister. I point out that the soil in question was Canadian when the Liberals authorized these tests in the first place, as it is today.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** If the Cruise missile had followed its proper route in the territory where the tests are taking place, it would have come within 15 miles of communities in an area in which 30,000 people live. If there should be an accident in the guiding system, for example, people could actually be injured.

Are Canadians participating in an investigation of the failure of the two tests? Will all this information be made available to the people of Canada?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, Canadians will certainly be participating in the investigation. I am not sure that we can find a way to make all of the information available to the people of Canada without thereby making it available to adversaries of Canada.

**Mr. Benjamin:** It's our country.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

REQUEST THAT TESTS BE CONDUCTED OVER UNITED STATES TERRITORY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, information on the failure of a test system, which has been described by the Government as not being a weapon itself, ought to be made available to the people of Canada who can be affected by the failure of the system. Surely the Government should provide that information.

There have been two tests in a row which have failed. Considering that the same—

**Mr. Speaker:** Order, please. This is becoming a very long preamble. Is there a question, please?

**Mr. Broadbent:** I will come right to the question. Since we have had these failures and since there is a possibility for future danger, will the Minister act now and request the Government of the United States to test its missiles on its territory?

**Some Hon. Members:** Hear, hear!



**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, as I indicated in response to the Hon. Member for Saint-Maurice, we have every intention of honouring the agreement into which the previous Government entered. I do not think the Leader of the New Democratic Party is being totally responsible in raising these undue and unjust fears about the safety of Canadians. The corridor in question was designed to avoid population concentrations. It is carefully monitored every step of the way. There are all kinds of safety mechanisms in place. I think it would be unthinkable for Canada to suggest that what amounts to a test—

• (1425)

**Mr. Speaker:** Order, please. This is becoming a speech.

A short supplementary question.

GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, considering no one has been hurt yet, but also considering we have seen what reliance on technology alone in the shuttle program led to in the U.S.—

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** —is the Minister telling us there are no circumstances under which the Government of Canada would cancel this program? Is that what he is saying?

**Hon. Harvie Andre (Associate Minister of National Defence):** I find this incredible. Now this is tied to the space shuttle. The Hon. Member for Saint-Maurice tried to tie it into SDI. There is no relationship whatsoever. An agreement has been worked out which provides all kinds of safety mechanisms which in turn provide for the safety of Canadian territory and personnel. I have every confidence that the Canadian Armed Forces will ensure that nothing untoward or dangerous happens to Canada or Canadians.

* * *

## UNEMPLOYMENT INSURANCE

REGULATION CHANGES—INFORMATION PROVIDED BY DEPARTMENTAL OFFICIALS

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, in the absence of the Minister of Employment I am pleased to put this question to the Acting Prime Minister. It relates to the cut-backs in unemployment insurance for those who take early retirement.

Is the Minister aware that officials in the Department of Employment across the country have contributed to the hardships in this matter by giving out false and misleading information to employers and employees prior to January 1? Considering this complicity by officials of the Department in the problems which now exist, does he believe that now is the time to withdraw this cruel and unfair policy?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** That question, Sir, has been asked several times over the last few weeks. If the hon. gentleman has any information with respect to false or misleading information supplied by members of the Public Service he should make it available, and whatever action is necessary will be taken.

REQUEST THAT POLICY BE WITHDRAWN

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, does that mean if we provide the Government with this information it will withdraw the policy? I would like that commitment from the Minister, because I am ready to give him the information if he makes a commitment to withdraw the policy once I do so.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, again the question has been answered several times, as was his main question. If the hon. gentleman has any charges to make with respect to false and misleading information being supplied by members of the Public Service of Canada, he should make that information clear and available so that appropriate action might be taken.

* * *

## AIR SAFETY

FUNDING OF CANADIAN AVIATION SAFETY BOARD

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is directed to the Minister of Transport. As he is no doubt aware, the Canadian Aviation Safety Board has been unable to handle major accidents and literally hundreds of accident reports properly because of the Government's restraint program. Will the Minister assure Canadians that, regardless of what cuts are forthcoming tomorrow, the safety of Canadians will not be compromised further, and that the budget necessary for safety-related boards such as the CASB will be increased to meet their mandates?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, I have given that assurance in the House and publicly on many occasions.

COMPLETION OF ACCIDENT REPORTS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, will the Minister ensure that the budget necessary to complete promptly all aviation accident reports is forthcoming? I would point out that the Husky aircraft which crashed in Prince Rupert one year ago is already in a museum and there has been no accident report.

**Hon. Don Mazankowski (Minister of Transport):** The Hon. Member could check with the chairman of the Canadian Aviation Safety Board and I think he will find there has been close co-operation regarding the allocation of the necessary funds to do the job properly.

[*Translation*]

## UNEMPLOYMENT INSURANCE

DIFFICULTIES FACING EARLY RETIREES

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is directed to the Deputy Prime Minister. According to a report by the Office de la construction du Québec, 5,432 pensioners will not be entitled to unemployment insurance, despite the fact they have paid their premiums. What is the Deputy Prime Minister going to do for these 5,432 Quebecers who will not be able to support their families on their pre-retirement benefits alone?

● (1430)

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, that question has been answered as recently as five minutes ago. The matter is before the Forget Commission and they will be reporting in due course.

[*Translation*]

SCOPE OF REGULATION

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, I did not get an answer to my question.

Does the Deputy Prime Minister intend to announce today that the regulation does not apply to people who took pre-retirement before January 5, 1986? They were not aware of the regulation at that time.

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** The decision was announced over a year ago as a collective decision of Cabinet, Sir, and the answer remains the same.

* * *

[*Translation*]

## ENERGY

REQUEST THAT MINISTER OPPOSE GASOLINE TAX INCREASE

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

This morning, we met with the national committee for bringing down the cost of gas, which is asking the Government for a fair price on gasoline.

Since the Hon. Member for Duvernay suggested to the Minister of Finance that he refrain from increasing the tax on gas in his Budget, could the Minister inform the House whether she has already taken up the cause of consumers by putting the same request to the Minister of Finance?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I have already come to the defence of consumers by putting in place an energy policy which allows the consumers to benefit from the decline in oil prices.

REQUEST THAT MINISTER DIRECT PETRO-CANADA TO REDUCE PRICES

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I have a question directed to the same Minister. Considering that the consumers are paying 10 cents a litre too much at the pumps right now, and the price is too slow in coming down, is the Minister prepared to direct Petro-Canada to take the lead in reducing gas prices to the consumers, as demanded by the Hon. Member from Duvernay?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** No, Mr. Speaker.

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## SEARCH AND RESCUE

IMPLEMENTATION OF *OCEAN RANGER* COMMISSION RECOMMENDATIONS

**Hon. James A. McGrath (St. John's East):** I would like to direct my question to the Associate Minister of National Defence. Mr. Speaker, this month marks the fourth anniversary of the tragic loss of the *Ocean Ranger* with 82 lives. I want to ask the Minister if the Government is now in a position to respond to the search and rescue recommendations made by the *Ocean Ranger* Royal Commission?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, consideration of that matter before the Cabinet is imminent, and being a Privy Councillor the Hon. Member knows I cannot discuss the agenda or the specific time, but it is imminent.

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[*Translation*]

## ENERGY

REQUEST THAT MINISTER DEMAND CERTAIN UNDERTAKINGS FROM PETRO-CANADA

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

This morning, we met with the national committee for bringing down the price of gas, and these people wanted to know whether the Minister was prepared to ask Petro-Canada to publish in advance a list of the prices paid for its crude oil, with the dates on which it will have to pass on the price reduction to consumers.

Is the Minister prepared to ask Petro-Canada to do this?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I think that Petro-Canada would certainly be in conflict with combines legislation if it announced in advance what price decreases it contemplated. I have already told the House that consumers are enjoying the start of a decline in gasoline prices, and they can look forward to further declines in the coming months.

[*Translation*]

INQUIRY IF MINISTER AGREES WITH MEMBER FOR DUVERNAY

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a supplementary for the same Minister.

Does the Minister agree with the Hon. Member for Duvernay who said that Petro-Canada's new policy is similar to that of the other multinationals and ignores the interests of consumers?

Does the Minister agree with her colleague's statement? Yes or no?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I can only point out that last week Petro-Canada followed the lead set by Imperial Oil in cutting gasoline prices. I certainly feel that that is to the benefit of consumers.

* * *

## FINANCE

FUNDING OF RESEARCH TO MANUFACTURE SUGAR FROM TREES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is for the Minister of State for Finance. She will be aware that Organic Research Limited of Manitoba is a company that is using a limited partnership aspect of the tax system as a scam for wealthy investors. Does the Minister think that it is fair that the ordinary Canadian taxpayer is subsidizing investors in a company that is doing research into turning trees into sugar?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, as the Hon. Member well knows, this Government has done more to close tax loopholes than any Government in the history of Canada. We have taken any number of steps in this House and committed ourselves to the taxpayers time after time. I think the Hon. Member knows that.

EFFECT ON SUGAR-BEET INDUSTRY

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, is she prepared to close the sugar hole in this respect? Does she think it is fair when the sugar-beet industry in Canada is on its knees that the tax system should be used to encourage invest-

ment into turning trees into sugar? Is this a fair thing to be using the tax system to accomplish?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, not only have we done a lot to close loopholes, we have done a lot for farmers, and we have shown great concern for the farmers and the agricultural industry throughout Canada. I think that the question is misplaced.

* * *

[*Translation*]

## INDUSTRY

### INQUIRY WHETHER QUEBEC REFINING CAPACITY IS INSUFFICIENT FOLLOWING CLOSURE OF GULF REFINERY

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

Yesterday, before the Canadian Restrictive Trade Practices Commission, two federal ministers were making contradictory statements on the refining capacity for crude oil in Quebec. I want to ask the Minister whether the Government could stop shilly-shallying and give us its official version, whether there is a shortage of capacity for refining oil products in Quebec as a result of the closing of the Gulf refinery.

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, as I have already told the House, my Department's report shows that the refinery capacity in Quebec is in balance. As I understand it there are a number of reports, including the report of my Department, which have been referred to the Restrictive Trade Practices Commission for further study.

[*Translation*]

### MINISTER'S POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, since the Minister has just given us what seems to be her version, may I ask why she gives the impression of being the sole possessor of the facts in all North America, when the O'Farrell Report, the *Oil Buyers Guide,* Statistics Canada and the Quebec Minister of Energy all agree there is a lack of refining capacity in Quebec? Yet she says she is right. Why?

[*English*]

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Possibly the discrepancy arises because these other sources of information did not have the benefit of the superb report done by my Department.

## SOCIAL AFFAIRS

### PROPOSAL MADE BY CITIZENS FOR PUBLIC JUSTICE

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. A coalition of major religious organizations proposes a major attack on poverty that would provide community jobs, training, child care and guaranteed incomes, to be paid for by tax reforms. Does the Minister support this proposal of the Citizens for Public Justice and will he include this in tomorrow's Budget?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the proposal that the Hon. Member has made mention of is one that is seriously put forward by a number of church groups. It is responsible to look at the proposal very seriously. I have yet to receive a written copy of their proposal, but I would hope that I would be able to sit down with them at an early date to look at the proposal and hear their comments on it.

### CHILD CARE FUNDING

**Ms. Margaret Mitchell (Vancouver East):** Does the Minister agree with these churches that there should be extra funds in this Budget to expand comprehensive child care as part of a major attack on poverty?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I think it is prudent to have them present the proposal to the Government. Once that has been done and examined, then I think a comment can be made.

* * *

[*Translation*]

## TOURISM

### ADVERTISING CAMPAIGN—INQUIRY WHEN GOVERNMENT WILL SUPPRESS SEXIST SCENES AND PROVIDE ADDITIONAL FUNDS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, my question is directed to the Minister of State (Tourism), who launched a $20 million advertising campaign last week which, considering inflation, the falling dollar and production costs, is entirely inadequate, and furthermore, the campaign was judged to be sexist.

My question is as follows: When is the Minister going to drop the sexist scenes from this campaign and release additional funds in order to enhance Canada's image abroad?

[*English*]

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, first of all, the $20 million ad campaign is the largest amount of money that this country has ever spent in a very target specific and product specific way in the United States market. Number two, the ad campaign is in no way sexist.

● (1440)

[*Translation*]

INQUIRY IF DECREASE IN GASOLINE PRICE WILL BENEFIT INDUSTRY

**Mr. Fernand Robichaud (Westmorland-Kent):** I have a supplementary for the same Minister, Mr. Speaker. Of course the best advertising would be a reduction in the price of gas. Could the Minister give the House the assurance that falling gas prices would benefit the tourist industry and not the Minister of Finance through an increase in the tax on gas?

[*English*]

**Hon. Jack Murta (Minister of State (Tourism)):** Mr. Speaker, our best tourism thrust into the United States market, which is our largest market, is to make sure that the Americans are aware that Canada is a good destination. That is exactly what we are doing.

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## HEALTH

FEDERAL TRANSFER PAYMENTS TO PROVINCES

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In the last week the National Union of Provincial Government Employees, the Canadian Medical Association, and today the Canadian Hospital Association condemned the Government's intentions to cut transfer payments. Will the Minister release any figures he has that indicate what the expenditures for health will be in the next five years?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I am pleased that the Hon. Member raised that point because I met with the Canadian Hospital Association today. I pointed out that the increases in the legislation before us are above inflation. Regrettably, the provincial Government in Manitoba did not even meet that.

HEALTH COSTS PROJECTION INQUIRY

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Minister must answer one question. He is the Minister of Health for the whole country. Will he finally stop playing cheap politics and answer the question?

**Some Hon. Members:** Oh, oh!

**Mr. Murphy:** Where are his figures indicating what will happen to the health system of the country? Stop playing politics and answer that question.

**Mr. Speaker:** Order.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I pleased that the Member has changed his *modus operandi*. I imagine that he will be staying in Ottawa until March 18.

If he looks at the projections for health care he will see that the Government is projecting increases in the block funding for health care and post secondary education. That was discussed very fully with the Prime Minister and the Finance Minister at the First Ministers' Conference in Halifax.

I say to the Hon. Member that if Manitoba had met its obligations for post secondary education and health care, and had even matched the federal Government, it would not have the problems it faces today.

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## ENVIRONMENTAL AFFAIRS

FUTURE OF PRAIRIE WILDLIFE INTERPRETATION CENTRE

**Mr. Geoff Wilson (Swift Curent-Maple Creek):** Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan. Has he been able to make suitable arrangements for the continued operation of the Centre for the 1986 summer season and thereafter?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, as the Hon. Member will know, the Prairie Wildlife Interpretation Centre is an important tourism and environmental facility. Because of the persistence of the Hon. Member, I am pleased to confirm in the House today that the funding is in place.

**Some Hon. Members:** Hear, hear!

**Mr. McMillan:** I will be signing an agreement with Mr. Russell Wall in a few days. The Centre will be open and it will be able to operate not only on time but, indeed, early.

**Mr. Speaker:** Order, please.

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## AGRICULTURE

SITUATION OF SUGAR-BEET PRODUCERS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the plight of the sugar-beet producers. In view of the fact that the sugar-beet producers are planning a demonstration for March 3, will the Government announce any policies it has for assisting this industry and stop the nonsense of causing that expenditure to organize a demonstration in order for those producers to get what is already rightfully theirs?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the last time that I answered that question I indicated to the Hon. Member that the Government was extremely concerned about the future of the sugar-beet industry, thus the reason for our taking action a year ago.

I also indicated that we are taking our time to ensure that when we reach our final decision we will indeed have an appropriate and proper policy to announce.

[*Translation*]

REQUEST THAT MINISTER DISCLOSE INTENDED ANNOUNCEMENT

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my supplementary is as follows: I would like to ask the Minister whether in a statement that is expected shorthly and has been expected for some time, he intends to announce both a long term policy and the stabilization mechanism he has refused to give these producers up to now?

[*English*]

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, when the Government makes its final decision it will be announced at the appropriate time.

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## NUCLEAR ARMAMENTS

FAILURE OF CRUISE MISSILE TESTS—REQUEST FOR INVESTIGATION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Associate Minister of Defence and is supplementary to others. Considering that both tests of the Cruise that have taken place this year have failed and that there is population in the area, will the Minister at least assure us that no more tests will take place in Canada until there has been a full investigation of the causes of these crashes and we in the House see that report?

**Hon. Harvie Andre (Associate Minister of National Defence):** Mr. Speaker, that goes without saying. There will be no further tests until we determine the cause of this crash. That is part of the agreement and it is common sense. We are following a common sense procedure.

I will certainly make every effort to inform the Hon. Member and the House, to the degree that is possible, without violating any security arrangements that might be of benefit to our adversaries.

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## RAILWAYS

NEWFOUNDLAND RAILWAY—ORDER TO INCREASE FREIGHT RATES—TERMS OF UNION

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Justice. He will be aware that in reaching its decision to order TerraTransport in Newfoundland to increase its freight rates, the Canadian Transport Commission considered and dismissed the Terms of Union between Newfoundland and Canada as the basis for continuing low freight rates in the Province of Newfoundland. Has the Minister examined whether Section 276 of the Railway Act, as indicated by the CTC, in fact supersedes the Constitution of Canada and the Terms of Union contained within that Constitution?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, nothing supersedes the Constitution of Canada so I do not believe that would be the question at issue here. I will have the judgment of the Canadian Transport Commission checked to see what they said in connection with the interpretation of the Terms of Union. Of course, nothing in the Constitution is more sacred than that.

REQUEST THAT IMPOSITION OF INCREASES BE POSTPONED

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my supplementary question is directed to the Minister of Transport. Given that answer by the Minister of Justice, will the Minister of Transport assure the House that he will cause no action to take place on these rate increases that have been ordered by the CTC—and are due to take place in 10 or 12 days—until his colleague, the Minister of Justice, has determined whether the Terms of Union between Canada and Newfoundland supersede any regulation of his Department or any decision by the CTC?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, there is a 30-day appeal period. It is my understanding that the implementation of the rates would not take place for 60 days.

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## ENERGY

ALBERTA OIL INDUSTRY

**Mr. Murray Dorin (Edmonton West):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. She met with her counterpart from Alberta yesterday to discuss, among other things, the impact of falling oil prices on that province. Will she advise the House what measures, if any, were discussed to ensure the continuing strength of that vital Alberta industry?

**Hon. Pat Carney (Minister of Energy, Mines and Resources):** Mr. Speaker, I met with the Alberta Energy Minister as part of ongoing consultations with Ministers under the Western Accord. We discussed many subjects, including the outlook for oil pricing in the next while. It was our view that the situation is very volatile and we should not have any knee-jerk reactions to the situation at this time. However, we did agree to keep in very close contact and to share information in this field.

## TRADE

### CANADA-UNITED STATES NEGOTIATIONS—STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last week Ambassador Reisman accused the Premier of Ontario of using a misleading study about free trade job disruption. Does the Government recognize that this form of insult undermines good federal-provincial relations, and will it tell Mr. Reisman to try to reach agreement with the provinces rather than criticize them publicly?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, if the Hon. Member were genuinely interested in how this process works he would know that there has been a remarkable degree of agreement reached in the meetings among officials, pursuant to the agreement among 11 Governments at the Halifax First Ministers' Conference.

● (1450)

**Mr. Langdon:** Unfortunately, that does not answer the question.

### MEDIA REPORT

**Mr. Steven W. Langdon (Essex-Windsor):** Does the Minister also endorse Mr. Reisman's comment in the same article that: "Everything is on the table" and "We must talk about whatever the Americans want to talk about in these negotiations"?

**Mr. Epp (Thunder Bay-Nipigon):** A colonial mentality.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the position of the Government is well known. The Americans can raise what they want to raise at discussions which might occur. The position of the Government of Canada as to what is negotiable is well known.

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## CRIMINAL CODE

### PROVISION GOVERNING REPORTING OF POLICE SEARCHES

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is directed to the Minister of Justice. Do he and the Government accept the recent use by Bell Canada of the new Section 443.2 of the Criminal Code to muzzle the media from reporting a police search where the actual suspects—who are clients of Bell Canada—want, in that particular case, to make their problem public and to expose what they consider to be an improper police investigation? Does that not take the Section too far?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, we support Section 443.2 of the Criminal Code which was inserted into the Criminal Code with the unanimous support of all Parties in the House. In fact the Hon. Member's Party proposed that with certain amendments in 1984. We do not intend to change our minds simply because there has been criticism of it by some sections of the press. The Section is there to protect people who may be innocent when a search is made on their premises. If they wish to consent to the information being made public, it can be. If charges are laid against them, it then becomes public. I am satisfied there is proper protection of the privacy of people who may very well be innocent and I see no reason to change the Section.

I am somewhat surprised that the hon. gentleman is opposed to it, as well as the honourable critic for the NDP—

**Mr. Speaker:** Order.

**Mr. Crosbie:** —who in committee suggested—

**Some Hon. Members:** Sit down.

**Mr. Speaker:** Order, please. This is becoming a speech.

### REFERENCE TO BELL CANADA

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I want to ask the Minister about his reasoning. If the suspects themselves want to go public, why should Bell Canada have the right to prevent them from doing so? What is the fairness of that? And what is achieved by taking the Section that far?

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I believe in this particular instance Bell Canada is one of those whose premises were searched. Therefore, under the Section, those people whose premises are searched have to give their consent unless charges are laid. There is an adequate protection. The press, or whoever, can obtain all of the information they like. They are simply forbidden to publicize certain aspects of it.

I might say, Mr. Speaker, that in the committee—

**Mr. Turner (Vancouver Quadra):** Order.

**Mr. Crosbie:** —the Hon. Member—

**Some Hon. Members:** Order.

**Mr. Crosbie:** Well, the truth hurts. The hon. gentlemen are weaseling now—

**Mr. Speaker:** Order, please.

**Mr. Crosbie:** —and they took an opposite position in committee.

**Mr. Rodriguez:** You can't make a speech. Sit down.

**Mr. Speaker:** Order, please.

*Oral Questions*

## AGRICULTURE

### PRODUCTION OF GENERIC FARM CHEMICALS

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the wise Minister of Agriculture.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** It would be wise just to put a question.

**Some Hon. Members:** Oh, oh!

**Mr. Nystrom:** Just wait till you hear the answer.

As the Minister knows, the Senate Agricultural Committee recently recommended legislative changes which will save farmers millions of dollars, as did Generic Pharmaceutical recently for consumers. Will the Minister agree to a change in the Patent Act which would reduce the exclusive right a farm chemical company has from 17 years to four years?

**Some Hon. Members:** Right on.

**Mr. Rodriguez:** Wise question.

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the interest of the Hon. Member in the subject but I believe, if he will think for a moment, he will have to recognize that if there are any changes with respect to that specific subject, it will not be forthcoming from the Minister of Agriculture—

**Mr. Nystrom:** I know that.

**Mr. Wise:** —but will be coming forth on behalf of the Government—

**Mr. Benjamin:** What are you doing about it?

**Mr. Wise:** —from the appropriate Minister, the Minister of Consumer and Corporate Affairs.

**Ms. Jewett:** Can't you give him advice?

### REQUEST THAT MINISTER SEEK AMENDMENT TO PATENT ACT

**Mr. Lorne Nystrom (Yorkton-Melville):** Will the Minister of Agriculture recommend to the Minister of Consumer and Corporate Affairs an amendment to the Patent Act which will reduce the exclusive right of farm chemical companies from a 17-year patent to four years so we can save the farmers millions of dollars?

**Mr. Rodriguez:** Give us a wise answer.

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the Hon. Member should recognize, because it is a fact, that the Minister of Agriculture and the Minister of Consumer and Corporate Affairs do consult frequently and often.

**Mr. Rodriguez:** Waffle.

**Mr. Wise:** He will also recognize this is not the appropriate forum in which the two Ministers should consult.

**Mr. Rodriguez:** Waffle.

**Ms. Jewett:** Why not?

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[*Translation*]

## ADMINISTRATION OF JUSTICE

### WOMEN—GOVERNMENT POSITION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Minister of Justice.

We are anxious to have the Government's response to the equality report which deals with a number of very important matters such as sexual orientation and equality for women in the military.

I would like to ask the Minister: How can we be expected to trust the good faith of the Minister of Justice and another Minister—I am thinking of the Minister of State (Tourism) who just announced an advertising campaign this week which treats women as sex objects—how can we trust in the good faith of the Minister of Justice?

[*English*]

**Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada):** Mr. Speaker, that is the most convoluted and confused question I have ever heard. In the first place the Canadian Armed Services have a very positive approach to the employment and utilization of women in the Armed Services. In fact the Canadian Defence Forces have the third highest number—

**Mr. Hnatyshyn:** Second.

**Mr. Crosbie:** —of women employees in its ranks of any forces in the world. Only the United States and one other country are ahead of us. Are we second?

**Mr. Hnatyshyn:** Second.

**Mr. Crosbie:** Oh, we are the second. That's far better.

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** And we admire the contribution of women to the Canadian Armed Services and we will continue to do all we can to see that they—

**Mr. Speaker:** Order.

**Mr. Crosbie:** —advance and their numbers are increased.

### EMPLOYMENT OF WOMEN BY CANADIAN ARMED FORCES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I can anticipate that the Minister's response next week is not going

to be positive. Will he tell us whether he thinks the Canadian Armed Forces are fair when out of their approximately 84,000 jobs, some 70,000—

**Mr. Clark (Yellowhead):** Order.

**Ms. Copps:** —jobs are denied to women?

**Mr. Speaker:** I find it very difficult to see how that question can be to the Minister of Justice. If the Hon. Member would like an answer by the Minister of Defence? However, the Hon. Member for Scarborough Centre.

**Mr. Keeper:** What is this?

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## CANADA POST CORPORATION

### PRIVATE ENTERPRISE DOOR-TO-DOOR DELIVERY

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister responsible for Canada Post. I understand that many Canadians who do not receive mail delivery to their homes are hiring enterprising young people to pick up their mail from community boxes to deliver it door-to-door on a daily basis. Could the Parliamentary Secretary tell the House if this kind of service signals a first step toward a greater contracting out of postal services?

**Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I think it would be appropriate at this time on behalf of the Minister of Consumer and Corporate Affairs to recognize the appointment of the President of Canada Post here in this House of Commons, Mr. Don Lander.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order.

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## AUTOMOTIVE INDUSTRY

### IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. A few days ago the Japanese Minister of Industry announced that his country was extending for the sixth year its quotas on exports of Japanese cars to the United States at the same levels as the present year. Could the Minister inform the House whether he has made a request for similar treatment by Japan with respect to exports of cars to this country? If not, does he intend to do so?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I am very pleased to receive that representation from the Official Opposition. With respect to the question to which the Hon. Member referred, I am sure he is inclined to congratulate the Government for so effectively handling the quota question last year so that we received over $1 billion of fresh non-Canadian investment in the auto industry in Canada.

### INQUIRY CONCERNING QUOTAS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I would like to ask the Minister if he does not realize that, if the United States has quotas and Canada does not, there will be a diversion of Japanese cars from the United States to the Canadian market, threatening Canadian jobs and production? Why will the Minister not say right now that he is going to seek quotas for the coming year from Japan on exports of its cars to this country?

• (1500)

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the Hon. Member is always playing catch-up. The fact is the quota to which he refers is not an American quota but a voluntary restraint on the part of the Japanese. In the case of the United States, last year it was 21 per cent. In the case of Canada, it was 18 per cent. Once again we are one step ahead of the Member for Windsor West.

**Some Hon. Members:** Oh, oh!

**Mr. Riis:** You're the Minister!

**Mr. Speaker:** Order, please.

I am in receipt of a notice of a question of privilege to be raised by the Hon. Member for Hamilton East (Ms. Copps).

**Some Hon. Members:** Oh, oh!

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## PRIVILEGE

### DISALLOWANCE OF QUESTION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker—

**Some Hon. Members:** Shush!

**Ms. Copps:** I am not sure whether or not this is a question of privilege. However, I should like to seek your guidance in the matter. In light of the attempt by all sides to develop some new guidelines and new civility, I would like to ask the Speaker—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Hon. Member is entitled to make her point.

**Ms. Copps:** I would like to ask the Speaker if we could have some direction from the Chair with respect to the directing of questions during Oral Question Period. I felt that with respect to my particular question, given that the Minister of Justice

(Mr. Crosbie) is responsible for co-ordinating the response from some 14 ministries with respect to the *Equality for All* Report, it was completely in order. I was somewhat surprised that it was ruled out of order.

**Mr. Speaker:** Perhaps I misunderstood the Hon. Member's preamble. I will check the "blues". I understood she was asking a question of the Minister of Justice about whether something in his view was fair within the Department of National Defence.

**Some Hon. Members:** That's right.

**Mr. Speaker:** I would be happy to look at the "blues" in order to see what the Hon. Member did say. I will get back to her in this regard. If it is a matter of a communications confusion and I am at fault, then I will be glad to apologize to the Hon. Member.

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## GOVERNMENT ORDERS

[*Translation*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND

The House resumed consideration of the motion of Miss MacDonald that Bill C-55, an Act to amend the Immigration Act, 1976, be read the third time and do pass.

**Mr. Speaker:** When the House took recess at one o'clock, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) had the floor.

[*English*]

Resuming debate.

The Hon. Member not being here, is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Speaker:** Miss MacDonald (Kingston and the Islands)—

**Mr. Waddell:** Mr. Speaker—

**Mr. Speaker:** The Hon. Member for Vancouver-Kingsway (Mr. Waddell) is rising on a point of order? We have started the question.

**Mr. Waddell:** Mr. Speaker, because of the noise I could not hear whether we are still debating the immigration Bill or not. If we are, then I would like to speak to it.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please. I think the Hon. Member for Vancouver-Kingsway has a point. I suppose it is best made by the fact that I could barely hear the Hon. Member claiming a point of order because of the noise. Therefore, the Hon. Member for Vancouver-Kingsway on debate.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I have a couple of matters I would like to raise with respect to Bill C-55. I would like to outline two particular cases, if I might, in order to illustrate my point. What we are talking about in this legislation is speeding up the decision-making process in order that would-be immigrants, or people trying to become Canadian citizens, are not left hung out to dry, as it were.

I wish to illustrate my point by outlining a case involving a man who came to see me. I will not give his name. However, I will say that he is a sawmill worker in British Columbia. He came to Canada from India in 1970. He has worked in a sawmill since 1971 as a sawyer. He is a good worker and makes about $14.86 per hour. He has been steadily employed since he came to Canada. It is a tough job in the mills and he performs it well.

He became a Canadian citizen in 1974. He married in 1982. As is the Indian custom, he married a woman in India. On June 15, 1983, he applied to have his wife come to join him in Canada. There was a delay with respect to his application. He contacted the Department of Immigration and there was a further delay. His application was ultimately refused. He filed an appeal on September 25, 1985. There will now be another delay. He was told that the delay will be at least 18 months before his appeal can be heard.

In cases such as this I have often found that the appeals are won. The appeal tribunal will often rule that, for instance in this case, it is a valid marriage and the appeal will be allowed. What will happen then is that he will have to apply again and there will be another delay of about one year.

Here we have a case of a man who was married in 1983. His appeal may be heard in 1987 and by 1988 he should be able to have his wife come to Canada. That is five years during which he has had to live apart from his wife. I say that is cruel. I do not think that is a good system of justice at all.

As well, there is an additional problem in this case. As is often the case, this man will not be able to have his wife come to visit in this five-year time span because when she goes to apply for a visitor's visa immigration officials will say that they had better not let her come to Canada because what she may do is stay here. She would then have to be deported and that would be a messy procedure. Immigration officials do not trust people in these situations to visit Canada because, after all, they have already applied to get into the country and are not really regular visitors. The man in my case is caught in a Catch-22 situation. He has to wait for the appeal process and cannot bring his wife to Canada as a visitor. What kind of way is that to treat a Canadian citizen? In this case, I think I will mention the name of the person involved. The man's name is Mr. Major Dwaliwal. I am sure he would want me to do this, in the sense that his case is typical of many cases which come before the Department of Immigration.

While I have a chance I would like to make the point that this is a problem of delay for this man. I think it is a matter of a cruel delay. There is a secondary problem resulting from it in that he cannot even have his wife come to visit him in Canada. I do not think that is a correct procedure.

While I am on my feet with respect to the immigration matter, I wish to draw to the Minister's attention another series of cases which were brought to my attention through my constituency office in Vancouver. A few Saturdays ago I was visited by a group of doctors. These were medical doctors from different countries. All of them are citizens of Canada or landed immigrants. Several of the doctors had been asked to come to Canada with the possibility of practising medicine in Canada being held out to them. It was pointed out to them that they could contribute something to the country and that they could gain as well. There were 12 doctors in this group. All of them had degrees and credentials recognized by the World Health Organization and by the Medical Council of Canada based here in Ottawa.

In order to intern in Canada two requirements must be met. First, one has to pass an exam in Canada and be evaluated by the Medical Council of Canada. Second, after the exam, one must find an intern position, after which time one becomes a doctor. The problem we have is that this is a group of foreign doctors who have become Canadian citizens. They have emigrated to Canada and cannot obtain intern positions here.

I promised this group that I would bring this situation to the attention of the Minister. It is an important problem and a very serious one for these people. I know because I met with them personally. They are good people, well-educated and willing to contribute here in Canada. As a matter of fact, they told me that there was not an over-supply of doctors in certain areas of Canada and that they would be prepared to go to these outlying areas if only they could intern in Canada. They told me that certain areas of Canada are not being served by local graduates and that they were willing to serve in these areas for three years, for example, after interning in Canada. However, the obstacle before them is that they cannot get internship positions.

• (1510)

When I spoke to these people I found that there was a pattern of discrimination here. Graduates of Canadian medical schools are getting internships. However, these people are not, and I have to make the point again that they are Canadian citizens. They are different in the sense that they were educated abroad, but their credentials are recognized after passing an appropriate test in Canada. They are qualified and they are Canadian citizens but they cannot get internships.

Remember, Mr. Speaker, that these are Canadian citizens who were educated in foreign medical schools, so I will call them foreign medical graduates. Apparently, 500 foreign medical graduates applied for internships and about 23 received them. That is a pretty low ratio. They told me that medical examinations are conducted in 23 different countries and those who take the examinations are given false hopes about what will happen when they get to Canada. They give up their jobs and come to Canada to become doctors in Canada.

Why are these examinations given if they mean nothing? Why is there a gap between what the Government of Canada says and what the medical profession in Canada does? It seems that the medical profession is more powerful than the Government.

It appears that there is a pattern of discrimination on the part of the Canadian medical profession which prefers to take local graduates as interns rather than foreign graduates. I would go so far as to say that this pattern of discrimination is in fact illegal.

On talking to these foreign medical graduates I found that they were in desperate situations. I talked to one man who could not even get a technician's job. When he applied for such a job, he was told that he could not have it because he is a doctor. He said that he was not a doctor because he could not get an internship, but they said they could not hire him because he was a doctor. He is in a never-never land. He is a doctor but he is not a doctor.

One man to whom I spoke applied as a nursing orderly. Can you believe it, Mr. Speaker? He is a foreign medical graduate who came to Canada, passed a Canadian exam, could not get accepted as an intern, applied as a nursing orderly and could not even get that job.

Two provinces in Canada seem to have avoided this situation, Manitoba and Quebec. These provinces have made an effort to offer equality of positions to foreign medical graduates.

I take the opportunity of this debate to draw this particular problem to the attention of the House of Commons, the Canadian people, the Minister of National Health and Welfare (Mr. Epp), who I see in the House, and the Minister of Employment and Immigration (Miss MacDonald). I would like to conclude by reading into the record a letter sent to me by Dr. Kanwarjit Singh on behalf of the Committee of Graduates of Foreign Medical Schools. As well, I was pleased to meet with Dr. G. Seteadrma from the riding of Vancouver-Kingsway. The letter to which I refer is dated January 28, 1986, and reads as follows:

Dear Mr. Waddell:

Thank you very much for giving us the opportunity to express our problems and concerns.

We represent the Committee of Graduates of Foreign Medical Schools working under the auspices of the Immigrant Services Society of B.C.

Our membership is constituted by Canadian citizens and permanent residents who received their medical degrees in non Canadian institutions. Our credentials are recognized by both the World Health Organization and the Medical Council of Canada.

In order to practise medicine in Canada a foreign medical graduate needs to fulfill two additional requirements, which are:

1. Pass an examination called "the Medical Council of Canada Evaluating Examination".

2. Train for a period of time in a teaching hospital, such training being known as Internship and/or Residency.

After passing the Medical Council of Canada Evaluating Examination, we are theoretically eligible for postgraduate training on the same basis as any Canadian medical graduate. From this point on there should be no distinction between medical graduates from Canadian and non-Canadian medical schools. However, in practice it doesn't work this way.

We face serious difficulties, peculiar to our group, in obtaining internships and residencies. This implies that our rights are largely ignored by those empowered to allocate internships and residencies. Under the prevailing circumstances, after many frustrating years of waiting, most of us have still not been given a training opportunity.

It is statistically recognized that there is a shortage of general practitioners in remote and rural areas, and of specialists all over Canada. The federal and provincial governments have been unsuccessful in attracting local medical graduates to serve in these underprivileged areas in spite of continuous promotional efforts and monetary incentives.

We graduates of foreign medical schools are willing to serve in these underserviced areas after mandatory postgraduate clinical training in a Canadian hospital, which is necessary before we get a licence to practise medicine.

Since there is a need for these services, we appeal to the federal and provincial authorities to create postgraduate training positions which will be available for those who are willing to serve in underprivileged areas.

We want to bring these serious difficulties that we are facing to the attention of the concerned authorities, the media and public at large because very few individuals know the hardships and frustrations we are suffering. We are grateful to the Canadian people and their government for allowing us to be in this country. We have spent many years of studies to become physicians and would like to be able to contribute our expertise as participating members of this country.

We thank you for your attention and are counting on your support in finding an equitable and just solution to our problems.

Thank you.

The letter is signed by Kanwarjit Singh for the Committee of Graduates of Foreign Medical Schools. I am pleased to put their case to the Parliament of Canada. As well, I am pleased to put before Parliament the situation of my constituent, Mr. Major Dwaliwal. I draw the attention of the Government to these humanitarian considerations that exist in the area of immigration policy, considerations that need to be addressed and addressed quickly.

**Ms. Copps:** Mr. Speaker, I am wondering if the Hon. Member could tell us of some of his own personal experiences in the City of Vancouver with respect to the delays that are currently being experienced by those who are waiting to appear before the Immigration Appeal Board, and tell us whether or not he feels that the increase in the numbers of representatives, paltry though it be, will have any impact on that.

**Mr. Waddell:** Mr. Speaker, there are delays and it is one of the biggest problems with immigration. We have to balance two things. We have to speed up the rate at which the cases are heard, but in doing this we also have to make sure that there is a just system. In this case, that system is probably an adversarial system where justice can be rendered. We do want to speed up the hearing of the appeals but we do not want to lose the justice and due process. This is a balancing act the Government has to consider.

I personally am in favour of creating more positions as long as they will be staffed by good people and not simply be excuses for patronage like the Liberals used in previous incarnations.

**Ms. Copps:** That's what I get for handing him a lob.

**Mr. Waddell:** No, there are some very good people on the Immigration Appeal Boards as well. I think we have to speed up the process a bit but we have to balance it with the need for having a just hearing. Yes, the answer is that there are many cases out there, and that is one of the big problems in immigration.

• (1520)

**Ms. Copps:** Mr. Speaker, I wonder whether the Hon. Member could address a concern of mine dealing with the perception of discrimination in respect of people coming to the country either through refugee immigration status or through family reunification. A valid impression has been left in the minds of many people that if one happens to come from a country where the skin colour of the majority is other than white, road-blocks are put in one's place in the acceptance of a marriage certificate or a birth certificate. We have even reached the point where people have to bring in blood tests to prove that they are parent and child, et cetera. There seems to be built into the system more road-blocks for people coming from non-white countries, and I wonder whether the Hon. member would comment on that.

**Mr. Waddell:** Mr. Speaker, of course the Hon. Member is right. I suspect there is something behind that regarding the foreign doctors I used as an example. Certainly that is the case in the first example I used. As I mentioned, the bureaucracy will, in a sense, outlaw those weddings. The person then appeals, and gets a reasonably fair hearing where there is a little more discretion. The appeal is allowed, but of course there is a delay for another 18 months. I think there is very much in what the Hon. Member said.

I was a lawyer. I practised some immigration law but not a lot of it. I practised a lot of criminal law and other forms of law in court.

**Mr. Lewis:** Were you good at anything, Ian?

**Mr. McDermid:** Did you do anything?

**Mr. Waddell:** I will not respond to those comments; I will just see them in court. I am trying to say to the Hon. Member that in the justice process, if we had delays and discrimination such as these that violated due process, we put money into it to speed up the cases and have it done properly. Somehow for immigration, which is very important, we do not make resources available and we permit bad process.

**An Hon. Member:** What about the cost?

**Mr. Waddell:** There is the cost, but we should be prepared to make that money available. On a broader matter, we have not quite recognized that Canada is the multicultural country we have created through immigration over the last 20 years or 30 years. We have not quite come around to the fact that this is the reality. We are still acting in terms of lowering priorities in immigration matters, in terms of discriminition, bureaucra-

cy and other things. We are still applying a standard as if we were the old type of country of the past. I do not think that answers the Hon. Member's question directly. I do not know whether she has had a chance to speak in the debate, but I would welcome that because she represents an inner-city riding as well. These problems surface every day in our constituency offices.

**Ms. Copps**: Mr. Speaker, could the Hon. Member tell us whether he feels the Charter of Rights will have any effect on the difficult situation faced by foreign medical graduates seeking employment in Canada?

**Mr. Waddell:** Mr. Speaker, I made an allusion to that in my speech. If I were a young lawyer out there again taking cases, I would take that particular case. I think the pattern of conduct in which medical associations are engaging in most provinces except Quebec and Manitoba could be illegal. There is systematic discrimination against foreign medical graduates in not letting them get internships. I would hope that would be ruled unconstitutional if the case was heard. I wish they would take the case to court. Better still, to avoid the case, I wish medical associations would change their procedures. Also I wish the Minister of Immigration and the Minister of National Health and Welfare would get themselves involved in trying to stop this terrible pattern of discrimination against foreign medical graduates.

**Mr. Orlikow:** Mr. Speaker, I should like to ask the Hon. Member two questions. Is he aware that the problem he raised in connection with foreign medical graduates is not the only illustration, that there is the same discrimination in other professions? Does this not raise a question about which we have to think, that we may have given professional organizations too much power to control their own fields? Also, when the Department of Immigration receives applications from doctors, engineers and other professionals—

**Mr. Bradley:** And lawyers.

**Mr. Orlikow:** And lawyers, yes—is the prospective immigrant warned that he or she will probably have great difficulty and that it will probably take years to practise his or her profession in most parts of Canada?

**Mr. Waddell:** Mr. Speaker, in respect of the first question, I would personally prefer it if bar associations and medical associations were self-regulated. In the long run that is a better system. This is why we have the Charter of Rights, the common law principles and so on; they still have to regulate themselves within the law. They are open to challenge if they do not. I think this is a good case, the one of foreign medical students, on which someone should challenge them.

To answer the Hon. Member's second question, people are not warned. That is what the doctors were telling me. They said they came to Canada with great expectations, and now they are stuck. They cannot even get jobs. That is a terrible tragedy and a terrible waste of resources. It is about time we did something about that.



**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I realize that Bill C-55 deals with a very specific element of our immigration policy, the appointment of the number of people who will be in positions to oversee the tremendous backlog of applications for refugee status. However, it seems that the opportunity given us by third reading of the Bill is to examine some of the questions which were not put before the House in Bill form, and to examine some of the questions which have been ignored to date on a systemic basis.

There has certainly been a crying need over the last number of years for a total review of immigration policy, not only with the view of encouraging more people to come to this great country, but of determining that support systems are available for those people whom we welcome into our country either as refugees of a political nature or under the family reunification program.

I should like to deal, first and foremost, with the issue of family reunification. Most of us in our capacity as Members of Parliament—and it is certainly the case in the riding of Hamilton East—represent people of many different cultures and from many different countries. I face a demand as a Member of Parliament from families who have tried every means of facilitating reunification with their loved ones in other countries. There are times in my office on a Saturday morning when I will have a family in tears. In fact, about a week ago I was most pleased to hear the Secretary of State for External Affairs (Mr. Clark) say that he was working very hard to facilitate the reunification of the Estonian family, a situation which was raised by a Member from the City of Toronto. That two-year old child, about whom the Minister spoke, is not alone in being isolated from her family.

• (1530)

There was a couple in my office last week who were forced to leave their eight-year old daughter in Romania. They applied for a visa and had to wait a very long time for it. When the visa was accorded, the Government would not allow the child to leave with the parents and she stayed in the care of the grandparents. The parents have been in Canada since September of 1984, and have applied for political refugee status. They have been waiting for their case to be heard. Their case is clear, they are legitimate political refugees. In the meantime, their daughter languishes in Romania. She has been punished by the Romanian Government to the extent that she is not allowed to go to school. This eight-year old child has been separated from her parents for almost 19 months and has been punished to the point of being denied an education.

While it is admirable of the Secretary of State for External Affairs to raise issues of individual concern, he must recognize that this is not an isolated case. The situation faced by the Estonian family is faced by hundreds and thousands of families across Canada. People are going to bed every night with their hearts breaking. There was a woman crying in my office just last week because she longed for her daughter. She did not know whether she would see her daughter again or when the Canadian Government was going to deal with her application.

They have not been denied by the Canadian Government, but are on the list of the 20,000 people who are waiting for a fair hearing, which is the right of immigrants to Canada.

We have heard the other side of the story, Mr. Speaker. One of the things that politicians must face in Canadian society is a certain level of bigotry, of fear, and of racism directed toward the people who would, allegedly, steal our jobs. I have heard it in my own riding. People call me up and ask why I am fighting on behalf of immigrants who came to this country and stole our jobs. However, we know full well that immigration creates jobs. People who are working, in many cases for a minimum wage, and are pooling their resources, are forced to spend almost every last penny of their earnings to keep themselves afloat. These people are contributing to the economy in a far more direct way than those of us who can afford to sock away our dollars or benefit from a capital gains exemption. Every dollar paid in a salary to immigrants is spent because those immigrants want to establish themselves. They want to buy a home.

I had a very personal experience in the days of the exodus of refugees from Vietnam. I was involved with a group that sponsored a family from Vietnam. At that time I took over publicity for Operation Lifeline. I received hate letters and calls from people asking why I was getting involved with these people. The members of the family that I helped to sponsor are now working, although not at great jobs. One of them eventually got a job at a major steel mill and then was laid off, like many other people. However, most of them are working at jobs in clothing factories where they are earning only a little more than minimum wage. A couple of them are working in restaurants.

It is wonderful to see what they have done and to see the joy on their son's face because he is taking piano lessons. He is a great musician. Mr. Speaker, I realize that that family has taken nothing from the country; in fact, it has given. That family has shown what a family can do when it puts its hearts and minds together and is prepared to live in crowded circumstances and to pool its resources.

Public policy of immigration should be used to facilitate that kind of reunification and to facilitate the immigration of people to this country who stand a good chance of making it and of making an economic contribution. I was disappointed last year when the Committee on Immigration took the position that we should be considering increases in the area of entrepreneurship. It is not that I am against entrepreneurs. More power to you if you can make a buck through the sweat of your brow and your own imagination. However, I also think that the so-called entrepreneur program, which basically defines someone who has money, should not necessarily be the criterion upon which we encourage people to come to this country. My great uncle may have died and bequeathed me $.5 million, but does that mean I would necessarily make a contribution to our economy? If one looks at Canadian success stories, in many cases those people came to this country as immigrants with $10, $20, or $100 in their pockets. My ancestors were driven out of their country during the potato famine because they did not have enough to eat, and they came to Canada.

I would like to refer to what we have been doing with Bill C-55 and other legislation which considers the question of family reunification as it relates to those with disabilities. I think a lot of people are praying that the changes which were recommended in the equality report, as it deals with immigration, will be implemented.

[*Translation*]

Specifically, Mr. Speaker, there is one question that was never addressed by the Committee or by the Minister of Employment and Immigration (Mrs. MacDonald), and that is the question of the immigration of young children or relatives who are less developed mentally. I am not sure about the French term, but in English the term used to be:

[*English*]

—mentally retarded child or developmentally retarded child, not a developmentally advanced child. I can give the Minister chapter and verse of cases which have been brought to my attention of people who have been denied reunification with their children because the children have been defined by a medical expert, or whatever, as not having an IQ high enough to come to this country. In some cases they are working on farms and able to support themselves in their home country, but they are denied the right to come to Canada. I am pleased that the equality report which followed the Charter is recommending to the Government that we change the discriminatory clauses in our Immigration Act which prevent people from coming to Canada if they have been classified as being in that so-called sub-group of developmentally handicapped, because that is not fair.

In the same way we should be considering the establishment of a process which will permit people from countries other than the white Anglo-Saxon countries to get a fair shake with regard to immigration. I have many friends from India as well as Pakistan who have been extremely disconcerted by the attitude which they sometimes face when, with the assistance of relatives here in Canada, they make application in their home country. In many cases they have to travel hundreds, if not thousands, of miles to arrive at the consulate only to be told that their birth certificate or their marriage certificate is invalid. Perhaps their way of doing things is not exactly the way in which we operate here in Canada. We must build in, not only flexibility, but also sensitivity.

I was pleased when, some months ago, by way of intervention from the Hon. Member for Hamilton Mountain (Mr. Deans) and myself we were successful in convincing the Minister of Employment and Immigration (Miss MacDonald) to issue a special visa to a family that came from Iran. I hope this message reaches thoses people who are working on the front lines. Like the people who work in your constituency office, Mr. Speaker, they may have all the best intentions in the world. They are on the front lines for Canada and, even if the answer is not a positive one, at the very least they should be decent, polite, and accommodating.

This particular family had a daughter-in-law and a son living in Canada with a four-year-old child. They had five other children living in Iran and had no intention of immigrating to Canada. They wanted to come to see their son, whom they had not seen for seven years, and his new wife and their new granchild. Because of the difficult political situation in Iran, when the visa was issued they had to leave the country immediately. The visa was not issued for Canada because there is not a Canadian embassy there. They were advised to go to Switzerland and make an application at the Canadian consulate in Switzerland and they did so. When they arrived in Switzerland the immediate reaction of the official involved was that these people were from Iran. "There is no way we touch Iranians because they are coming to this country to live, they are not here on valid visitor's permits", he said. All the long-distance phone calls from my office or that of the Hon. Member for Hamilton Mountain were not going to convince this particular official that this family was coming to Canada to see a son they had not seen in seven years and a grandchild who was then, I think, four years old.

• (1540)

We intervened with the Minister and she took the bull by the horns and said she would issue the permit, which she did. For that we were very grateful. Unfortunately, many people do not realize that they have that recourse, that you can get all of the Parties together even when the House is not sitting, or that the Minister's disposition is going to be as positive in other cases as it was in this.

Obviously the Minister cannot deal with every single immigration issue which crosses the desk of every official. The point is that we have an obligation to develop systems which take into consideration the needs, not only of those people who are working in the hinterlands, as it were, in our consulates and immigration offices, but we also have to build systems which will offset the kind of endemic and systemic discrimination we have seen in the backlog of refugee applications. Most of those people are not necessarily coming from what we would call the traditional white anglo-saxon countries. They come from countries where political unrest is something we only see on television and hope will never happen here. We have to develop a system which will not only take that into consideration, but one which will keep paramount the notion that family reunification should be the number one objective of our immigration policy. You can lose your money, you can lose your home and a lot of other things, but if you have your family you have something to build on. There is a built-in bonus to a policy which says that when the number of immigrants is to be increased—and I believe it should be, and substantially so. Because it creates jobs and increases economic activity, let us not do it just for those people who have $250,000 or $500,000 to invest. Frankly, most people are not in that range.

There is a lot of work to be done in this area. I have files here, and there are dozens and dozens more where they came from, concerning people who have had a problem with the system. I am afraid that a two-page Bill dealing with the single issue of more appointments to the IAB will not solve these problems. What we need is a long-term look at where we are going, how we can open our doors, how we can encourage more immigration to help build Canada. This country was built by the work of immigrants and their families and that is the kind of policy we should be implementing as we enter the 21st century.

**The Acting Speaker (Mr. Charest):** Questions or comments?

**Mr. Hovdebo:** Mr. Speaker, the Hon. Member spent considerable time on the lengthy process involved in getting applications started and completed. I wonder if she has had experience with the long and sometimes tedious process that refugees have to go through only to find themselves suspended, as it were, by the Department, sometimes for several years. Can she comment on that particular problem?

**Ms. Copps:** Mr. Speaker, in some cases these individuals are faced with a double whammy. They may have fled their country because of political or economic persecution, or a general lack of individual freedom. They come to Canada, make application as bona fide political refugees, yet in many cases are denied the opportunity to seek gainful employment, for example, while their application is under review. Obviously if the application takes years—and we have seen a number of refugees who have waited two or three years—they have to be either a self-supporting millionaire or have an awful lot of friends in order to survive. If they are able to work, in many cases they establish themselves as part of the community. I had a gentleman in my office a couple of weeks ago who has been working as a baker. He has been in this country for a number of years. He has a second job as a fur-cutter. This is a very specific profession. Yet, because of some of the regulations and/or delays, he is facing great financial hardship.

Obviously these questions can be addressed only through an over-all look at the problem. It cannot be done simply by attempting to deal with one particular problem involving the Immigration Appeal Board. Tripling the number of members will not solve the problem when you have a backlog of thousands. It would be unfair to suggest to the public that this Bill is the answer. Obviously it will speed up the process to the tune of a few dozen a week, but when you have thousands of people waiting, they are going to be waiting for a very long time.

**Mr. Marchi:** Mr. Speaker, I listened with great interest to my colleague when she spoke about her experience as a Member of Parliament and as a member of the Ontario Legislature concerning immigration problems. I am sure there is some similarity between the problems she faces in Hamilton and the ones I face in Toronto. I have found that while the family reunification plan is working well, the system is breaking down in the flood of applications, continuously refused, of people who are trying to sponsor extended family members for immigration, that is to say, uncles, aunts, nephews and nieces. I cannot understand why we are not approaching this problem in a more systematic and serious way. I just wondered if that

was her experience in Hamilton, and if so would she enlighten the Government on the advantages of placing a little more emphasis on allowing greater flexibility concerning these applications? These people would come to Canada not as independents or entrepreneurs, but as people who have the support of a family living in this country.

**Ms. Copps:** Mr. Speaker, I happen to have been lucky enough in my constituency office to have had an excellent assistant on these matters in the person of Don Drury. Unfortunately, because we cannot afford to pay our people as well as do other Government sectors, he has had to go on to greener pastures, and I am really sorry to see him go. That being said, let me point out that we seem to stick to a kind of Canadian cultural practice in this area. Too many of my Italian-Canadian friends, for example, if you are *compare,* you can be a brother-in-law, sister-in-law, aunt, or uncle, and you are all family. They do not make the distinction we do regarding the son, daughter or father type of relationship. They reach out. If you are from the same village, you are *compare.*

We have to look at expanding the definition so that those relatives who are now being refused are given greater consideration because they already have a support system here. In my own community, the Agro family from Racalmuto came to Canada in the late 1940s because the doors were open to them. Now there are more people from that village living in Hamilton than there are in Racalmuto. I think most of them have the last name of Agro. They would argue that they are all related, and I am sure that that is so in heart if not in bloodline, but I think the Hon. Member made a very good point.

● (1550)

**Mr. Hovdebo:** There was one other point that I wanted to ask the Member to comment on, and that was a statement she made, which is often contradicted by general acceptance across the country, that is, that the increase of immigrants increases the economic activity of Canada, rather than the myth which is propagated most generally that immigrants take Canadians' jobs and, therefore, put Canadians out of work. I would like her to comment or to enlarge on that a little bit.

**Ms. Copps:** I am sure there are people here in this room today who have come from another country with very little but have been prepared to invest in this country. I have friends today who are working in sewing factories making $4.50 an hour. They might come home with a pay cheque of $160, $170, $180 a week. That money goes to buy clothing, because they have come to the country as political refugees, for example, with nothing but the clothes on their backs. That money goes to buy food. It goes to buy, in many cases, shelter and a roof over their heads. I think you see many, many immigrants who believe in the dream of home ownership and they pool their resources at an early stage to buy a home. That money may go to buy a washing machine. When you are at a lower income level, which would primarily represent the income level of most immigrants coming to this country, as soon as you get a pay cheque you take it out and spend it in the community.

If you are in the $50,000 plus income bracket many of your dollars are spent moving around T bills or investing in something which does not create direct jobs either for your community or for the country. You are playing on the stock market or you are moving your money around in that way, but that money has less of a direct feeding effect into the economy, less of an injection, less of a boost than the money of the family that comes here and makes collectively between a husband and a wife working maybe only $20,000 or $25,000. If that money is put together to get a house, to get food, to buy a car, to buy necessities in Canadian life, then that money is going right back into the economy. That is why I think that immigrants in fact create employment rather than take it away from Canadians.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, I will just make a very brief intervention. I want to reiterate a number of the points that have been made this afternoon, for instance, the point made by the Member for Hamilton East (Ms. Copps) just a moment ago when she indicated that we impose upon immigrants who come to Canada a family structure which they sometimes do not recognize. They wonder why we do not recognize that somebody coming from their country wants to bring over his or her family.

For instance, I can give you a very personal experience which I had. I lived for a number of years in Nigeria at the time that the census was taken. When the census taker came around to my house we had a Canadian girl staying with us. The census taker was in quite a quandary because, although we were in the Moslem part of the country, she was not another wife, nor was she a daughter or a sister. When he asked me if she was my sister, I said no. Finally, the census taker asked me, "Does she come from your country?". When I explained to him, "Yes, she came from a part of my country", he said, "Oh, that's fine", and he put her down as a sister, and that was very acceptable to him and to everybody. In fact, it was the only category into which she could fit.

I also want to reiterate the concern that many people have about immigration and the concern which not only the immigrants but the people in Canada feel in dealing with immigrants who have come to Canada. I am referring to the ability of the Department of suspend people somewhere between the time of their decision to apply, the final possibility that they might land or even be in Canada, and, even beyond that, when they might become citizens of Canada. I remender a couple of years ago, as members of the Public Accounts Committee, we were looking into the real delays that veterans were experiencing in getting their pensions. We were told by veterans who appeared before our committee that sometimes it took five years from the time they applied for a veteran's allowance or a veteran's pension until they went through all the processes and finally got a veteran's pension. This is within our bureaucracy. I think that in the case of immigrants we have managed to stretch far beyond that because we now have situations where immigrants wait for years and years.

I have a neighbour in my home constituency who has been a refugee for a number of years and for some reason, even after

he was designated as a refugee, he was unable to get himself designated as a landed immigrant. He has already been here five years.

When we deal with Bill C-55, which is the Act to amend the Immigration Act, we think that we are changing the process for the better, but it becomes obvious, once you start going through this structure and you delve into the problems we have regarding the people immigrating to the country, that what we are doing is applying a few band-aids which are not really going to make very much difference into the total and final effectiveness of the Act. What the Minister of Employment and Immigration (Miss MacDonald) has announced to the world is that until now we have been accepting 85,000 immigrants, and a little more with the reunification of families and so on, we are telling the world now that we are going to start accepting 120,000 per year. We are increasing the number by approximately 25 per cent. However, in doing so we have not put in place the kind of processing ability which would make it possible for us to have a smooth operating machine so when these people apply they can be processed. Just imagine sitting in a community in South America, Vietnam or Hong Kong and knowing that you have put in an application, and then waiting for five years to get a reply from the local immigration officer, or even in fact never getting a reply from the local immigration officer, being ignored entirely, not necessarily by what they consider to be the local bureaucrat, but being ignored by Canada. It seems they are being ignored by Canada because we do not have the necessary facilities to allow for quick processing of these applicants.

• (1600)

Our treatment of applicants is not good. Rather than accepting their application they should be told that nothing can be done for them. There are cases where we advertise for immigrants yet we hinder them from immigrating to this country so that they eventually give up and decide not to come. I am surprised that we have as many immigrants as we do when one considers the persistence that is necessary to become a landed immigrant.

Those whose applications are eventually processed are thankful for their acceptance by Canadians. However, if they find they are unable to establish themselves within our structure they face numerous delays, which we would not accept as Canadians. Landed immigrants face so many road-blocks in their pursuit of landed immigrant status that many believe we do not want them to become citizens.

Furthermore, those who have obtained landed immigrants status and wish to bring their families for a visit should ensure that the latter do not apply for immigration before visiting. The bureaucrats in the Department will suggest that they cannot allow a family member to come to Canada for a visit because they have applied for landed immigrant status. No matter what assurances are made that the family member will return home, the bureaucrat assumes that that person cannot be trusted to return. The Department of Employment and Immigration will not allow them to enter Canada on a visitor's permit if they have applied for landed immigrant status.

When considering a Bill such as this we must take the opportunity to consider the problems that are not solved by this Bill and ensure that we have a smooth mechanism for quickly processing these other 30,000 immigrants to Canada so they do not feel rejected in this country.

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

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Charest):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Epp (Thunder Bay-Nipigon):** On division.

Motion agreed to and Bill read the third time and passed.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Fundy-Royal (Mr. Corbett)—Environmental Affairs—Location of United States nuclear waste dumps; the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—Forestry—Vancouver Island forest lands. (b) Request for additional funding; the Hon. Member for Don Valley East (Mr. Attewell)—Canada Post—Threat of pre-Christmas strike.

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## GOVERNMENT ORDERS

[*English*]

### CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Monday, February 24, consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

*Canadian Arsenals Limited*

**The Acting Speaker (Mr. Charest):** When the House last debated the Bill, the Hon. Member for Windsor-Walkerville (Mr. McCurdy) had the floor. Since he is not here, we will resume debate.

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, it is a pleasure to join in debate on Bill C-87, an Act to allow the federal Government to dispose of Canadian Arsenals Limited. However, it is not because I agree with the Government's objective—just the opposite. It gives us the opportunity to explore how the Government's ideology can lead it to make such financial mistakes. It also gives us the opportunity to point out the weaknesses in the proposal before us, particularly in the way it has been carried through. Finally, we are given the opportunity to state our regret at the Government's desire to dispose of Canadian Arsenals Limited.

This corporation, which manufactures large calibre munitions, including tank ammunition, has been in existence as a Crown corporation for just over 40 years. The proposal is to sell this corporation to a Montreal engineering firm named SNC. That corporation, through its ownership of Canadian Arsenals Limited as well as IVI Incorporated, which has been operating for some time, will be allowed to become a monopolist in Canada of the manufacture of munitions for the Department of National Defence.

I believe this decision by the Government is regrettable. Canadian Arsenals Limited does 90 per cent of its business with the federal Government. We trust that it operates as efficiently as all other Crown corporations. We assume that sales are made to the Government at the lowest possible price. If excessive profits are being made, they would come back to the Government soon enough and would be available to offset costs. We have a situation, then, in which there cannot be any profiteering in the production of ammunition, yet we can be sure that the Canadian Department of National Defence will have the ammunition it needs and there will not be any of several kinds of risks being run.

● (1610)

The fact is that Canadian Arsenals has been quite successful as a commercial enterprise. It is on the list of Canada's 500 largest companies. It was third in a list of companies which have had the best profit record over the past five years. Admittedly, one might say it was a very difficult five years with the interest rate depression of the early 1980s as part of that time period. I suppose the assured business of armaments carried on by Canadian Arsenals would help to explain why it ranked number three among the profit makers of the country. The Government expects the profits of the corporation of Canadian Arsenals Limited to grow and sales are expected to double over the next five years. There is a backlog of orders at the moment of some $200 million. What we have, then, is a Crown corporation which makes money. It is a Crown corporation which is profitable. But we have long since realized that when Conservatives look at Crown corporations, they assume that the profitable ones should be turned over to the private sector wherever that can be done so that the profits can be privatized. The unfortunate money losers, or those Crown corporations which cannot realize a profit for reasons of public policy, we subsidize deliberately. The Conservatives always see these money losers as inevitably in the public's hands. There is this contrast between the privatization of profit and the socializing of poverty, of money losing. The capitalist Government, in the guise of this supposed Progressive Conservative Government, is very nicely practised in that. There can be no doubt that the Government is working on that kind of ideological principle even though there is a case for munitions manufacture, given the necessity of certain defence forces in our country, to be operating as a Crown corporation with limited profits going to the Government and where the Government is in fact in control.

This matter of control is not a feature to be glossed over lightly. Canada prides itself on controlling the sale of munitions as far as a number of trouble spots in the world are concerned. And, even more broadly, Canada prides itself on not selling munitions and weapons of war to countries which have human rights records of which we do not approve. We have, more or less, long lists of countries to which we would not sell weaponry, munitions and so on, even though my friend, the Hon. Member for Kamloops-Shuswap (Mr. Riis), pointed out last year that the Department of External Affairs appeared to be allowing the sale of certain material of this sort to Chile, one of the countries which has a thoroughly deplorable human rights record. Of course, these sales are made by enterprises whose only concern is to make a profit with no regard for how their products are used. Such sales exemplify very nicely the concern I feel in taking a useful enterprise—as long as we have defence forces in existence—and putting it into private hands beyond Government control so that they could do what they would with their product.

It distresses me that the press release of the Department of Supply and Services suggests at page 2 that:

> SNC, in addition to offering the highest price, would substantially contribute towards making CAL an agent of growth and increased efficiency for the Canadian ammunition industry.

To have significant growth it is surely going to have to require sales outside of Canada. I think that is made quite clear on page 3 of the release where it states that:

> As a Crown Corporation, CAL has been impeded in exploring opportunities to diversify. The Government is confident that once the company is privatized, CAL will pursue additional markets and product diversification.

It further states that:

> —the Canadian ammunition industry should become internationally competitive.

It concludes with a reference to NATO sales. The reality is that NATO countries mostly have their own producers and are not very much in the market. There is far more danger that once CAL is owned by the SNC group in Montreal, it will be involved in producing and selling ammunition which might end up Lord knows where on the face of the earth. I believe that to mention this is justified because that other subsidiary to which I have already referred, IVI Incorporated, which was spun off in the mid-1960s, a producer of small calibre munitions, is

controlled by SNC, and in 1983 ammunition which had been produced by this company was in fact found in Nicaragua in the camps of the Contras who were carrying on their diabolical work of trying to overthrow the popular Government of the Sandinistas. The Contras have had a great deal of unofficial help from the United States and some help which gets perilously close to official. Surely, no Canadian Government, particularly given the stance taken by the Department of External Affairs in Central America, could approve of ammunition produced by IVI Incorporated ending up in the hands of the Contras. The merchants of death who operate these days in a number of other countries are desperately trying to obtain weapons and munitions, and there is considerable danger that Canadian Arsenals Limited will be found to be selling products to countries where Canadians generally would not want the products to be found. The loss of control over this industry is a very significant danger which follows as a consequence of the Government's decision to privatize profitable opportunity in munitions manufacture by getting rid of Canadian Arsenals Limited.

Surely, there are other unfortunate consequences in this proposal. The release to which I have referred with respect to exports states on page 3:

> Significant efficiencies are expected to be achieved through joint efforts by CAL and IVI in such areas as administration, research and development, and marketing.

It is not difficult, surely, to appreciate that if IVI is involved in selling to the Department of National Defence, and has the organization to handle that, it can probably turf out some salesmen, some representatives and some people in administration after taking over CAL. When there are companies whose production is munitions there are certainly opportunities for efficiency but, surely, that means one thing only, and that is, a reduction in staff. The Minister of Supply and Services (Mr. McInnis) must expect that the result of disposing of CAL will be some loss of jobs, although we always find that these things are presented to us as being done for the sake of efficiency. But that should not cause us to close our eyes to the fact that here we will have a small addition to the unemployment rolls of the country—unemployment rolls which continue to grow despite the fact that the Government takes pride in the number of jobs that have been created. The Government of Canada should not be doing anything to add to the list of those who are unemployed. In fact, it should be doing the opposite. We should actively be trying to reduce the numbers. That is just one more of the flaws in the process which is before us.

• (1620)

It is also appropriate to comment on the way in which this situation was carried through in explaining our opposition to the proposal. In the Budget of last May 23 it became clear that the Government intended to dispose of Canadian Arsenals Limited. In the months following the Budget a process was undertaken which, according to a reporter of *The Financial Post* last December, left a good deal of bitterness in the Canadian business community, bitterness over the way in which it was carried through and ultimately with respect to the fact that only a small number of companies were in on the final competition. The reporter observed that the Department of Supply and Services does not have a great deal of experience in selling things and in divesting itself, or the Government, of assets such as this Crown corporation. That explanation strikes me as somewhat ingenuous because if the Department does anything, surely it does a good deal in terms of distributing on the part of the Government, certainly with respect to information and so on. However, I would concede that selling a Crown corporation is not the normal type of business for such a Department and so it would not be good at doing it.

One still wonders at the fact that the Department forced the potential buyers through three rounds of bidding, a process which surely cost a variety of companies a fair amount of money. The fact that the last six bidders were asked to compete in terms of price only reflected, on the one hand, the fact that these half a dozen companies were acceptable to the Government. I suppose it reflected, on the other hand, that here was something which was very desirable in terms of a money-making venture. In fact, it is as assured in terms of money-making as is baking bread or packing meat. After all, stuffing ammunition cases for the army is a pretty good business. So the Government was able to force as substantial a price as it could. Certain conditions were extorted as well from the successful buyer in terms of reassuring investment and ensuring that the company remains an efficient producer.

One of the most unfortunate irregularities about the whole situation is the fact that an employee, a Director General of aeronautics and ammunition purchases in the Department, suddenly left the Department in this period of time and moved to a consulting firm in Ottawa. This consulting firm was assisting SNC put its bid forward. Even though statements has been made about his not being involved with the process, surely that raises a question about the propriety of the whole process. If this particular employee did well in the process, then that is surely reason to be concerned about employees generally.

I have already suggested that efficiencies expected here can only be achieved at the cost of jobs. The fact that the Government carried the process through without any consultation with the workers and without any deliberation with the Public Service Alliance, which represents a large number of the workforce at Canadian Arsenals, is one more lamentable feature of the situation. We can only fear what will happen in the transition to private control as SNC takes over Canadian Arsenals Limited and conceivably forces a new organization to take over. Lord knows what else might happen in that particular area. This is just one more aspect of this unfortunate decision by Government which I decry this afternoon.

I suppose the only happy feature in the whole matter has to do with the fact that the Government is determined to ensure that once the Crown corporation is a private enterprise it will be Canadian controlled. That might give us some hope for the continuance of an economically successful enterprise. It also might give us some hope that the company will respect

Canadian law and Canadian guidelines with respect to exports. This in spite of the fact that I have already alluded to IVI ammunition being found in Nicaragua, which means that even the assurance that it will be a Canadian-owned enterprise is no great assurance at all. It is satisfying to those of us who want opportunity for Canadian enterprise, if it cannot be done by Crown corporations. However, it is not a great deal of satisfaction.

I have been speaking in opposition to the measure this afternoon. I am not optimistic, of course, that our opposition will defeat the measure. When the measure comes before committee for careful consideration I expect that it will have the information available to it for a proper consideration of the matter before it is sent back to the House for third reading. The Andersen Report is particularly essential here. My last word on the subject is that this information has to be available to the committee in order for it to conduct a careful consideration of this proposal.

**The Acting Speaker (Mr. Charest):** Are there questions or comments? The Hon. Member for Haldimand-Norfolk (Mr. Bradley).

**Mr. Bradley:** Mr. Speaker, I do not want the Hon. Member to be misled. He made a point which I am sure he did not really mean to make. He said that he did not think the Department had experience in this type of venture, that is, with respect to sales, contracts, et cetera. I am sure he would agree that a Department which handles in excess of 300,000 contracts per year definitely has experience in sales, purchasing and contract negotiation. I am also sure he would agree that a Department which purchases or sells through Crown Assets Disposal Corporation close to $10 billion worth of products a year definitely has experience in those fields. I am sure he did not wish to mislead the House in that respect.

I am also sure that when he spoke about an employee who left the Department to go to a consulting firm which was associated with one of the bidders he was well aware that this person was close to retirement. As a good civil servant close to retirement he had feelers out to firms such as this one. When he recognized that there was a conflict of interest, he withdrew himself from all negotiations with the Department pertaining to the contract. He made a point of leaving the Department prior to any bids being received by any of the firms. He signed an agreement stating that he would not be involved in any way whatsoever with the contract. I am sure the Hon. Member would not want to cast a cloud on an ex-member of the Department who served his country so well.

**Mr. Epp (Thunder Bay-Nipigon):** Mr. Speaker, I know that the Hon. Member was listening carefully to my remarks, so his first point is really superfluous. I conceded in my observations what he said, although since he has given me the occasion I will read the following sentence from *The Financial Post* of December 14, 1985. It reads:

● (1630)

> The Government's handling of the sale... remains the source of much bitterness within the business community. Not least this was because the aims and objectives of the Department of Supply & Services—the agency responsible for the sale—were not always clear.
>
> At least part of this is because DSS—which is the procurement arm for most government purchases, ranging from paperclips to jet fighters—is rather new at the game of selling government property to the private sector.

It is Mr. Bagnall whom I am quoting, and I too am inclined to think that DSS sells an awful lot of stuff and should know how to do it. Of course, selling a Crown corporation is not quite the same thing as disposing of government reports at exorbitant prices. In this case, we are all too likely to see Crown corporations sold off at a good deal less than that, and that might well reflect on the skill of the gentleman in charge of the Department of Supply and Services. I have no desire to reflect upon the officialdom in the Department in general. What I say does reflect, however, upon the Minister and his colleagues in Cabinet, of course, in appropriate style, given the way in which our Government functions.

As far as the second question is concerned, I would not want to reflect on the official who moved over. I will say in general, and I do not think he could object to this, that there is a real danger, and more than just the appearance of danger, when people leave a Department at a time as delicate as this and move into a consultancy business. If that consultancy business does not expect to get good value from this person, surely it will not take him in. It is not a matter of what he does not know about the bids that come in and how the Government reacts to them. What he does know is the way in which Government generally sees these things. I would think that it would be almost impossible for him to say anything about the Department without providing value to the consultancy firm.

The situation is not all that different, I think, from the situation of blind trusts that cabinet Ministers establish when they enter their offices and set aside their business involvements. Unless the trustee is given the power to deal freely and without informing the Minister of the holdings, I would think it would be difficult for a man who has been a sound and sensible investor—and I presume any Minister would be that if he had holdings that justified a blind trust—to forget his holdings. In those circumstances, it becomes almost impossible for a Minister who may possibly make a decision that relates to these holdings to not make a decision that will be to the benefit of his blind trust. Therefore, I think the only sensible way to go is to demand a period of at least a year in which there is a detachment from Government. I would not think that an official nearing retirement would forget all that much in a year, but presumably everything that was current would more or less have passed in that year's time and he could then move on without this same danger.

Without meaning to reflect on one particular official, because one should really reflect on others as well, if the general question is raised, I do not really want to take back my expression of concern about the appearance and what would be behind the appearance or underlie the concern about the appearance.

**Mr. Bradley:** Mr. Speaker, I would like to make a very short comment pertaining to that response. I am pleased to see a member of the New Democratic Party defending the business community and being so concerned about the Department upsetting the business community as was quoted from *The Financial Post*. Perhaps I could ask the Hon. Member if he has read the Auditor General's Report on the Department and if he is aware that the Auditor General has praised the activities and functioning of the Department in that area.

I would not want to belabour an issue such as the one of the civil servant in question, but that civil servant is an honourable one. He made an agreement that he would not be involved in activities with the Government for the required period. We acknowledge his honour. I do hope that he does not forget too much in the year because I am sure he will be of tremendous advantage to that firm in the future and I feel that more people who know how Government operates should become involved in consulting firms in Canada.

I congratulate this civil servant for moving over when he did and for being honourable enough to declare himself in conflict and divorce himself from the activities of the Department. I would not want to see a civil servant who retires being unable to be employed for a year. I think we can take civil servants at their word when they step aside and give their word that they will not be involved in Government operations.

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to participate in the second reading debate on Bill C-87, an Act to authorize the sale of the Canadian Arsenals Limited. I listened with interest to the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) who addressed the issue very well from a number of different perspectives, including the consequences and perhaps repercussions of CAL being sold to a private firm, in this case the engineering group from Montreal, on the international scene.

I would like to touch on a number of other factors that concern the agreement to sell the Crown corporation to the engineering group from Montreal. By way of background, I think Canadians ought to know that this particular Crown corporation was established nearly 40 years ago and manufactures medium and large calibre ammunition. It operates two plants, one in Montreal which employs some 750 employees and another one near Quebec City employing somewhat fewer than 50 employees. Ninety per cent of its production is sold to the Department of National Defence and 10 per cent is exported to the international stage.

A number of different factors puzzle not only me but members of my Party and indeed constituents across the land. One of the things that seems incorrect about this deal is the secrecy surrounding it. The Government has made the decision to sell this particular Crown corporation to the engineering group from Montreal for a total price of some $92.2 million. Yet the Government's financial adviser in this deal has been Arthur Andersen Limited of Montreal. In questions in the House of Commons and in correspondence with the Minister of Supply and Services (Mr. McInnes), the Minister and the Government have refused very clearly to produce a copy of the financial report. They have refused to educate Canadians about the actual worth of this particular company in order that Canadians may be able to deduce that this particular selling price of some $92.2 million represents a good deal.

Canadians and we in Parliament are asking why there is this secrecy. Why is history repeating itself once again? By that, I am referring to the history of this Parliament. The Government has cloaked itself in a cocoon of secrecy before. When we were talking only a few short weeks ago of the de Havilland deal, it was difficult to pry any information out of the Government, information that was legitimately the prerogative of Canadians since they were the shareholders of de Havilland corporation. It was the same secrecy which was evident when we debated in the House for quite a stretch of time the bail-out of the two defunct banks only a few short months ago. we were being asked to sign a $1 billion cheque which was to go to invisible, unnamed, uninsured depositors with over $60,000 in their accounts. We in the House of Commons and Canadians in general were unable to obtain from the Government the information which was rightfully ours. We wanted to know who the depositors were so that we could determine where that large chunk of taxpayers' dollars would eventually land.

• (1640)

Was it a question which was somewhat too demanding? Was it a question which was inappropriate of Parliament and of Canadians? Of course it was not. It was information which should have been dealt with in a forthright and honest manner. Yet, one would think that after two lessons in public outcry the Government would somehow change its way of dealing with what is public property and public investment.

In respect of Canadian Arsenals Limited, we again have stonewalling and secrecy. Again we are told by the Government that we should just take its word for it that what it is doing is good for Canada. That worries me a great deal because I do not trust only the Government having the information, without sharing it with the Parliament of Canada and with Canadians. In fact, if it were such a great deal, knowing the public relations appetite of the Prime Minister (Mr. Mulroney), they would be marching their troops across the country and advertising the greatness of the deal. They are not doing that. In fact, in a letter dated January 20 from the Minister of Supply and Services to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), the following was indicated: "I must once again advise you that I cannot provide you with a copy of the Arthur Andersen report. However, I can confirm that the Arthur Andersen company carried out a valuation study prior to commencement of the bidding and negotiating process and estimated the value range".

That is simply not good enough. We are talking about estimations. People want to know what the particular analysis produced. Why is the Government not prepared to table those results so that we may take the $92 million figure and compare it with the actual worth of the company? By itself, $92 million is worthless. A Canadian living in Downsview, Ontario could

say that it is great that they got $92 million for it. However, an individual in Moose Jaw might say that it was terrible because they could have obtained $100 million. Who is to know the wide range of opinions that exist in the country? Why are Canadians being kept in the dark once again, if this is in fact such a great deal? That is one aspect with which we in this Party have problems. Following second reading and in committee, we will certainly pressure the Government and the Minister to make the information public and to provide Canadians with the backdrop upon which we can decide whether $92 million is a good deal or a bad deal.

The second question concerns the whole philosophy behind the sale of this particular Crown corporation. It does not make sense if one allows logic to follow its course. In the de Havilland corporation giveaway, because that is what it was, member after member of the government Party rose in his place and said that one of the major reasons for selling the corporation was that is was losing millions of dollars. They refused to look at all the other components. However, if we look at the central argument which they presented consistently and regularly, we have to wonder what were the criteria in respect of CAL. If we look at some of the figures, we see that CAL is very good from a financial perspective. Let us consider that from 1980 to 1985 it has consistently shown profits. In 1984-85 it showed profits of some $11.3 million. It has assets of over $126.4 million. It also has an accumulated total of $36 million in profits over the last few years. Therefore, one does not have to be a mathematician or an economist to understand that the Crown corporation was doing very well financially. Not only that, but sales in the next five years were projected to double. It also had $200 million in backlog orders.

Again Canadians and Parliamentarians are asking themselves: if on the one hand the de Havilland corporation was sold largely because it was losing money, why does the Government turn around a number of weeks or months later and sell a Crown corporation which is making money? What gives? What is the reasoning? What is the rationale? Where is the logic in Government policy? Where is the direction which the Government is attempting to provide? Where is consistent leadership? Where is consistent policy in respect of Crown corporations? Obviously the Government does not have one. One day it sells a Crown corporation because it is losing money. That is the reason given by Government Members. They boast, clap and cheer. Now they have a Crown corporation which is well operated financially and they do the same thing; they wish to sell it. That is inconsistent.

Another factor which is inconsistent is the philosophy which tries to understand why they wish to privatize one arm of Government which is supplying at a profit another arm of Government. Why toy with that interlinkage? Why toy with a network which is working within Government and supplying arms for the Canadian military? Why privatize one arm of Government which is serving another? It simply does not make sense. Individual Canadians are asking themselves, from a philosophical point of view at least, how the Government can rationalize decision-making in respect of two Crown corporations as we have seen in de Havilland and in Canadian Arsenals Limited.

Another factor is the consultation and tendering process in the sale of this corporation. If one reads the commentaries, there has been very little consultation. For instance, the Public Service Alliance of Canada, the union which many CAL employees fall under, indicated the following as its basic reason: "The Government never bothered to talk to the union about the deal". It also said: "We question the rationale of the Government selling a Crown corporation that does business only with the Government". Another quote was: "We feel that the Government will be in an uncomfortable position buying from a foreign company if CAL is not competitive". There has been little consultation in respect of the selling of this Crown corporation. Moreover, some bidders expressed a concern that the Department conducted the selling of this Crown corporation in an amateur fashion, that the Department of Supply and Services basically relied on word of mouth and contacted companies informally, in the end inviting six companies to place bids rather than making the process open and rather than making the process accountable and accessible to one and all. This is reminiscent of the sale of de Havilland when, right from the start, one company was strongly favoured over another company, which happened to be Canadian. Those are some of the questions which have not been answered at this stage of second reading. Those questions must be pursued vigorously, if not in the House of Commons during second reading, then at committee stage where the evidence of a number of expert witnesses will perhaps clarify the picture for us.

● (1650)

When one looks at the secrecy and the inconsistency of the Government within a span of two to three months with regard to Crown corporations, one must wonder where the Government is going, where it wants to take Canadians, and what message it wants to leave with them. It is no wonder that Canadians are questioning the leadership of this administration. The Prime Minister was successful in attaining his office, but when he got to 24 Sussex he said: "Where do we go from here? What now?"

During the last federal election campaign the Prime Minister campaigned on a commitment of opening up Government, making it more accessible, and providing more information to Canadians to enable them to see how the Government is functioning on their behalf. Where are those commitments now? Where is the information? Where was the information on the de Havilland sale? Where was the information with respect to the bank bail-outs and the uninsured depositors?

Where is the information from Arthur Andersen who was instructed to conduct a study to determine the real value of this particular Crown corporation? Why does the Government refuse to this day to release that report? Why is it afraid to tell Canadians what Arthur Andersen said the corporation was actually worth? If Arthur Andersen had suggested that the value was less than $92 million, the Government would be

lauded for making a great deal, and I would stand in my place and say so. However, if Arthur Andersen had suggested that the value of that Crown corporation was greater than $92 million, we would know that the Conservative Government is trying to hide its embarrassment.

However, that is not an excuse for not providing Canadians with information. If the company was worth more than $92 million the Government should not have rushed into the deal. If the Government still wanted to sell the company, it should have waited for the right deal. In the meantime, CAL would still be making a profit. The Government would not be able to say that it is selling Crown corporations because they are bleeding the coffers and Canadians cannot pay any more. The Government cannot use that argument in this case and yet it still cloaks itself in a cocoon of secrecy. That is not good enough and Canadians will not accept or tolerate it.

We are going to be vigorous in ensuring that the 25 million Canadians who are shareholders of that corporation are provided with the information. In any business the shareholders determine the policy and have the information at their fingertips. In this case the shareholders, the Canadian citizens, have been denied that right. We will fight until that right is restored to them.

**Mr. Hovdebo:** Mr. Speaker, I want to comment on something which the previous speaker put before the House very effectively. It deals with this process of divestiture of Crown corporations. This is one of four Crown corporations which the Government has decided to sell. The first was Northern Transportation. Perhaps we were a little too trusting in that case because we did not ask who established the value of Northern Transportation.

In the case of de Havilland we became suspicious about whether the value that was attributed to it was adequate since the value of the land was pretty close to the value of the bid, and there were many extra goodies given to Boeing. In the case of Canadian Arsenals Limited the Government is again keeping the information from Parliament and the people of Canada.

The fourth sale was that of Kidd Creek Mines, a fully-owned subsidiary of the CDC. The amount of money involved in that instance was $615 million and that has not been questioned in the least. Since that corporation was a part of the CDC the sale does not have to be brought before the House for ratification. However, I think we should be concerned about that sale as well because $615 million is a considerably larger amount. How do we know that that was the correct value of that corporation? Would the Member comment on how our mistrust in these sales has built up?

**Mr. Marchi:** Mr. Speaker, I thank the Hon. Member for the question. In his last sentence he hit the nail squarely on the head. How can Canadians trust the Government to sell what is theirs if that information is not provided? In the press release issued by the Minister of Supply and Services it says: "Minister McInnes expressed satisfaction that the competitive process had achieved the best results, both for the Government, and the taxpayers". Says who, Mr. Speaker? How can taxpayers be satisfied that the best deal was arrived at when they are being denied access to the information which would determine if the deal was financially positive for Canadians? In this case Arthur Andersen's Report is confidential. The Minister has it in his office and refuses to show it to Parliament or to Canadian taxpayers. That kind of arrogant attitude and thinking will not build confidence and trust in the Government.

Canadian citizens own an equal share in Crown corporations. When Crown corporations are sold, each and every Canadian has the right to know about it, and this information is being denied.

[*Translation*]

**The Acting Speaker (Mr. Charest):** Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

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• (1700)

## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### WATER EXPORT AND DIVERSION ACT

MEASURE TO ENACT

**Hon. Chas. L. Caccia (Davenport)** moved that Bill C-257, an Act respecting the conservation, export and diversion of water resources, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, you may ask why this Bill is being introduced so I will briefly explain. With the consent of the Government, which I hope will allow it to go through, this Bill will ensure that Parliament has the final word should Cabinet decide one day, perish the thought, in favour of a diversion or export of our water. The possibility of this happening did not exist until recently. The unfortunate interview given by the Prime Minister (Mr. Mulroney) to *Fortune* magazine some time ago, along with the $30,000 grant which the Minister of State for Science and Technology (Mr. Oberle) gave to the Grand Canal company, has given credibility and momentum to something which, under normal circumstances, was considered a crackpot idea, and quite rightly so. I would not want it thought that this measure is generated simply because of the Grand Canal proposal. It is because of the possibility that water diversion and export may really emerge on the political agenda of Canada in the decades to come. This Bill attempts to bring the issue forward for examination by this and future Parliaments in order that a specific decision related to water exports is not made by Cabinet alone.

You may ask why this matter needs to be addressed by way of a Bill, and why it does not amend an existing Act. The reason is simply that no such legislation exists because, until

now, we have never seen the need of introducing such legislation. As I mentioned a moment ago, the possibility never emerged as something which should be addressed seriously. However, in recent months it has become more than a possibility, and that causes some of us enormous concern. Therefore, we feel the necessity for putting forward a parliamentary proposal, Bill C-257, for the consideration of this House.

By way of contrast with the interview that the Prime Minister had with *Fortune* magazine, I would like to quote Prime Minister St. Laurent who had this to say about water export policy in 1947:

> Can we, in fairness to Canadian generations of the future, allow such natural wealth to be diverted from our own territory and put to uses from which it would be extremely difficult afterwards to withdraw it?

Those words are as much the reality today as they were more than 40 years ago, and perhaps even more so.

In essence this Bill makes the point that political, social, economic and environmental values are affected when it comes to permitting the diversion and export of water. From a political point of view, if we were to embark on a major diversion of our water, it would mean that we would integrate this continent's water resources. This would inevitably, in my opinion, lead to political integration. I would like to quote General McNaughton when he warned in 1966:

> —if we make a bargain to divert water to the United States we cannot ever discontinue or we will face force to compel compliance.

Once you divert, Mr. Speaker, you create a dependency. Once you divert, you cannot turn the tap off. Once you divert, the political hand of the stronger partner is the one which really has the power to turn the tap off, if it can be turned at all.

I would also like to put forward some thoughts of a social nature as it affects possible diversions, particularly that which has been speculated upon recently concerning the Hudson Bay area. Here the social consequences would be felt by our native people. It would affect their lifestyle. It would affect their ability to live in the environment to which they are accustomed. The flow of rivers would be reversed or otherwise diverted. Pumping stations in considerable numbers would have to be installed. The cultural dislocation that would follow would be very hard to describe, and the native people have expressed on a variety of occasions their strong opposition to any diversion of this kind. Another social impact which is important to mention would be the effect diversion would have on agriculture in the decades to come. A large segment of Canadian society whose activity depends on water would be affected if we were to make the changes which some proponents, presently subsidized by this Tory Government, are putting forward in their studies and sketchy proposals.

Another concern has to do with the economy. As we are endowed with such a wealth of water in Canada, we would be wise to ask ourselves whether we should use that water to attract investment rather than to have it used by other countries. I respectfully submit that it would be in our interest to use the water to add economic value here at home rather than to export it and allow other countries to add value to a very important and basic commodity. In addition, some of us still need to be convinced that Canada's hydro exports are really such a big bargain considering that hydro rates do not, and I repeat, do not take into account the capital and construction investments. If we were to export water we would face a situation whereby fresh water would be going abroad and we would have to use in Canada, perhaps, recycled water because of the arrangements to which we were committed, and, perhaps because of increased necessities and demand at home, which we would not be able to meet in the long term, because of the commitments made in the export and diversion of water.

● (1710)

On the environmental side there are several considerations that one must keep in mind. We have Canadian needs that will be determined by population growth, by the greenhouse effect and by the shift of agriculture perhaps to more northern latitudes when the predicted greenhouse effect will occur. In the second half of the next century the meteorologists are predicting an increase in temperature of some 2 to 3 degrees centigrade. That means that the present geography of our agriculture will likely move further north and we may see some areas of Canada become unuseable in terms of agricultural activity. As a result of increased average annual temperature there might be an increase in the consumption of water, and not just for agricultural purposes but also for normal human consumption.

Another environmental consideration is that when the water is diverted and exported, that water becomes part of another ecosystem. It becomes used in another ecosystem and becomes part of that water system to which it has been exported or diverted. That may have some consequences on the climate and the operations in that particular area. It is quite possible that diverted and exported water that goes into another ecosystem will have, in the long term, consequences on both regions; the one that has lost the water and the one that has obtained the water.

Then there is the physical removal of water, which in the case of Hudson's Bay, as it is suggested in the proposal I mentioned earlier, would lead to increased salinity of the bay because the fresh water rivers would no longer discharge into Hudson's Bay, but that water would be pumped up in the opposite direction. Therefore, the benefit of fresh water going into Hudson's Bay would be reduced considerably, thus increasing the salt content of that immense and magnificent water body. There would be changes in the availability of nutrients, of course. There would be an impoverished wetland system downstream. There could also be some considerable changes in the ice formation in that region with concomitant effects on wildlife, not to mention the impact on the immediate environment that would take place by way of the construction of reservoirs, dams, canals, power stations and the like.

In addition to that, another real concern is that when you propose to reverse the flow of rivers, as is the case in Hudson's Bay, what you would do is to stir up the sediments in the bottom of each of these rivers, and in the areas that are heavily

industrialized, or which have collected sediments coming from industrial areas, you would be stirring up toxic chemicals which have, over time, settled in the sediments of these river beds. Thus you would cause considerable disturbances and probably affect the quality of water for some years at least. The long-term effects of divergence can only be measured decades later. It is, as we all know from experiences made in some countries, irreversible in nature.

That brings me then to the purpose of this Bill which, in essence, is determined by the restrictions imposed on us back-benchers as to what one can put into a Bill. In this particular instance the scope available to me as a back-bencher was restricted by rules, by which we all abide, and therefore you will find in this Bill an attempt to make it as difficult as possible to approve water diversions or exports. That is where my bias emerges inevitably and quite willingly. The Bill not only makes it as difficult as possible to approve water diversion and exports, but also the proponent has to carry the burden of proof, and he has to prove beyond a shadow of a doubt that this proposal would be in the absolute long-term interest of Canadians.

The approach through this Bill is quite different from the one we are now witnessing outside this chamber when a company called the Grand Canal can come forward and obtain money from the Government and where the financial burden of proving that a proposal is good or bad is not really at stake. The proponent is giving funds to demonstrate that this proposal is sound. I find this concept so offensive that I cannot express it in words.

There may be some objections by people who will ask, "Why deny business the opportunity to make money with water?" Of course the answer to that is fairly straightforward, and that is, because water is a public good, and because no one has a claim to ownership of water except the public. In the end this is one of the common properties, such as air and soil, that we have over centuries and millenia learned to appreciate as an important component in sustaining life on this globe. To reinforce these concepts on water exports and on water diversions I will quote Clause 6(3). It reads:

(*a*) the ability of available water supplies to meet long-term Canadian requirements;

(*b*) the impact of water export on fisheries, navigation, federal waters and international waters;—

And that applies also to diversions. It continues to read:

(*c*) the impact of water export or diversions on the interests of native groups and others and the adequacy of compensation to them for any adverse effects;

(*d*) the ecological and economic advantages and disadvantages to Canada of water exports; and

(*e*) the political and strategic impact of water export.

Having put forward those criteria I hope that I can call on the Minister to consider this Bill only as a step forward in the Government's political determination to create a national water board and, in the meantime, to adopt the principle expounded in the Pearse Report that water should be managed and kept within its watershed.

• (1720)

I conclude by quoting from that report on page 8, where the Commissioners say:

The watershed is the natural and most appropriate unit for water management. A federal water policy that will ensure Canadians sufficient safe water to sustain their physical, economic and social well-being for all time is desirable.

This is the main intent I am putting forward through Bill C-257.

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I am pleased to participate in the debate on Bill C-257 introduced by the Hon. Member for Davenport (Mr. Caccia). I am pleased that the Hon. Member spent much time discussing why he presented this Bill because, quite frankly, I did not know whether I was dealing with a conversion or a watershed when I read his Bill.

His position in the past with respect to water and water exports would not stand up to scrutiny. On the other hand, this Bill establishing principles for water export and drawing distinctions between water exports is somewhat of a new approach by the Hon. Member for Davenport. It raises several questions.

I am pleased that the Hon. Member attaches so much importance to Parliament that he would entrust this important subject and the future of our water resources to Parliament. He was a member of a Government that had a contrary opinion about the importance of individual Members of Parliament, a Government whose Prime Minister did not think too much of individual Members. At least this is a step in the right direction.

I was further confused by this Bill after having read the Hon. Member's statement in *Hansard* on June 1, 1984, when he said: "I reject that notion because water is water" and: "We do not subscribe to the idea of exporting our water, and it is as simple as that". He said that when he held a different position and was responding to questions about water exports.

**Mr. Caccia:** Mr. Speaker, I rise on a point of order. I do not mind the Hon. Member's approach, provided that he does not put words into my mouth and distort the meaning of what I said. My position has not changed and is consistent with the one of last June.

**The Acting Speaker (Mr. Charest):** The Hon. Member for Davenport (Mr. Caccia) obviously knows that that is a question of debate.

**Mr. Gurbin:** Mr. Speaker, I simply confirm that it is on page 4276 of *Hansard*. I believe I expressed both the tone and the exact words accurately.

In any event, this is an issue of vital importance and a topic that should be seriously considered by Canadians. I am grateful to the Hon. Member for Davenport for giving us this opportunity to discuss it.

Furthermore, if we are going to claim accuracy, I think it would be fair for the Hon. Member for Davenport to attribute authorship and support for some of the water diversion

schemes to members of the Liberal Party who have espoused them, as is the case. The Hon. Member should consider that when talking about accuracy and the Conservative proposals.

Water, like the rest of our natural environment, is vitally integrated into the economic structure of our country and the health of our citizens. It is an excellent example of the inter-dependency of our environment and our economy.

Our sometimes almost casual view of water is reflected in the consideration of exports. In fact, water is exported every day, as is agricultural produce, processed food, bottled water, beer, which the Hon. Member for Davenport and I occasionally share, paper and a multitude of other exports from raw resource to finished produce, to say nothing of fish and electricity.

For the record, there is no doubt that Canada is one of the have nations of the world with respect to the abundance of its fresh water resources. However, it may not be clear to many Canadians or to the Hon. Member, considering some of his comments, what our favoured position is with respect to fresh water.

Our ground water situation is not as well understood as in many other countries, largely because we have relied so much on surface resources. Canada probably has more lake area than any other country in the world. Large and small, these surface waters dot the landscape from one end of the country to the other.

Valuable as they are in regulating the flow of rivers to the sea, and in providing a rich habitat for natural life and human enjoyment, Canadian lakes are for the most part a one-time gift of glacial recession. They are not renewable, except at a cost to the rivers that feed and drain them. The best measure of a country's water supply, therefore, is its renewable river flow originating from surface sources and including ground water contributions.

On an average annual basis, Canada's rivers carry close to 9 per cent of the world's renewable water supply, which is roughly 100,000 cubic metres per second. Set against a Canadian population which is less than 1 per cent of the world's population, this is a generous endowment. If we set this against a territorial area encompassing about 7 per cent of the world's land mass, this is not so disproportionate. In any event, this figure of 9 per cent is far less than the 20 per cent to 40 per cent often attributed to Canada.

The Hon. Member for Davenport touched on the federal inquiry. The federal inquiry on water policy which the Member for Davenport was instrumental in establishing, reported to the Government in September, 1985. It did an excellent job in bringing the linkages between water uses, water quality and quantity issues, and between engineering, economic, social, environmental and constitutional aspects to the attention of the lay public and even to water resource experts across Canada.

One of the very valid points the inquiry has made is that policies relating to water overlap and interact. "Take up one and you have to take up the others".

The report made many specific observations, and one to which the Hon. Member's Bill draws attention is the difference in water exports. The Hon. Member's Bill indicates that he is considering both southward diversions and other forms of export as being subject to licensing by the Minister of the Environment (Mr. McMillan) with provisions for revocation of the ministerial permits by Parliament. The proposed Bill differentiates between tankers or forms of container shipment to some overseas countries or perhaps to some U.S. port and large scale diversion via dedicated facilities such as canals, pipelines or river routes to the United States.

This distinction is clearly justifiable. Tanker exports differ from inter-basin diversions in substantial ways. For example, the volumes would likely be small, exports would be sporadic and importers are not likely to become dependent upon Canadian water as in the case of large scale inter-basin diversions. The Pearce Report identified these matters very clearly for all of us.

Accordingly, it may be argued that the federal Government could be more flexible in terms of tanker exports provided that federal interests such as fisheries and navigation are not affected and that the Crown receives a fair return for water exported in this fashion.

However, the question arises: What new legislation to control and regulate such exports do we need, or could existing legislation such as the Export and Import Act be amended to regulate water along with other commodities on its list?

However, in consideration of other water exports, what municipal and provincial if not international considerations must be taken? We must also ask ourselves if the acceptance of containerized water exports would encourage proponents of large scale diversions to press their case to Governments increasingly. It would seem that the Hon. Member for Davenport anticipates this to be the case and has already set out some basic criteria for export by diversion, canal and pipelines within the statutory framework outlined in his Bill.

● (1730)

Let me now in the time remaining lay out for the House the important rationale for the management of Canadian waters by the Conservative Government of Canada. First and foremost is the need for a Canadian national water policy, and this is a goal and commitment of the Government of Canada today. In releasing publicly the final report of the inquiry on federal water policy last September 30, the Minister of the Environment declared that this was only the first step in policy reform. He stated:

> Water issues are not yet at the crisis stage, and we will be able to manage them co-operatively if we start today to work toward a national consensus, or a national water policy.

The Government's response to the federal inquiry has been rapid and constructive. The Government accepts this document as an important background in establishing the necessary elements of a national water policy. Within one week we requested the provincial Canadian Council of Resource and Environment Ministers to respond at a meeting of CCREM,

and that will be included in the agenda of the next CCREM meeting. In November, the Minister met and discussed the report with representatives of 300 or so environmental non-government organizations. Both provincial and public interests have been invited to join in the response to the inquiry's recommendation so that the resulting consensus areas can form the nucleus of a nationally applicable policy on water.

Second, at the federal Government level, leadership and responsibility must be defined and taken. One problem which has been identified with respect to this whole issue is that we have not had that clear responsibility taken and acted upon in the past. That now has been done. In December of 1985, at a meeting of the Priorities and Planning Committee of Cabinet, the Minister of the Environment was empowered to act for the Government in formulating a national water policy. The Minister now has the authority to act for Canadians in all matters relating to water. The Minister is giving first priority to a national water policy. There will be no decision for or against large-scale water exports or other water issues until these issues can be weighed in context of the over-all water policy.

Third, the Progressive Conservative federal Government has clearly stated—and this has been confirmed several times by several Ministers in the House of Commons—that water exports are not—I repeat, are not—an item of negotiation during the current bilateral trade negotiations with the United States. As Hon. Members know, the news media have linked the question of water export to the discussions on freer trade with the United States. I am sure that the House has read the statement by Canada's chief negotiator, Mr. Simon Reisman, that while he holds strong personal views on water exports, those views are not relevant to his role of chief trade negotiator. That was a statement made by Mr. Reisman which was published in *The Ottawa Citizen* on January 24, 1986. This reaffirms statements by Ministers of the Government that water exports are not now on the negotiating table.

Consideration of large-scale exports of water would involve provinces, states and the Canadian and United States Governments. We would have to consider the rights and obligations of all Parties, compensation for lands, disruption of existing services and actual and potential environmental damages. I believe some of the problems which might be encountered were well defined by the Hon. Member opposite, and these issues will clearly have to be considered if anyone were even to start out on this long process.

I must also mention a point I believe the Hon. Member for Davenport has missed. Anyone who would seriously entertain a project of this type right now would have to have his head buried in the economic sand because if anyone looks at the actual costs of any type of major diversion, particularly the Grand Canal diversion, he would find that the cost is so prohibitive as to make the project totally uneconomical. At this point I do not have the reference here but I believe those figures are readily available to anyone and can certainly be provided.

Finally, the Grand Canal proposal mentioned by the Hon. Member has been around for many years. This or any other proposal of this type can only be considered, in our opinion, in the context of what would be a national formulated water policy. In other words, whether or not anything like this in the future could occur is irrelevant at this time and will not even be entertained by the Government of Canada until we have developed what we feel is the national water policy with all the aforementioned considerations.

Various agencies inside or outside of Government may wish to investigate any number of things, one on which the Hon. Member has focused, but none of these activities will prejudice our intention to establish a national water policy with full consideration of all implications of water issues on behalf of all Canadians.

I have not touched at all on other water related issues. I think many of the same points I have made in terms of water exports could be made in terms of other water issues, some of them pretty overwhelming right now, such as the spill in the St. Clair River, toxic substances in the Niagara River, and dumps which have to be dealt with. All of these other issues are issues of water quality and would be better dealt with in the context of a national water policy. However, they are overwhelmingly important now and must be dealt with as quickly and as well as possible with the tools at hand.

I will not spend a long time in trying to reaffirm the efforts and initiatives we have taken so far as water quality itself is concerned. I hope in the near future that we will be able to deal with the aspect of water quality, but clearly all of the water issues as they overlap and interrelate can be best dealt with in the context of a national water policy and under the responsibility of a single Minister. These are things which are coming together in a very rapid and, I believe, very constructive fashion. They will help to overcome some of the difficulties we have in dealing with different Departments and different pieces of legislation which are clearly inadequate in the face of our modern-day problems.

What I have done as clearly as possible is to define the leadership and responsibility we have taken. Hon. Members can refer to the record to examine the three major points I made. However, I think in the end, they must relegate any question of exports, diversions and other high profile issues to a very secondary position in terms of real priorities. In the context of a national water policy, issues like that can be considered.

One of the specific issues raised by the critic for the Liberal Party is the carbon dioxide level. I would suggest that some of his technical considerations are not quite accurate and I would invite him to check on those. He is quite right in terms of agricultural activity heading north, but the two things I believe he could check on are the water content which will be in those northern lands and what will really happen in the river basins and in the water levels. I am not positive but I will ask him to check those things because from what I could hear and understand him saying, I do not believe he was clearly stating what I think will happen with the carbon dioxide increase.

The second point I would make is in terms of priorities and real issues as he and I sit in this House of Commons today. I

believe the Hon. Member and the whole country are missing something. The proof is there now that we are starting to deal with the critical carbon dioxide issue. Whether that will be proven in the next year or two will perhaps be identified by things like droughts in the Prairies. However, I think the statistical evidence is building to a point where I believe that is the kind of issue on which we should be focusing.

In conclusion I would like to thank the Hon. Member again for giving us the opportunity to discuss this important issue on water and water exports as defined by the Hon. Member. However, I do not know whether he has really has been forthright in discussing where a lot of the activity and support for these diversion programs comes from. I am not sure whether the Hon. Member has checked with the Leader of the Liberal Party in the Province of Quebec. I am not sure whether he has checked with either one of his Leaders federally. I am also not sure whether he really has his act together.

● (1740)

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I am honoured to have an opportunity to participate in this debate today on behalf of my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), who unfortunately cannot be here to speak to Bill C-257.

I have some grave reservations about Bill C-257. I do not have grave reservations about the position of the Hon. Member for Davenport (Mr. Caccia), since I know he is sincere when he says that his intention is to find ways to prevent major water diversions and exports. My concern with Bill C-257 is that it is at once a road map to sell Canada dry, while at the same time it sets up a steeplechase—not a simple act to expedite exports of water. My preference would have been to have either the Hon. Member or other Members of the House bring forward a national water Act which would keep water, as the Hon. Member has said, within its own watershed and within its own ecological regime. I will spend the majority of my time this afternoon dealing with that from a scientific perspective from the information I wish to put on the record.

I would first like to place a few matters before Hon. Members. First, Canada has 1 per cent of the world's population while having 9 per cent of the world's freshwater supply. Some 60 per cent of our freshwater flows northward, while about 90 per cent of Canadians live along or just south of the 49th parallel. The United States has ten times our population and 8 per cent of the world's freshwater supply. However, almost all of it, according to American scientists, is mismanaged or polluted. That is really the problem in the United States today. Water is becoming a far more critical commodity than energy. There is no longer any such thing as free water.

Exporting water to the United States will dramatically reduce the likelihood of any action by that country to cut back on SO2, NO2 or other airborne pollutants, particularly from coal-fired thermal plants and other producers in the United States. Similarly, it will likely reduce the likelihood of the United States cleaning up its toxic dumps, such as the S area dump, Hyde Park, Love Canal and others which are polluting both Canadian and American water supplies. If the Americans can get a cheap, secure supply of freshwater from Canada, then there is no reason for them to stop polluting our air, which is not for sale without a price-tag on it. We know that we are losing hundreds of millions of dollars a year in terms of reduced forest growth. We know we have already lost thousands of lakes in Ontario and Quebec and tens of thousands are threatened with acidification from airborne pollutants. We see no serious sign of use in the United States of the super fund to clean up its toxic dumps which contain such things as dioxin which are getting into the freshwater supplies of both our countries. This may be seen by some politicians and some people in the United States and Canada as a way to resolve some of those nasty corporate issues which just do not seem to go away and which are very costly to solve. I think we have to look at proposals to divert water on a scale such as the Grand Canal or NAWAPA, with which I will be dealing later.

The Americans are driven by a number of factors. First, they are driven by poor water management; second, by an intention to set up an economy orgy for engineers and consultants; third, it is a quick fix for inept, ignorant politicians who often care less about ecological consequences, social impact and the loss of wildlife and its habitat. I will be coming to some of the specifics with respect to that in a moment.

Certainly, for my Party, I was pleased to see a resolution passed last year which I think hits the nail on the head and really echoes the intentions of the Hon. Member for Davenport as well. A resolution which was almost unanimously passed at our convention stated in part the following:

> Whereas there is an increasing pressure being placed by the United States of America to acquire open access and usage of northern fresh water bodies in Canada.
>
> Therefore be it resolved that the New Democratic Party firmly support a policy of no sale, no giving away of and no negotiations leading to open access of Canada's fresh water.

That was brought forward by the Humboldt-Lake Centre NDP Association.

I would now like to quote from a recent publication, part of which is entitled "The water machine". I think we need a point of reference in this debate with respect to what we are really talking about when we talk about water. I quote:

> The constancy of earth's water supply is one of nature's great wonders. Our water molecules do not fly apart into hydrogen and oxygen, they don't flee our atmosphere into space, they don't slither down deep-earth crevices. Virtually all the water on earth—about 326 million cubic miles of it—has been present as liquid, ice, or vapor since it spewed out of countless volcanoes 3 billion years ago and more. And all of it, whether trapped a dark mile deep in Antarctic ice of drifting high and fast as a particle of cloud, is part of the vast, complex machine called the hydrologic cycle.
>
> This machine, by far the world's largest, is powered by the sun. Solar energy provides enough heat to evaporate about 140,000 cubic miles of water a year; the same amount returns to the earth's surface as precipitation.

I would now like to deal with the words of one of the foremost ground water expert analysts in the United States. I would like to quote from an article which appeared in *The Globe and Mail* on June 21, 1984. It is headlined: "Canada told not to give in to water demands". It states:

Canadian tourist industry representatives from coast to coast held a national conference last fall and advocated major changes to taxes on alcohol and lower gas prices.

So what did we see this week, Mr. Speaker? The Government completely ignored them. The sales tax went up from 11 to 12 per cent—an additional 1 per cent levy on gas—and taxes on alcohol increased as well. And then, Mr. Speaker, the advertising campaign to attract American tourists is woefully underfunded, a fact made even more obvious this morning by the devaluation of the dollar which will further decrease the funds earmarked for this program once the campaign is under way in the United States.

* * *

[*English*]

## THE BUDGET

OIL PRICE AND INTEREST RATE PROJECTIONS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, the Conservative Budget which came down on Wednesday is based on a series of fairy-tale assumptions which do not make any sense in the real world but which will cost the Canadian taxpayer dearly.

The first fairy-tale assumption is that in the Budget the price of oil is based on $22.50 barrel when, in fact, the price of oil for April is being quoted at $13.75. This is for west Texas crude. That is half the price of a few months ago. The Government's financial planners knew that the price of oil was going down. They did not factor it into the Budget, and we will all pay.

The second assumption which is up there in fairy land is the assumption that interest rates will stay at 9.5 per cent. Right now they are upward of 11 per cent and 12 per cent. The Government is committed to defending the dollar to the death, whatever that means in terms of interest rates. The consequence is that we may see a $3 billion or $4 billion increase in the deficit over what is actually projected.

The only real thing that is in the Budget is—

**Mr. Speaker:** Order, please. The Hon. Member's time has expired.

* * *

## EQUALITY RIGHTS

ANTICIPATED GOVERNMENT RESPONSE TO COMMITTEE RECOMMENDATIONS

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the response of the Minister of Justice (Mr. Crosbie) to the *Equality for All* Report is expected at the beginning of next week. I look forward to the Minister's response with a great deal of interest.

In particular I shall be watching his response to see what he has to say with respect to women in combat roles, that is, combat ready and not necessarily in the field. I look forward to what he has to say with respect to sexual orientation, and what the Government is planning to do with respect to people's rights to work and housing. The mandatory age of retirement and how it will impact on our society is something I look forward to hearing about.

There is a whole series of information and actions on the part of Government which should not be left to the courts. I look forward with great interest to hear what the Minister of Justice will say. I hope he will meet the expectations of our committee.

* * *

## LABOUR CONDITIONS

UNEMPLOYMENT ON VANCOUVER ISLAND

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, in September of 1984 when the Conservative Government was elected there were 207,000 people working on Vancouver Island. In January of 1986 there were 187,000—a loss of some 20,000 jobs. The Budget which was brought down on Wednesday offers absolutely nothing to the people of Vancouver Island but higher taxes and reduced services. It offers nothing for jobs. It is a failure. I call upon the Government to do something about jobs on Vancouver Island.

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# ORAL QUESTION PERIOD

[*English*]

## THE BUDGET

PERSONAL AND CORPORATE TAXES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, they are all away today selling the Budget. It is a tough sell. I would say to the Prime Minister that, as a travelling salesman, he knows that if the product is lousy it just will not sell no matter how hard he tries.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** I have a question for the Minister of Finance and I am grateful to him for being here. On the basis of his own *Budget Papers* and *The Fiscal Plan*, during the life of this Government he anticipates an increase in personal taxes, direct and indirect, of $21 billion. During that same period of time he anticipates an increase in corporate taxes of $1 billion. Is that how he anticipates sharing? Is that the sort of concept of fairness he has toward the taxpayers of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am always very interested in knowing the recommendations of the Liberal Party on budget matters. I listened carefully to

what the opposition critic said yesterday. He said he would freeze spending and would not raise taxes. That means that the Liberal Party would have us freeze Old Age Security, freeze the transfer payments to the provinces for health and post-secondary education, freeze welfare assistance, freeze the unemployment insurance benefits, and freeze money for the environment. I would like the Hon. Member to tell us what he does mean. What is the Liberal's hidden agenda?

**Some Hon. Members:** Hear, hear!

[*Translation*]

DIVISION OF FISCAL BURDEN

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I think the Minister is doing the freezing.

Why did he provide relief for this country's large corporations, and why did he put this unfair burden on the average Canadian family, instead of providing for more equitable sharing of the tax burden in this Budget?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Opposition said that I was freezing spending. In this year we are going to increase spending on Old Age Security by $1,128 million. For health and post-secondary education there will be a $461-million increase. On welfare there will be a $175-million increase, but for all other programs there will be an increase of only $72 million. That is where we have frozen. We have frozen the waste and inefficiency in Government.

MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, talk about trying to sell the Budget! While the Minister is trying to explain to the average middle-class Canadian why he or she has to bear the ultimate burden of the Budget, is he going to take a detour to Wall Street to find out why he has no takers down there even though he tried to sell the Budget to them?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Opposition is so good with his advice perhaps he could tell us why, so his friends on Wall Street will know, in the first two or three weeks of his leadership campaign he started talking about reducing the deficit, then his handlers slapped him around and told him never to mention that again, and he has not had the courage to rise in the House since then to talk about the deficit.

**Some Hon. Members:** Hear, hear!

[*Translation*]

CREDIBILITY OF MINISTER IN INTERNATIONAL FINANCIAL MARKETS

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, those are not the kind of answers that will re-establish the Minister's credibility.

My question for the Minister of Finance is as follows: Since the Budget was brought down, the Canadian dollar lost nearly two cents against the American dollar, and interest rates went up from 11.54 to 11.90 per cent in the short term. What does the Minister of Finance intend to do to restore his credibility with the international financial markets?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I might just say that my credibility is in very, very good standing. I have a note here from the Business Council on National Issues indicating that the Budget will inspire confidence and convince investors in Canada and abroad that our economy is on a sensible course. The leading business people in the country say that I understand the way to get the Canadian economic performance moving properly and that I have their support.

• (1120)

[*Translation*]

USE OF INTEREST RATE POLICY TO PROTECT DOLLAR'S EXCHANGE VALUE—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, what the Minister of Finance says does not reflect the facts. Considering the falling Canadian dollar and rising interest rates, but especially the position of the Canadian dollar, does the Minister of Finance intend to use the bank rate to prop up the Canadian dollar?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, I think the Hon. Member has it all wrong. Today Statistics Canada released the statistics for the fourth quarter of 1985 which indicate that in that quarter the economy of the country was growing at a 5.3 per cent annualized rate of growth.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Output for the whole year was up 4.5 per cent, which is the best growth rate of any of the industrialized countries in the world.

INTERNATIONAL FINANCIAL COMMUNITY

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is also directed to the Minister of Finance. Talking about confidence and building confidence in the country, we know that the dollar has fallen well below the 70-cent mark. At eleven o'clock today it was at 70.1 cents. What kind of

confidence does this indicate that the international financial community has in the Minister, in his Budget, and in his Government?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I recall to the Hon. Member's attention what I said about the BCNI which represents all the largest employers in the country. Maybe I should ask the Hon. Member to read *The Globe and Mail* wherein the following is indicated: "Next year, for the first time in 12 years, the Government of Canada will start regularly earning more than it spends on public programs. That is what the international community is looking for. This lops more than a billion dollars off direct program spending over two years. It is the first time in recent memory"

**Mr. Speaker:** Order, please.

DOLLAR SUPPORT INQUIRY

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, the Minister of Finance can stand and read all the newspaper reports he wants, but we know that the Canadian dollar is falling today. The only reason it is not falling further is because of massive intervention in the money markets. How much is it costing the people of Canada to shore up the value of the Canadian dollar to indicate artificially that the country and the international financial community have confidence? What is it costing the people of Canada to intervene in the money markets?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the people of Canada are very interested in performance—580,000 jobs have been created. Over 1,000 jobs per day have been created since September 4, 1984. Even in Manitoba where there is an election going on today, in which the Hon. Member behind him is very interested, we are creating jobs.

**Mr. Riis:** The value of the dollar speaks for itself.

MINISTERIAL CARDIAC EXAMINATION

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, would the Minister not agree that, if he looked into his own heart and soul, he would say to himself: "Mike, you blew it"?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would have to say that in the Budget Mike Wilson showed that he had a heart.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** We have accelerated the payment of the child tax credit. We have introduced a low-income refundable sales tax credit. We have introduced a program whereby we will spend $100 million a year to help those people on social welfare to get into the labour force. Mike Wilson has a heart.

PROJECTED PRICE OF CRUDE OIL

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I would think that Mike Wilson has heartburn. I can understand him being upset today with the dollar falling out of bed. It is clear that no one believes the assumptions which the Minister made in developing his Budget. Why does he not talk to his Minister of Energy, Mines and Resources and find out that Alberta crude last week was being posted at $15.54? Why does he not find that out from the Minister of Energy and, when he does, would he then sit down and try to revise the false number of $22.50 which he put in the Budget for revenue purposes?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is not a false number. That was the assumption put into the Budget at the time the Budget Papers were sent to the printers.

I have made two comments to the media since then, first, that there is a revenue loss in a particular sense as the price of oil goes down in the oil and gas industry, but there are benefits to the whole country, as consumers get the benefit of the lower gasoline prices—

**Mr. Garneau:** Where?

**Mr. Wilson (Etobicoke Centre):** —and as industry gets the benefit of lower prices, and as the rest of the world gets the benefit of those low prices, our exporters benefit. The result is an increase in revenues. There is a balance there that is slightly in favour of Canada.

REQUEST FOR NEW DEFICIT AND REVENUE PROJECTIONS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I would like to give the Minister credit. That is an honest admission that the number is false in that it is not valid as of budget date. The number is at least $7 out of line which represents probably an excess of $800 million in lost revenue to the Government.

Would the Minister, Mr. Speaker, recover some credibility for this Budget by immediately, or early next week, tabling some new data which will show us exactly what the projected deficit and revenue will be?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is very well aware of the tremendous volatility in oil prices today. A new assumption is not going to have any real impact on the numbers here. The most important thing is that the Member gets it into his head that there is a balance here. There are a lot of benefits for consumers and for industrial users of fuel that will come from lower oil prices.

*Oral Questions*

## FINANCE

EXCHANGE VALUE OF DOLLAR—GOVERNMENT SUPPORT

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is also for the Minister of Finance. How much did the Canadian Government spend in the last 48 hours in its attempt to shore up the falling Canadian dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that question comes up from time to time in this House. The Hon. Member knows full well what the answer is. He will have to wait until the second business day following the end of the month.

LEVEL OF SUPPORT AUTHORIZED BY GOVERNMENT

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, how much has the Minister of Finance authorized can be spent in order to hold the dollar at a level he considers appropriate, and what is that level?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is also an answer I cannot give. He knows that.

**Mr. Deans:** Why?

**Mr. Wilson (Etobicoke Centre):** The Hon. Member asks why?

**Mr. Deans:** What is appropriate?

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is the one who says do not give anything away to the speculators. I could tell him everything about our exchange rate policy and give the speculators in the world a golden opportunity to make a bundle of money at the expense of taxpayers. He might want to do that. I am not going to do that.

**Some Hon. Members:** Hear, hear!

**Mr. Deans:** You are doing it now.

REPORTED DUMPING OF DOLLARS

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, my question is for the Minister of Finance. Is he aware that senior officials for Lehman Brothers and Salomon Brothers this morning indicated that the financial markets are dumping Canadian dollars because the markets do not believe your oil price forecast—

**Mr. Hnatyshyn:** Order.

**Mr. Frith:** The markets do not believe that the Finance Minister's interest rate forecasts are correct and do not believe that the Government's expenditure reduction projections are on side.

**Hon. Michael Wilson (Minister of Finance):** I am going to pay more attention to the business leaders in Canada, not the speculators on Wall Street, Mr. Speaker.

The business leaders in Canada say the Budget will inspire confidence and convince investors in Canada and abroad that our economy is on a sensible course.

We are pleased that the Budget's restraint measures have not penalized those Canadians at the lower end of the income scale. There is a good balance here in the way this Budget has been put together. I would think the Hon. Member, knowing his background, should be pretty pleased with what we have put together.

* * *

## THE BUDGET

REACTION TO PROVISIONS

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, why should ordinary Canadians who are being asked to bear a punishing and unfair share of the burden of deficit reduction believe the Minister's promise of a better tomorrow when clearly the Minister's friends in international financial circles have voted thumbs down on his Budget?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I could read the same quote again. Those are the business leaders in the country.

**Mr. Riis:** Sixty-nine cents.

**Mr. Wilson (Etobicoke Centre):** I believe one of them is from Inco and another from Falconbridge, two major employers in his part of the country. They are both saying that this Budget is on the right track, that we are solving the problems built up over the last 15 years, and that we are solving the problems left on our doorstep by an irresponsible approach to Government taken by the previous Liberal administration. We are on the right track and we are not going to get bumped off that track by any rhetoric from the Hon. Member.

* * *

• (1130)

[*Translation*]

## THE BUDGET

REQUEST FOR EXPLANATION OF OIL PRICES AND INTEREST RATES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, could the Minister inform the House whether he really believes the price of oil this year will be $22 a barrel, and that interest rates will remain at 9.5 per cent, or is he now willing to admit that these assumptions are so many dangerous mistakes in his Budget?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member prepared that question before he came into the House and listened to the question of the Member for

Saint-Henri-Westmount. I am not going to repeat the answer. It is the same answer as I gave to the previous question.

GAS PRICE AND INTEREST RATE PROJECTIONS

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, would the Minister admit that, if realistic estimates were put in the budget calculations for both gas prices and interest rates, the deficit would be at least $3.5 billion higher than that projected in his documents? Will he not be honest with the Canadian people?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the answer to the question is in part the same answer I gave to the Member for Saint-Henri-Westmount. The answer to the specific number is no, he is wrong.

[*Translation*]

REQUEST FOR CLARIFICATION OF CHILD TAX CREDIT

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of the financial world. In his Budget, the Minister proposed to advance payment of the child tax credit for families whose income is less than $15,000. Everybody knows that those who receive the tax credit have an income of less than $23,500. Could the Minister, who is such a compassionate man, explain why he eliminated 538,000 families who would otherwise be eligible for advance payment of the tax credit? Why did he do this?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not quite sure I understand the Member's question. However, I would ask him to read a booklet called *Social Justice: A Record of Achievement*. This is a record of achievement by the Government in which we talk about what we have done in increasing the child tax credit, in advancing the payment of the child tax credit, and in introducing a new, innovative, refundable sales tax credit for low-income Canadians. It indicates what we have done to help welfare recipients get a job in the labour market. It is all set out in this document and it makes very good reading.

[*Translation*]

INQUIRY WHY GOVERNMENT REFUSES CHILD TAX CREDIT TO CERTAIN FAMILIES

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, you will admit the Minister did not answer my question, and I repeat: Why did the Minister decide to deny 538,000 Canadian families who receive the tax credit the benefit of this particular measure? Why did he turn them down?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the record of social progress of the Government is clear. It is set out in this document which is available in supermarkets right across the country. I encourage Canadians to read it.

* * *

## FINANCE

EXCHANGE VALUE OF DOLLAR

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is also for the Minister of Finance, and it is not about his books in supermarkets. Why is it necessary to have a massive infusion to prop up the value of the dollar? Why is the Minister spending hundreds of millions of dollars to do this if there is really international confidence in our dollar?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member understands that there are a lot of ingredients that go into making up the value of the dollar.

**Mr. Riis:** Confidence.

**Mr. Wilson (Etobicoke Centre):** Some of these things are related to trade patterns, some are related to capital flows, and some are related to adjustments in the timing of payments by people in commercial enterprises. All of these things must be taken into account. I caution him, as I did the Hon. Member for Laval-des-Rapides yesterday, not to jump to early conclusions.

GOVERNMENT SUPPORT

**Mr. Rod Murphy (Churchill):** Mr. Speaker, would the Minister not agree that he and his officials have decided to jump to conclusions and spend hundreds of millions of dollars to prop up the dollar? Did he not jump to the same conclusion as did international investors, that the dollar is going down?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member is trying to help his friends, the speculators in the financial markets—

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** —by trying to draw out information from me that will help speculators make money. I indicated to his colleague that I am not prepared to do that, even though he may be.

**Some Hon. Members:** Hear, hear!

* * *

## ENVIRONMENTAL AFFAIRS

FUNDING OF WILDLIFE AND TOXICOLOGY RESEARCH

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, in the absence of the Minister of the Environment, I will address my question to the Parliamentary Secretary to the Minister. The Budget was encouraging news to NSERC, the Medical

Research Council, and the Social Sciences and Humanities Research Council. What plans does the Ministry of the Environment have to reinstate and enhance its own research requirements, particularly after the severe cuts to the Canadian Wildlife Service in 1984?

**Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, the additional commitment in the Budget of up to $1 billion for grants for research to the councils provides an excellent additional opportunity for the Department of the Environment to enhance its efforts on behalf of wildlife and toxicology research. Last February the initiative was taken to commit $1.4 million in additional research funds. This is in keeping with the approach taken in the Budget and it will enhance all of our efforts on behalf of wildlife research.

The Minister of the Environment would also like me to indicate his appreciation of the efforts of the Member for Ottawa-Carleton on behalf of wildlife research.

**Some Hon. Members:** Hear, hear!

* * *

## FINANCE

### CAPITAL GAINS TAX EXEMPTION

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is for the Minister of Finance. The Minister has chosen to cut the deficit by taxing the life and spirit out of middle and low-income Canadians. Does he agree that it is now time to set some limits on the $500,000 no-strings-attached capital gains exemption which he is giving the affluent?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the simple answer to that is that the $500,000 capital gains exemption is working. Five hundred and eighty thousand jobs have been created since September 4, 1984. That is why that provision stays.

**Some Hon. Members:** Hear, hear!

* * *

## THE BUDGET

### REACTION OF INTERNATIONAL MARKETS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, middle and low-income Canadians got all the tough treatment in this Budget. Large corporations and the small minority of wealthy Canadians were left unscathed. Does the Minister really think this kind of unfairness will show international markets that he is encouraging productive investment in Canada and has a vision for the economic growth of the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that question calls for a 15 or 20-minute reply. I would be happy to make that reply, but I will just repeat the one sentence in the report of the Business Council on National Issues which relates to that question. It reads: "We are pleased that the Budget's retraint measures have not penalized those Canadians at the lower end of the income scale".

There is a good balance in this Budget. We have paid very careful attention to matters of social justice which I have enumerated a number of times in Question Period today and yesterday. There is a good balance between Canadians in upper-income, middle-income, and lower-income brackets.

### LEVEL OF PERSONAL AND CORPORATE TAXES

**Mr. John. R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of Finance. I want to refer him to *The Fiscal Plan* and ask whether he can explain to the House why personal taxes in 1987-88 will increase by $5.5 billion while corporate taxes will decrease by $75 million?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I answered that question yesterday on three occasions, I think. I would like to correct the comment by New Democratic Party Members to the effect that personal income taxes will increase by $1,300. The income tax increase for someone earning $30,000, from both the May and February Budget, is $523. That does not include sales tax. However, if the Hon. Member is correct, there is $800 worth of gas and excise tax. That means he is a very heavy drinker, a very heavy smoker, and a coast-to-coast truck driver.

**Some Hon. Members:** Hear, hear!

● (1140)

### IMPACT ON PERSONAL TAXES

**Mr. John R. Rodriguez (Nickel Belt):** How does the Minister explain the unfairness on page 42 of *The Fiscal Plan* where individual Canadians who will pay increased personal income tax and sales and excise tax will be paying four times more in taxes than the corporations in 1986-87, and ten times more in 1990-91? Is that his version of fairness?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, when one cuts through all of the rhetoric of the New Democratic Party and gets to the heart of what is important to Canadians, the fact is that real disposable income per capita will increase in 1986 by approximately 1 per cent. This means that on a real dollar basis it will be $650 per person, or $2,600 per family, in real disposable income increases. That is a pretty good record.

### EXCHANGE VALUE OF DOLLAR

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of Finance. Having witnessed his massive tax grab and the resulting falling dollar, my advice to the Minister of Finance and the Prime Minister is that they should quit writing Budgets and start

writing fairy tales under the pseudonym of "The Brothers Grim".

How can the Minister expect Canadians to believe there is a pot of gold at the end of the rainbow when this morning the rainbow, that is, the dollar, collapsed about the Minister's ears? Is he not really offering Canadians an empty pot?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe I was asked that question before and I believe I have answered it fully.

However, I would point out, in response to the preamble to the Hon. Member's question, that when this fellow over here, the Leader of the Opposition, was the Minister of Finance, revenues as a percentage of GNP were $19 per $100 of national income. After the tax increases in this Budget and the last Budget come into full effect in 1987-88, they will only by $17 per $100 of national income. That is a pretty good record compared to the previous one.

INDIVIDUAL AND CORPORATE TAX LEVELS

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, the Budget is not only not working, it is unfair. Where is the pot of gold for Canadians when, according to the *Budget Papers*, which the Minister prepared himself, by 1990-91 individual Canadians will pay 87 per cent more in taxes, and corporate tax revenue will fall by a whopping 22 per cent? Where is the fair share concept in that kind of arithmetic?

**Hon. Michael Wilson (Minister of Finance):** The pot of gold for Canadians is to see this problem brought under control. We have shown 580,000 Canadians jobs which they did not have in September, 1984. That is a pot of gold and we will continue on that track, supported by this budget document.

IMPACT OF TAXES ON INDIVIDUALS

**Mr. Neil Young (Beaches):** Mr. Speaker, my question is directed to the Minister of Finance. In response to my question yesterday he referred me to page 42 of the *Budget Papers* for his answer. I have done that, and I want to ask him again if it is fair that income tax, sales tax, and other hidden taxes on individual Canadians will increase four times more this year than corporate taxes, and ten times more by the year 1990?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I responded to the Hon. Member's seat-mate just a few minutes ago.

**Mr. Rodriguez:** You did not answer it.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member likes to play with numbers. Yesterday, in a preamble by him or one of his colleagues, we heard the figure of $1,304. This total misuse of statistics is misleading to the House.

**Mr. Turner (Vancouver Quadra):** It is right there in the book.

**Mr. Wilson (Etobicoke Centre):** It is not in the book. The Leader of the Opposition says that it is right in the book. It is not in the book.

The book indicates that someone earning $40,000 is paying $704 more in taxes, not the $1,304 stated by the New Democratic Party.

MINISTER'S POSITION

**Mr. Neil Young (Beaches):** Mr. Speaker, will the Minister agree that the cumulative effect of all of these financial statements, including last May's Budget, will impose higher taxes on individual Canadians while the corporations get away scot-free?

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker, I do not say that that is accurate at all. If the Hon. Member looks at the corporate tax reform measures in this Budget—

**Mr. Riis:** What about the last Budget?

**Mr. Wilson (Etobicoke Centre):** And the last Budget. I thank the Hon. Member for that guidance.

If the Hon. Member wants to know what Canadians can look forward to, he will see that they can look forward to more jobs, greater economic growth, lower interest rates, and more investment which will create more jobs. That is what this budget policy will achieve.

CHANGE AFFECTING REGISTERED RETIREMENT SAVINGS PLANS

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, my question is directed to the Minister of Finance. One of the least reported but most beneficial parts of the Budget affected senior citizens. I refer to the RRSP change-over at age 71. The big companies were clearly opposed. What was the rationale for this decision?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this decision is related to the desire of senior citizens who have Registered Retirement Savings Plans to have more flexibility and control over their investments so that they can have the ability to take funds out to use as they wish for example, to take trips with their spouses. The purpose is to give freedom to our senior citizens so they can enjoy their retirement and live in peace and harmony.

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## SCIENCE AND TECHNOLOGY

LEVEL OF RESEARCH FUNDING

**Mr. David Berger (Laurier):** Mr. Speaker, my question is directed to the Minister of Finance. I invite him to tell

Canadians what researchers in the science community already know, that research spending is going down rather than up. The Government has given the Natural Sciences and Engineering Research Council 8 per cent of the funds that the Council had requested. Will the Minister tell us what the effect of this pitiful, shameful, and short-sighted response will be? How many jobs will be lost and how many careers will be destroyed? How many of our brightest minds is he exporting to the United States?

**Mr. Speaker:** Order.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe that the people in the research community are very pleased. The Government has provided them with the possibility of receiving $1 billion in increased research funds over the next five years. Furthermore, we have done this in a way that will more closely integrate the activities of the public sector with those of the private sector so that there will much more productive results and the research laboratories will be brought much closer to the market-place for the benefit of all researchers in the country.

**Mr. Berger:** The Minister is cutting research, no matter what he says, and cutting research is like pulling the kids out of school because times are tough.

GOVERNMENT POLICY

**Mr. David Berger (Laurier):** Mr. Speaker, what must we do to make the Government realize that our future well-being, our jobs, depend on what we invest today in our most valuable resource, our people?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that over-blown rhetoric does not fool anyone. One billion dollars is a lot of money, and the research community—

**Mr. Berger:** Is is not a billion dollars.

**Mr. Wilson (Etobicoke Centre):** There is $1 billion, and the research community is very pleased with what we have done at a time of restraint, when we are cutting discretionary spending in many other parts of government. We have found new money for the research community so that we can accomplish what we all know is important.

**Mr. Speaker:** Order, please.

* * *

● (1150)

## PUBLIC SERVICE

SPENDING CUTS—EFFECT ON JOBS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Prime Minister in the absence of the President of the Treasury Board. In view of the risk that 10,000 more public service jobs will be lost as a consequence of the half billion dollars in new spending cuts and the ceiling on departmental spending which were announced this week, will the Prime Minister guarantee that not a single further public service job will be lost as a consequence of these new cut-backs?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, what the President of the Treasury Board has said is that we will be introducing the details of the policy of the $500 million across-the-board spending cut in due course. It is not possible to be precise at this time as to what the impact will be on person years, but the policy of the Government has been, and will continue to be, to try in every way possible to find new spots as attrition frees up other person-years in other parts of Government.

REQUEST FOR MINISTERIAL GUARANTEE

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my supplementary question is directed to the Minister of Finance who indicates that person-years may in fact be affected on top of the 15,000 job-cuts already announced. Will the Minister of Finance guarantee that no further cuts on top of the 15,000 person-year cuts already announced will take place? Will that guarantee be made—yes or no?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I indicated very clearly that the details of this plan will be made public in a very short while. The Hon. Member will get his answer then.

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[*Translation*]

## THE BUDGET

REGIONAL ECONOMIC DEVELOPMENT

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Minister of Finance, who may have noticed that a number of provincial governments have shown their dissatisfaction with the Budget.

For instance, the Premier of Quebec, Mr. Bourassa, said he was worried about substantial tax increases having a negative impact on the country's economic growth.

I would like to ask the Minister how he intended to help the regions in this country that need development by bringing down a Budget whose incredible tax measures will slow down demand and reduce economic growth in this country. Is that his plan for developing regions that need help?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I caution the Hon. Member in drawing these conclusions because I believe it was 16 months ago that the Right Hon. Leader of the Official Opposition drew these same conclusions. He said the effect of the economic statement of November 8,

1984, was going to cost this country 50,000 or 100,000 jobs—it may even have been 200,000 jobs on one of his more energetic days. There have been 580,000 jobs created since September, 1984, as we have gotten our programs under-way.

STATEMENT ATTRIBUTED TO PREMIER OF ALBERTA

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, let me quote some of the Minister's friends. Premier Getty is saying: "There is nothing in this Budget for Alberta's fragile economy except increased taxes which will affect consumer spending". Why has the Minister produced a Budget which does so little for a province whose farmers and unemployed are in such great difficulties today? Is this a sense of fairness for Albertans?

**Mr. Valcourt:** Is it fair to bankrupt the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this Budget was prepared and is presented for all Canadians. There is something in this Budget for all Canadians.

**Mr. Rodriguez:** High taxes.

**Mr. Wilson (Etobicoke Centre):** For the Province of Alberta there is the program to help farmers who have heavy debt loads, and for the people in Alberta there is the wide range of social justice policies which are so important to Canadians in need. There are policies in the Budget to help those Canadians who are now on welfare in parts of Alberta because of the National Energy Program which put them in such great difficulty. It is helping them get back into the job market.

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## MINES AND MINING

NEGOTIATION OF NEW INTERNATIONAL TIN AGREEMENT

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my question is directed to the Minister of State for Mines. After the collapse of the tin market last fall, what progress has been made toward a new international tin agreement, and what are the likely implications for Canada?

**Hon. Bob Layton (Minister of State (Mines)):** Mr. Speaker, this has been the subject of some concern to the mining sector. I am able to report that just last weekend the negotiations between the members of the Tin Council, the banks, and the brokers have resulted in a proposal which is being considered by all of the participants. This proposal will be a preferable solution to the crash scenario which would certainly upset our mineral markets.

## EXTERNAL AID

FIVE-YEAR ASSISTANCE TARGET

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On Wednesday the Minister of Finance said: "Our economic performance during the past 18 months has been much better than anyone expected". If this is so, why has the Government cut Official Development Assistance targets by $1.5 billion over the next five years when Canada had made this commitment to the needy people of our world? Why?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we have been able to achieve success in the Canadian economy, which is evident in the rate of growth of the economy and the creation of jobs, because we have addressed the deficit. It is the view of this Government that no Department can be exempt from this attack upon the deficit which is essential to the ability of Canada to be strong in the world.

This Government pursues two priorities. We pursue the priority of active presence internationally, and the priority of getting the deficit under control. International aid will increase next year and we will be getting the deficit down.

**Mr. Manly:** Mr. Speaker, the Minister says our economy is strong. It is going to be hard for the women and children of developing countries to understand that.

OFFICIAL DEVELOPMENT ASSISTANCE

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Since Export Development Corporation funds for concessional funding to Canadian exporters to developing countries can now be counted as Official Development Assistance, can the Minister say what percentage of our Official Development Assistance will be made up of such concessional funding, and whether or not this is over and above the 5 per cent of our GNP which the Government now plans to spend on ODA?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, one of the reforms we are bringing in is precisely that it is over and above .5 per cent. Let me make it very clear to the House that in the last five years this country spent $8.7 billion on Official Development Assistance. In the next five years this country will spend $13.6 billion on Official Development Assistance. That is a significant and dramatic increase.

**Mr. Hees:** Good stuff, Joe!

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## REGIONAL ECONOMIC DEVELOPMENT

EFFECT OF BUDGET ON NORTHERN ONTARIO

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, my question is directed to the Minister of Finance. Is the Minister

aware of the extent to which a region like northern Ontario depends upon federal Government regional development programs for its economic health? Does the Minister think it is fair that the people of northern Ontario, who really cannot afford it, are being asked to pay much higher taxes as a result of this Budget but will receive very much less in terms of regional development dollars?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, one of the things we have tried very, very carefully to do is to be sensitive to how we cut government spending. In that regard, those programs which affect the regions of the country have been spared to the largest extent possible from spending cuts. The major element of the spending cuts has been here in Ottawa with improved management, so that we can squeeze out the waste and inefficiency, as well as in the better-off parts of the country which can well afford to have some of those Government programs cut back.

GOVERNMENT POLICY

**Mr. Keith Penner (Cochrane-Superior):** Mr. Speaker, the cuts for regional development are about 25 per cent. Does the Minister think that cutting regional development dollars is an effective way of reducing the deficit? Does it not really mean in the long run that there will be fewer revenue dollars coming into the Government of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we are back to my first answer. What we have done in cutting the size of subsidies to business through the Industrial Regional Development Program has been to focus primarily on the Tier 1 and Tier 2 areas of the country, not the Tier 3 and Tier 4 areas which are primarily in northern Ontario. What I would point out to the Hon. Member is that, as we get the deficit problem under control, interest rates will come down and all parts of northern Ontario will benefit from that in a very major way.

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## CULTURAL AFFAIRS

GOVERNMENT FUNDING OF CULTURAL SECTOR

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my question is directed to the Minister of Finance. Can the Minister explain how cutting $122 million from the cultural sector last year, then adding $75 million supposedly new dollars this year, is to be considered a positive cultural initiative? Most Canadians who can add and subtract will find this to be a cut of $47 million. Can the Minister explain this contradiction?

**Hon. Michael Wilson (Minister of Finance):** Yes, Mr. Speaker, that is very easy to do. What we have cut are programs which are no longer effective. What we have cut are waste and inefficiency in the operations in the area of communications and culture. What we have cut is the Canadian Broadcasting Corporation, which can afford to be reduced in size. We have replaced that with more effective programs and more focused programs on developing the cultural sovereignty of the country.

• (1200)

SIZE OF GOVERNMENT ASSISTANCE

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I find that extremely interesting, since the CBC is central to the development of the cultural industries in the country. As the Government is busy negotiating culture with free trade it will be cutting back the CBC—

**Mr. Speaker:** Order, please. Question, please, and just a question.

**Mrs. Finestone:** Mr. Speaker, as the Minister has announced a 2 per cent freeze across the board, can he tell us how he can announce a 6 per cent over-all increase to the cultural industries?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think there are people in the country who would disagree with the Hon. Member. We believe that culture in Canada is more than just the CBC.

**Some Hon. Members:** Hear, hear!

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# ROUTINE PROCEEDINGS

[*Translation*]

## SELECTION

PRESENTATION OF TWENTIETH REVISED REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour of tabling the Twentieth Revised Report of the Selection Committee, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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[*English*]

## PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I wish to present two petitions, one on behalf of 107 students of Simon Fraser University in British Columbia and the other on behalf of 297 students of the University of Calgary in Alberta, who are urging the federal Government to reinstate Katimavik.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

**Mr. Bruce Halliday (Oxford):** Mr. Speaker, I have the honour to present to the House a petition on behalf of 348 residents of my riding of Oxford. My constitutents are protesting the continued operation of the Morgentaler clinic in the City of Toronto in violation of Section 251 of the Criminal Code of Canada.

HARBOUR AND DOCKING—MILLER BROOK, N.B.

**Mr. Roger Clinch (Gloucester):** Mr. Speaker, it is my honour to present to the House a petition signed by 230 Canadians from the constituency of Gloucester who are asking the Government of Canada, through its Department of Fisheries and Oceans, to consider the construction of a proper harbour and docking area at the Miller Brook area in the County of Gloucester, New Brunswick.

PROPOSED DEVELOPMENT OF NCC PARKLAND

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, it is my duty to present another petition signed by 66 residents of the national capital region from Gloucester, Nepean, Kanata, Aylmer and the City of Ottawa, who strongly oppose the National Capital Commission's proposal to build embassies in the Mile Circle in my riding.

FULL INDEXATION OF FAMILY ALLOWANCE

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I have the honour to present a petition signed by some 200 residents of Toronto, most of them from the constituency of Etobicoke Centre, requesting Parliament to reverse its decision to deindex family allowance benefits.

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## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, Question No. 446 will be answered today.

[*Text*]

BICYCLE SAFETY

Question No. 446—**Mr. Orlikow:**

1. Was the Department of Consumer and Corporate Affairs advised that auxiliary (safety lever) brakes for bicycles on many Canadian bicycles were unsafe because of defective screws which loosen with repeated brake application and, if so (*a*) on what date (*b*) what action did the Department take?

2. To the knowledge of the Department (*a*) approximately how many bicycles have been sold in Canada with these defective brakes (*b*) what means are being used to advise the public of the hazardous nature of these brakes?

*Borrowing Authority Act*

3. Is the Government planning to introduce compulsory safety standards for bicycles sold in Canada and, if so (*a*) on what date (*b*) which bicycle components will be covered by such standards?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** 1. (*a*) The Department of Consumer and Corporate Affairs received a complaint in January, 1982 to the effect that some brake extension levers did not function properly.

(*b*) The matter was investigated and it was the Department's understanding at the time that most bicycle manufacturers took corrective action as soon as they became aware of the problem.

2. (*a*) Information at hand indicates that the unsafe design of brake extension levers was used in inexpensive brake systems imported from the Orient only for a time during the 1970s. It is not known how many bicycles were sold during that period with these brake extension levers.

(*b*) The brake extension lever is a convenience feature which does not replace the main braking system. The extension lever is designed to gradually reduce the speed of the bicycle, not to stop it quickly. Even if the brake extension lever fails, the cyclist can still activate the main hand-brake lever to slow down or stop the bicycle. Since it was a convenience item that was in question rather than the basic safety of the braking system, a public statement was not issued.

3. With respect to safety standards, it must be recognized that the Canadian Standards Association has issued such standards and also has a bicycle certification program in operation. In view of these actions, Government intervention in the market place appears unnecessary at this time.

(*a*) Not applicable.

(*b*) Not applicable.

[*English*]

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

[*Translation*]

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

**Hon. Barbara McDougall (Minister of State (Finance))** moved that Bill C-99, an Act to provide borrowing authority,

be read the second time and referred to the legislative committee.

She said: Mr. Speaker, I rise today to outline the Government's borrowing requirements for the upcoming fiscal year. I want to begin by paraphrasing the remarks made by my most honourable colleague, the Minister of Finance (Mr. Wilson), when he presented the previous borrowing Bill before this Chamber last May. At that time he said that he could garner little enthusiasm in bringing forward such a measure, a measure dealing with a legacy of the previous administration and which imposed an extraordinary severe burden on the people of Canada.

[*Translation*]

Mr. Speaker, I would like to inform Hon. Members that I share my colleague's lack of enthusiasm for this measure which we tabled last May. However, I am confident that the credible, honest and praiseworthy document the Minister of Finance (Mr. Wilson) tabled Wednesday afternoon represents a firm extension of his commitment and this Government's commitment to remedy the sad state of affairs that we inherited.

[*English*]

The evidence is before us today. This Bill is testimony to the sound progress that this Government has made. I am sure all Hon. Members are aware that our borrowing needs, thanks to my colleague the Minister of Finance, have been reduced from $28.8 billion last year to $22.6 billion this year. That is a full $6.2 billion less. Furthermore, as my colleague the Minister of Finance told us yesterday, our borrowing needs will continue to be reduced every year thereafter.

On September 4, 1984, Canadians voted overwhelmingly for a new approach to the way this country is governed. Three months later the Minister of Finance presented to the House his economic statement, a historic document, which outlined an agenda of economic renewal and set out the principles and new policy directions designed to clear the way for sustained growth and to create permanent jobs at low, stable rates of inflation.

Hon. Members will recall that the three major challenges he identified at that time were: restoring fiscal integrity, encouraging private initiative, and redefining the role of Government so that it provides an effective framework for economic growth and job creation. On May 23 last year the Minister built on this comprehensive economic strategy and presented us with a Budget designed to redress high unemployment and spiralling national debt. This past Wednesday we were given the proposals of his current Budget, proposals which are consistent with and complementary to those of his previous addresses to this House.

● (1210)

Today, in bringing before the Chamber a Bill to authorize the Government's planned borrowing requirements for the forthcoming year, I want to underscore the fact that the consistent and comprehensive application of the strategy which was first enunciated a year ago last November and developed in the May 1985 Budget, a strategy built on prudent management and good, old fashioned common sense, has produced results. This success can clearly be seen in the renewed optimism in Canada and in the jobs that have been created and the consumer confidence which is at its highest level in many years. The Government is putting the nation back together by promoting growth, creating jobs, improving Government effectiveness and controlling our national debt. This is the first Government in many years that has had the discipline and sense of stewardship to do this.

This is a clear demonstration of the leadership and initiative displayed by Progressive Conservatives, by the people on this side of the House and by the Government. We have acted with decisiveness, with consistency, with determination, with discipline and with a sense of responsibility. We as a nation cannot continue to mortgage our future. Therefore, we are taking the actions that we have to take. We are restraining the Government's needs to make sure that, like all other Canadians, we are spending smarter. Canadians are tired of having their futures mortgaged as well as their homes.

The Minister of Finance said very clearly last May that at some point we must begin to pay the bills for current services and not pass them on to our children. We as a Government are determined to put our fiscal house in order. When independent comparisons and studies are made with other countries, it becomes very clear that we are succeeding in this resolve. Between 1982 and 1984, Canada recorded the largest deficit among the major OECD countries with the exception of Italy. With the measures that have been brought forward by this Government, the deficit will decline from 6.3 per cent of GNP in 1984 to 4.7 per cent in 1986. This represents the largest decline, along with Japan, among the seven OECD countries. That is a record of which we are going to be very proud.

[*Translation*]

We are on the way to new economic prosperity. However, I would not want Hon. Members to think this Government will rest on its laurels. The economic problems still facing our country are not easy to resolve. To attain our Government's objective of full economic recovery will require a sustained effort on the part of all Members of this House, and I earnestly ask you to support us in this very important task.

[*English*]

Let me turn now to the specifics of the Bill before the House. The Bill seeks $22.6 billion worth of borrowing authority for 1986-87, an amount exactly equal to the forecast financial requirements for the year, and no additional amount of borrowing authority is being sought at this time. I should explain that a new borrowing authority Bill would normally include an amount equivalent to the financial requirements and a specified amount for contingencies such as possible foreign exchange requirements. This year, the Government has recourse to $2 billion of unused non-lapsing authority which was provided by the Borrowing Authority Act, 1984-85, (No. 2). Thus, no contingency amount is being required.

To remain consistent from one year to the next, Clause 3 of the Bill stipulates that all unused borrowing authority granted by this Bill or by the Borrowing Authority Act, 1984-85, (No. 2) to the extent that the unused authority exceeds $2 billion will be cancelled. Thus, any unused borrowing authority remaining from the $2 billion non-lapsing amount granted earlier will be cancelled at the end of the fiscal year and may not be carried forward again. The provision to cancel all unused authority granted for the 1986-87 fiscal year to the extent that it exceeds $2 billion is similar to previous years and if available will preserve a $2 billion non-lapsing amount to be carried forward into the 1987-88 fiscal year.

As you know, Mr. Speaker, in May 1985, the Minister of Finance tabled a paper proposing improvements to the Canadian budgetary process. One of the suggestions in that paper was to seek parliamentary approval of borrowing authority for the upcoming fiscal year at the same time the Budget was presented. The logic behind the proposal is really self-evident. It is that the Budget presentation in February would set out the financial information for the new fiscal year for parliamentary study, and this is the course of action that I am following now. I would hope that the debate on the Budget and the fiscal stance presented by the Government will be helpful in the examination of the borrowing authority Bill.

As a matter of interest to Hon. Members, I would like to outline how the Government has made use of the borrowing authority provided by Parliament for the 1985-86 fiscal year. The total amount of authority provided was $32.2 billion. It consisted of $12 billion provided by the borrowing Authority Act 1985-86; $18.2 billion provided by the Borrowing Authority Act, 1985-86, (No. 2); and a $2 billion non-lapsing reserve carried forward from the Borrowing Authority Act, 1984-85, (No. 2). During the 1985-86 fiscal year to date, domestic borrowing operations have used about $23 billion of borrowing authority, $7.3 billion through the issue of treasury bills, $11.4 billion through the sale of marketable bonds and $4.3 billion through the net sale of Canada Savings Bonds.

There was in addition foreign borrowing that added $8.2 billion to the use of borrowing authority. The foreign borrowing represented a $900 million U.S. public issue in the U.S. market in July, a $500 million bond issue in the Eurodollar market in November 1985, a $80 billion public bond issue in the Euro-yen market in February 1986 and a U.S. $1 billion bond issue in the Eurodollar market in February 1986. In addition, net standby drawings during the 1985-86 fiscal year to date have used $4 billion of borrowing authority. There was also a redemption of a U.S. $250 million public issue in October which reduced the total use of borrowing authority. The borrowing authority calculations reflect as well the repayment of portions of Canadair financial corporation debt that was assumed by the Government in the 1985-86 fiscal year.

Let me close my remarks by urging the House to effect swift passage of the legislation that is before us today. Hon. Members I am sure will recall that last May, the borrowing Bill was debated within two weeks of the Budget. This year we are debating it within two days.

• (1220)

[*Translation*]

We are discussing this measure in the light of Wednesday's Budget, and I shall be happy to hear any comments that Hon. Members may wish to make on this very important matter, Mr. Speaker.

[*English*]

I am reminded of a quotation from Hippocrates: "Healing is a matter of time, but it is also a matter of opportunity". I ask all Hon. Members to seize the opportunity offered to us this week by the Minister of Finance, the opportunity to build a better future for Canada. I also ask Hon. Members to pass this Bill rapidly enough to allow us to stay the course we charted in November, 1984 which has been so successful in our economic environment to date, so that we can once again restore the nation to its potential.

**Some Hon. Members:** Hear, hear!

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the borrowing authority Bill introduced by the Government after its first Budget last May requested over $18 billion. This was after the presentation of a Budget which was and is widely perceived as an outright attempt by the Government to tax its way out of the deficit at the expense of middle and low-income Canadians.

Today we are considering another request for borrowing authority. Again the Government has presented a Budget which is very little more than across-the-board regressive tax increases, except that they will hit doubly hard, since the new increases are piled on to those already in effect from the last Budget, and again middle-income Canadians are hit. And yet, with this double whammy effect, with the further squeeze which the Government is putting on average taxpayers, the Bill before us requests no less than $22.6 billion for 1986-87.

What kind of questions does this raise about the way the Government has chosen to proceed in its two Budgets and the way it has governed in the time it has been in power? We in the Official Opposition opposed many of the measures in last year's Budget because of their unfairness. The broadening of the sales tax base, sales tax increases and deindexation are measures which impact upon everyone, but hit hardest at families and individuals with low and moderate incomes. We have pointed out repeatedly as the budget Bills came before the House that the sales and excise taxes have a multiplier effect which enhances their unfairness. Year after year they will take bigger and bigger bites from the incomes of taxpayers. Their effect is only beginning to be felt. The billions of dollars the Government takes in this year through the tax hikes in last year's Budget alone will multiply several times by the end of the decade.

With concerted effort from the Opposition and strong protest from Canadians in general, we were able to force the Government to change some of its most damaging proposals. The Government backed off from its plan to strip inflation

protection from old age pensions, and the Government restored the sales tax exemption for certain medical supplies.

The unfairness of the Conservative Government's first Budget was highlighted by the treatment afforded to large corporations and to the small minority of wealthy Canadians. While middle and low-income Canadians got all the rough treatment in the Budget, those groups were left relatively unscathed: in fact, one might say that they got off better than unscathed.

In contrast to the loss of protection against inflation, the deindexation of the personal tax system and the tax grabs perpetrated upon low and middle-income earners, the fortunate 4 per cent of the population who can afford it, were given the gift of a $500,000 lifetime capital gains exemption. There were no strings attached, no restrictions, no requirement that investments qualifying for the exemption contribute in any way to building our economy. It is simply an unsolicited, untargeted bonus which further complicates the tax system.

It is important to remember these things about the Government's Budget of last year because we are living with these measures right now. I certainly agree with the Minister of Finance and other Government supporters who say that we must consider the two Budgets as a package. We in the Official Opposition were and are against measures adopted by the Government in its first Budget last year. We did not believe then and we do not believe now that the way to cut the deficit is by taxing the life and spirit out of middle and low-income Canadians. We urged the Government to take the opportunity in its second Budget to repair some of the damage done in its first Budget. We urged the Government to modify the capital gains exemption, to add some conditions. We urged the Government to address the fact that its measures were creating a gap between the "haves" and "have-nots" in society. We urged the Government to introduce measures which would show us that it had a vision and an agenda for economic growth.

The Official Opposition was not the only voice encouraging the Government to such action. Many other groups and individuals also encouraged it to bring about a fair and an imaginative Budget—groups from social policy organizations, to business groups, to individual citizens. However, on February 26 it became clear that the Government had not listened. On February 26 Canadians got more of the same—more tax increases, more hidden tax changes.

The speeches which I gave during last year's debate on the Budget and last year's debate on the borrowing authority Bill are quite relevant today and could almost be applied verbatim to this year's debates. We have now had two Budgets which have taken exactly the same stance, to wring as much as possible in tax revenues from middle and low-income Canadians in an effort to cut the deficit and to prove to outside investors that the Conservative Government has the ability and resolve to manage our economy. It may be early to judge the international reaction, but the dollar has dropped on each of the two days since the Budget was presented. It will probably be another couple of weeks before we know what international investors think of a Government which in two successive Budgets latches on and clings to the method of raising revenue by taxing and then taxing some more. Will that be a signal that the Government has a vision of where it wants the country to go?

Reaction to the $500,000 capital gains exemption with no strings attached was lukewarm at best, negative in large part, but there has been no move to modify it. I think the Minister would have acquired great credit if he had been willing to admit that that was a mistake and to add in some conditions so that people who benefit from such a measure would contribute to the Canadian economy in some way. However, he chose not to do so.

On top of the 1 per cent federal sales tax increase in the last Budget, this Budget now gives us another 1 per cent increase on all items including gasoline. We should remember that because fuel costs are a part of all manufacturing, packaging, transportation, storage and retailing, any increase in fuel costs means higher prices for the consumer.

• (1230)

This measure is only one of the many measures in this Budget which are inflationary. Canadians will have to dig deeper into their pockets to pay a further $1.9 billion in federal taxes while corporate taxes increase by only $380 million.

As a result of the Conservative Government's two budgets, middle and low-income Canadians will have less money because of higher taxes, and they must use their reduced incomes to buy goods that are made more expensive because of higher taxes.

The small compensations offered in the February 26 budget do not come close to compensating for what Canadians are losing through these repeated tax grabs. The so-called federal sales tax rebate will be a help to some poor Canadians, but it will be a pittance compared to what they will lose over the years because of the cumulative effects of deindexation and tax increases.

As for the proposal to give some low income families their child tax credit a few months early, it is beyond me how that can be presented by the Government as generosity. The Government is patting itself on the back for offering to give people the money it owes them.

These are the two measures Government Members are pointing to as proof of the Conservative Government's compassion and sense of fairness. I would simply point out that they are small and very inexpensive measures which will be paid for several times over by what the Government expects to rake in with the 3 per cent surtax.

It remains to be seen if this concerted attack on the middle class will have the effect the Government wanted. It will raise revenue, but the Government also hopes it will convince international investors of its determination to manage the economy. This brings me to a concern I raised earlier. Where is the Government's agenda for economic growth? Where is the imagination, the sense of purpose, to inspire Canadians to

make them feel it is worthwhile to tighten their belts now for a better vision and a better future? Successful countries are those with forward-looking industrial strategies. Where is Canada's? We should be working hard to strengthen our technological base in industry and in our universities, but the Government is cutting contributions to post-secondary education.

**Mrs. Mailly:** That is not true.

**Miss Nicholson:** We should be trying to raise our standard of living by raising our productivity to stay competitive. Instead, we have universities in a serious cash crunch and cut-backs in industrial and regional development programs. Instead of raising standards of living, the Government is lowering standards of living by taxing away the purchasing power of low and middle-income Canadians.

We have a Government that clamors for restraint but squanders money in bank bail-outs, large tax concessions to big corporations and a capital gains exemption that will funnel Canadian savings into non-productive investments. The Government, without any industrial strategy of its own, has spent billions in taxpayers dollars on measures that will do little to revitalize the economy and strengthen economic recovery.

The greatest resource of any country is people. In this last Budget we saw no mention of youth, no concern for the very high youth unemployment, no concern for the bright, able young people who are finding it increasingly difficult to finance post-secondary education.

Not only is the Government reducing its direct contributions to the provinces for post-secondary education—

**Mrs. Mailly:** That is not true.

**Miss Nicholson:** —but as universities then put up their fees, it becomes harder for the bright but lower income students to finance post-secondary education. I have had many letters from students and from parents who have pointed out the increasing difficulty of financing post-secondary education. Summer jobs are harder and harder to find, yet the Government cut back on its money for job creation.

**Mr. Dick:** When?

**Miss Nicholson:** At a time when we should be doing all we can to assist our bright creative young people to receive higher education, whether or not they come from monied families, the Government appears totally insensitive.

There are many other Members who wish to speak on this Bill and, therefore, I will save some of my other comments for a future debate on the Budget. I would just point out that the Budget tabled the day before yesterday is based on two assumptions which may or may not come to pass.

There is an assumption of an oil price of $22.50 a barrel which does not seem likely to be met, and as a result many of the other projections on which this is based may not come to pass. There is an assumption of interest rates which may in fact prove to be optimistic. If indeed the Government's assumptions are not met, we will undoubtedly see the Minister back with a Bill for supplementary borrowing authority.

For the sake of the country, naturally one hopes that the measures announced in this dreary and unimaginative Budget will be effective, but it is very difficult to feel much confidence in what we have seen to date.

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

**Some Hon. Members:** Question.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Kamloops-Shuswap (Mr. Riis).

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, we are not quite ready for the question yet.

**Mr. Rodriguez:** Absolutely not.

**Mrs. McDougall:** Why not?

**Mr. Riis:** Because we have a few comments we wish to make.

It was very interesting when the Minister of State for Finance (Mrs. McDougall) stood in her place and introduced Bill C-99, requesting authority from the House of Commons to borrow $22.6 billion. That was fine. Something which all Members of the House have been calling for is the introduction of the borrowing authority immediately after the tabling of the Budget and the estimates. That, I say, is a very good process to have been introduced by the Government. It was a fine move, something which the Government in opposition had called for for years and which Liberal Governments have failed to do for years and years and years. I say congratulations, but that is it, quite frankly.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** To be fair, Mr. Speaker, it is very important that people have the whole package before them to consider. The Minister of State for Finance gave us some very peculiar rhetoric and wording. It reminded me of when I used to read bedtime stories to my two sons. They enjoyed the fairy tales and so on. It helped them sleep better. Perhaps it gave them a creative mind-set when they went off to sleep. The Minister of State gave us, as Members of Parliament and the people of Canada watching and listening today, a little bedtime story: "Look how we as a Government have instilled confidence in the people of Canada and in the international investment corporate community", she said. I thought to myself, need I listen to anything beyond this?

• (1240)

I would have sworn that earlier today the value of the Canadian dollar had fallen to 69 cents U.S. It has fallen more

than 2 cents since the Budget was introduced only two days ago. That is a reasonable thermometer to use to identify how well the Government and the Minister of Finance (Mr. Wilson) are doing. I think they have a reverse fever. That thermometer wanted to go lower than 69 cents U.S. Just a few weeks ago the Government's friend, Governor Bouey, said in the finance committee that he would go to any extreme to maintain the value of the dollar, and he did, because he had to.

**Mrs. Mailly:** That was in response to the speculators.

**Mr. Riis:** That was not, as the Hon. Member indicated, in response to the money speculators. Many of us asked him to what extent he was prepared to go in the months ahead to ensure that the Canadian dollar stays around 70 cents U.S. He said that he was prepared to go to virtually any length.

I think they started on Wednesday in anticipation of the Budget, and since then have been purchasing hundreds and hundreds of millions of dollars of our own currency to try to convince the people in the international money markets that there is a massive buyer buying all of our money to give an artificial, inappropriate, and fairy tale vision of the value of our currency. We all know this happens. The international money market people know this. It fools no one when a single buyer borrows hundreds of millions of dollars in foreign exchange and then buys our dollar to give the impression that people are interested in our currency. It fools no one in this House, in the country, or in the international money markets. Therefore, the value of the dollar is down.

I was hoping that the Minister of State for Finance (Mrs. McDougall) would explain to us why the dollar has collapsed in the last two days since the Budget came in.

**Mrs. Mailly:** It hasn't collapsed.

**Mr. Riis:** Well, it has fallen two cents in two days. The only reason it did not fall further was because of the massive intervention in the marketplace. I say that is a falling dollar.

**Mrs. Mailly:** It has not collapsed.

**Mr. Riis:** The Minister of Finance said that as soon as the Budget was brought in we would watch the currency strengthen.

**Mr. Gurbin:** What do you want us to cut?

**Mr. Riis:** I want you to do some tax reform, which was not even touched in this bloody Budget. As a matter of fact, this Budget made the tax system more complex than ever and less fair than ever. This Budget is more unjust.

**The Acting Speaker (Mr. Paproski):** Order, please. I know it is Friday, and I know the compassion that we all have for each other. The Hon. Member for Kamloops-Shuswap (Mr. Riis) has the floor. There will not be questions and comments on his debate, but there will be on the speech of the next speaker.

**Mr. Riis:** Mr. Speaker, we would certainly be prepared to entertain questions at the end of my speech, with the unanimous consent of the House. Perhaps Members would hold their questions if they wish to pose some.

In a more quiet vein, Mr. Speaker, the Minister of State for Finance has indicated that consumers, investors, and the people of Canada have confidence. The only real indicator so far has been the value of the currency, which is falling. Some people have asked what these people know about what was in the Budget. These are not stupid people, Mr. Speaker. These people are not uninformed with regard to financial matters. They know the highlights of the Budget. They know that it is levying taxes on everyone across the country.

As a matter of fact, the increased financial burden on the average Canadian family as a result of this Budget, the previous Budget, and the November economic statement, is an average of dollars $1,305 per family. I know that Hon. Members may question those figures. I challenge anyone who does not think that the last two Budgets and the economic statement result in additional charges to Canadian families of $1,305 to provide me with their figures. I think that is fair. If people do not believe my figures, I challenge them to show me theirs and we will make some comparisons. If I am wrong, I will certainly be prepared to admit it.

The Minister of Finance said that the increased personal income taxes per family were about $500. He said that the impact of the three increases in sales taxes is about $500. Well, that is $1,000. Add to that the increase in gasoline and other excise taxes, the increase in taxes on alcohol and tobacco products, and the user fees which have been increased for national parks, for taking out citizenship papers, and for tying up your boats at docks, and it amounts to $1,305 per family. We are assuming that a family is a couple with two children and an income of about $35,000. We think those are the facts, and if other folks do not think those are the facts I challenge them to tell us what they think they are.

This is worse than it sounds, Mr. Speaker, because this is cumulative. These are also primarily regressive taxes. When sales taxes are increased three times it amounts to an awful lot of money. There is no differentiation between rich and poor. Everyone pays the same sales tax on a set of tires for their car.

**Mrs. Mailly:** If you are poor, you don't have a car.

**Mr. Riis:** I guess the Hon. Member is correct that if you are poor you do not have a car and do not have to buy tires. Am I supposed to take heart from that? Is the good news that poor people do not have to buy winter tires for their cars because they do not have cars? I am not happy with that either.

**Mrs. Mailly:** Find some examples that make sense.

**Mr. Riis:** The point I am trying to make is that this is a very regressive tax. It means that hundreds and hundreds of dollars are being removed from the families of Canada and from the communities in which they live. Depending upon the size of the community, that could mean that hundreds of thousands of

dollars are not circulating within the businesses of the community. That means that the businesses are doing less business and are likely having to lay off employees. That has a ripple effect in terms of increased UIC charges and the fact that these people do not then purchase goods and services. It has a very negative impact in the communities of Canada.

In *The Fiscal Plan* which the Minister of Finance included in his Budget it says that between this year and next year personal taxes will increase by $5.5 billion. The next line talks about corporate taxes. One would assume that to be fair corporate taxes would also increase. However, the reality is that they are decreased by $75 million.

**Mrs. Mailly:** Because they will create jobs.

**Mr. Riis:** I say to the Hon. Member who just yelled across to me that jobs are created in the country when people go out and purchase goods and services rather than through a trickle-down through the corporate sector. The financial statement of her own Government says that the least effective way to create jobs is by giving tax breaks to corporations. It is a way, but it is not the best way. However, that is the route the Government has chosen.

Corporate taxes have been reduced, and personal taxes have been increased by $5.5 billion, not to mention the increase in sales tax. Sales taxes have been increased by billions of dollars which will come primarily from middle and low-income Canadians. This is a very serious situation.

The Minister of State for Finance suggested that confidence is growing in the country. As I said, the most recent indicator, the value of our currency, is falling. Why is it falling? Actually, I saw a repeat on *Canada AM* this morning of financial analysts and economists in this country who were questioning whether the interests rates in Canada would average out at 9.5 per cent for the entire 1986 year. Does anyone really believe that our interest rates, with a present rate of approximately 12 per cent to 13 per cent, will average out at 9.5 per cent this year? They would have to drop to 9 per cent or below for the remainder of the year. I challenge Hon. Members opposite to stand in their place and bet me that interest rates in this country will be below 9 per cent for the rest of 1986. I do not think they have that conviction.

• (1250)

**Mr. Dick:** Mr. Speaker, I rise on a point of order. I believe the Hon. Member has been giving wrong information to the House. The fact is that the fiscal year about which he is talking has not started. It is possible that interest rates could be 9.5 per cent by the time the fiscal year even starts. He is also talking about the rate at which the Government is borrowing, not the rate at which ordinary people borrow.

**The Acting Speaker (Mr. Paproski):** The Hon. member knows that it is not a point of order. That is a point of debate. The Hon. Member for Kamlops-Shuswap.

**Mr. Riis:** Mr. Speaker, I was simply reading from the Budget that the interest rates are predicted to be an average of 9.5 per cent for the rest of the year.

Let me raise another point to see if my hon. friend corrects me. It is also stated that the price of oil in Canada will average out at $22.50 U.S. a barrel for the year 1986-87. Today, the charge for west Texas crude oil delivered in April of this year is $13.75. If west Texas crude is $13.75 and the Government expects the price of oil to average out at $22.50, who is it trying to kid?

**Mr. Dick:** That is the spot market.

**Mr. Riis:** I know it is the spot market.

**Mr. Dick:** Why didn't you talk about it?

**Mr. Riis:** The Governmenbt does not have to convince me, it must convince the people on the international money markets and in the corporate community. They have not been convinced, as reflected by the value of our dollar today. They will not be fooled by this Budget because they know that the price of oil in Canada for the rest of the year will not average $22.50. They know it is a joke when the Government says that interest rates will average 9.5 per cent for the year.

The Government has projected its deficit on the basis of these assumptions If interest rates remain at a continual level of 9.5 per cent and the price of oil remains at an average of $22.50 per barrel, the Government will break the $30 billion deficit barrier. If anyone believes that, they will believe that I am about to lift off and fly around the House of Commons.

**Mrs. Mailly:** You're full of enough hot air to do it.

**Mr. Dick:** He is taking off.

**Mr. Riis:** I feel the ground still under my feet, Mr. Speaker.

Let us look at the Government's document entitled, *Towards a Sustained Expansion: Canada's Economic Prospects, 1986-1991*. This document which we read on Budget night contains some interesting comments for the year 1987. It states that this year the GNP is predicted to grow at 3.7 per cent while next year it will grow at 3 per cent. In other words, the GNP will go down next year, by the Government's own admission. This material is almost as good bedtime reading as that given to us by the Minister of State for Finance earlier.

This year, consumer expenditures will grow at 3.3 per cent but will it go up or down next year? By the Government's own admission, consumer spending will go down to 2.5 per cent. Does anyone opposite really believe that a drop in consumer spending will help the economy in Penticton, Kelowna or Prince George?

Let us consider residential investment. This year it will increase 11.7 per cent, but next year the Government states that the increase will be zero. It does not expect any increase in residential investment in 1987.

In addition, business non-residential investment will go down in 1987, as will investment in machinery and equipment.

Investment in non-residential construction equipment will go down.

According to this document all that will go up is personal income tax.

I believe the Minister of Finance has integrity and therefore I assume that what he says in this book is accurate. According to this document he indicates that we will be moving into a recession next year. He also states in his other book that corporate taxes will decline while personal taxes will increase. He is warning us that we will face tough times next year and this Budget will make it more difficult than ever. We see that investment, consumer expenditure, the GNP, personal savings and corporate profits go down but personal income tax rises. That is a peculiar way to turn the economy around. Of course, the economy will not be turned around, by the Government's own admission.

I draw page 26 of *Canada's Economy Prospects* to the attention of Hon. Members in case they have not read it. The prospects look gloomy, indeed, by the Government's own admission.

Let us deal with tax reform. I suggest that if Hon. Members were realistic they would agree that the country is long overdue for tax reform. We must make the system less complex and more fair and build some accountability into our tax system so that we can ensure that we are getting good value for our dollar. It only makes good common sense and shows reasonable business practice that if we are spending hundreds of millions of dollars on a tax expenditure that we make sure we are getting the best value for the money. We are simply saying that the system should be cost effective.

However, tax simplification was not addressed in the Budget, nor any tax reform at all. Why did the Minister of Finance not take the opportunity to initiate a major overhaul of the tax system when Canadians are crying out for tax reform? He could have at least told us that he plans to initiate tax reform in the future, but we were disappointed that there was no mention of any serious tax reform. Such tax reform would have permitted the Government to obtain the necessary revenues it so desperately needs. Instead, the Government is placing more taxes on the backs of Canadians. As one of my colleagues stated, this was not a Budget about jobs, jobs, jobs but one of taxes, taxes, taxes. If the Government wants revenue it should obtain it through serious, sensible and positive tax reforms.

Normally I do not even take a slice from the page of Ronald Reagan's books, but I notice that he reduced taxes for low and middle income earners in the United States a couple of years ago. The strength of their dollar is quite high.

**The Acting Speaker (Mr. Paproski):** At this point it is very close to one o'clock. The Hon. Member has an extra 20 minutes for his speech.

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

At 12:59 p.m. the House took recess.

## AFTER RECESS

The House resumed at 2 p.m.

**The Acting Speaker (Mr. Paproski):** When the House recessed at one o'clock the Hon. Member for Kamloops-Shuswap (Mr. Riis) had the floor.

**Mr. Riis:** Mr. Speaker, I am pleased to have an opportunity to expand on a few comments I made just before we broke for lunch. First I have a confession to make to the House. It was not intentional, but I misled the House with some figures I used and I want to clarify that for the record. I was commenting on the price of West Texas crude. Over the break I found that I had said West Texas crude dropped to U.S. $13.75. That was an error. It actually dropped to U.S. $13.25, and at one point it hit U.S. $12 and something.

Again, I apologize for making that error, but the point was simply to question the Minister of Finance's statement. All of his deficit projections make assumptions. One assumption was that the price of oil in Canada would average out over the year at about U.S. $22.50. I noticed from the newspapers that in discussions among some oil exporting countries in Tokyo a U.S. $10 price was possible. I am not suggesting that will happen because no one knows. However, the point is that the Minister of Finance is assuming U.S. $22.50 when West Texas crude is U.S. $13.25. If that is the basis on which the Minister has made his revenue projections and predictions, he could be off significantly.

For every one dollar drop in the price of oil the federal Government loses something in the $200 million range. My friends from Alberta are only too well aware of that. To put it rather simply, if the price of crude oil this year averaged out approximately where it is today, we are talking about the possibility of a $2 billion shortfall in Government revenue. That of course would knock the Government's estimate on deficit reduction right off the track.

All that is to say nothing about the projection of interest rates. The assumption is that interest rates would average out to 9.5 per cent over the year. Given the way interest rates are today and the fact that the dollar is falling, we know how Governor Bouey will respond. In the past, whether it was under a Liberal or Conservative Government, he would jack up interest rates to protect the value of the dollar. Just two weeks ago he said he would go to any lengths necessary to ensure that the Canadian dollar holds. If we are to take him at his word, that means increased interest rates if the dollar continues to behave as it has, reflecting the fact that people have lost confidence in the Government of Canada.

What we are debating today is the wisdom of giving the Government the authority to borrow $22.6 billion, so I think it is fair to ask some questions. How is this money being spent? What is or is it not doing? I tried to make the case earlier today that it was providing incentives and giveaways to the corporate sector at the expense of the average Canadian. However, I have already done that so I will not repeat myself.

The United States has plenty of untapped water and Canada should ignore pressure to divert its water south of the border, a U.S. ground water expert says.

"Don't ever let the U.S. rip off one gallon of your water, whether you're using it today or plan to use it tomorrow. Hold on to it for dear life," Dr. J. H. Lehr, executive director of the National Water Well Association told an appreciative audience at a conference on industrial waste in Toronto yesterday.

Dr. Lehr, a geology professor at Ohio State University, was introduced as the foremost U.S. expert on ground water.

He said "there is no true shortage of water" in the United States. Instead, "we have a tremendous dearth of (water) management expertise.

Dr. Lehr said farmers use irrigation methods which use only about 35 per cent of the water on crops, wasting the other two-thirds.

Vested interests ensure that the United States consumes more surface water, from lakes, streams and rivers, than ground water from beneath the earth's surface, although there is 20 times more ground water in storage than there is surface water, he said.

Engineers get paid more money to build dams and reservoirs than they do to tap sub-surface water. Governments would rather build a dam because they can stick a commemorative plaque on it, Dr. Lehr said.

Yet 95 per cent of the available water in the United States is ground water, while only 5 per cent is surface water, he said.

I would now like to go on to an article from *The Toronto Star* of May 20, 1985. It is headlined: "Experts doubt U.S. needs our water". I quote from the article which states:

Harvard professor Peter Rogers notes that many cheaper ways exist for the United States to increase its water supply.

The U.S. has about 24 million hectares (60 million acres) of land under irrigation but "could get away with 30 million acres based on exports for the year 2000," saving 50 per cent of the water. And Rogers maintains that wastage is "enormous".

The problems are only serious locally, Rogers insists, "but not from a regional or national view. Farmers are moving away from irrigated agriculture to dryland crops. The U.S. government is basically getting out of water. No new projects have been built for the past 10 years.

"I don't predict a national water crisis," he says.

I would now like to quote from another article which appeared in *The Toronto Star* entitled: "Water: Canada's hidden riches". It states in part:

Strong pressure

Says Gerald Seinwill, acting director of the U.S. Water Resources Council, which recently completed a study of U.S. water supplies: "Water is the most serious long-range problem now confronting the nation—potentially more serious than the energy crisis. By the turn of the century, almost every section of the country faces water shortages unless the nation recognizes that we cannot continue to waste and mistreat a precious resource."

So far Ottawa's position on water exports has been quietly constant over the years; Canadian water is not for sale (even for export in tankers to Saudi Arabia or icebergs to India)—

The article goes on to state:

In fact the difference in the amount of renewable water available to Canada and the U.S. is not great because U.S. rivers discharge about 2,150-billion gallons a day, or about 8 per cent of the world's supply (compared with Canada's 9 per cent).

So the United States has an enormous amount of water but it is polluted and mismanaged.

● (1750)

Let us deal with the politics of what is happening in our country now because that is really what we have to focus on and why there are stronger measures than this Bill that must be taken to protect this country and the globe. I quote from the January 16, 1986, edition of *The Sun* of Vancouver as follows:

Prime Minister Brian Mulroney, in an interview with Fortune Magazine in March last year, was paraphrased as saying that Canada would consider water exports to the U.S. if such an idea were mutually beneficial and economically feasible. "Why not?" Mulroney was quoted as saying.

Only a month later, an avid supporter of the Grand Canal project told an Ontario Economic Council seminar on trade that linking free trade to the water export proposal would be a brilliant way of getting the U.S. enthusiastic about free trade. That supporter was Simon Reisman, appointed by Mulroney last November as Canada's free trade negotiator.

The National Research Council, according to Kierans, is considering spending $750,000 to participate in a pre-feasibility study on the project. Kierans is expecting a decision in a week or so. In addition, Kierans says Atomic Energy Canada Ltd. is studying the idea of using a nuclear reactor to provide power for the pumps needed to get the water from James Bay to the Great Lakes.

Quebec Premier Robert Bourassa, in a book published last spring, endorsed the proposal, and has since won an election.

I go on to an article that was carried in *Maclean's* magazine of February 17 of this year which says the following:

Despite the potential difficulties, Bourassa hopes to line up enough contracts in New England and states as far south as Maryland by early 1987 to justify James Bay II. To help him do that, Schlesinger's high-powered committee—it will include Paul Desmarais, chairman of the Montreal-based Power Corp.—will advise Bourassa on trends in U.S. energy policy and demand.

Now we are starting to see the political connections click together. I have pointed out that Paul Desmarais will be working with the Americans in moving the James Bay II project forward. Let me quote from *Hansard* of December 12, 1983, the words of Mr. Louis Desmarais, the then Liberal Member for Dollard:

This key is water, the white gold of the 21st century.

He went on to say:

Mr. Speaker, the crux of the problem is that this vital resource is not located where it would benefit us most. As far as Canada is concerned, an accident of geography has bestowed on a small fraction of the human race an immense resource, while billions of people are suffering the consequences of poverty and famine... Today, we must accept the fact that water has become a world resource, and this implies that its distribution must be assured in terms of continental rather than national requirements, if we are to survive until the next century.

He refers to the Grand Canal or Grand Recycling and Northern Development Project which of course he was pumping here in the House of Commons. He ended his remarks by saying something which demonstrates once again the scientific and ecological illiteracy of many of the people who are dealing with this enormous question. His remarks ended as follows:

All of this precious run-off is now washed uselessly away into the sea.

Now we see the political and corporate connections.

Let me turn again to our ambassador for free trade. The January 21, 1986, edition of *The Sun* of Vancouver says the following:

The export of fresh water from Canada to the U.S. will be a major factor in Canada-U.S. relations, according to Canada's free trade negotiator.

"In my judgment water will be the most critical area of Canada-U.S. relations over the next hundred years," Simon Reisman said in a statement released Monday by communications director Bruce McDonald.

Now we see the historic connections of Mr. Reisman, the Power Corporation and various interests in the United States

who do not want to clean up smoke stacks or chemical, toxic and nuclear dumps. I think the words of Dr. David Suzuki really hit the nail on the head regarding how these interests all work together. I am quoting from an article which was published in March 1982 which reads as follows:

"Over half of all scientists in the world today are working for the military, and the majority of the remainder works for private industry," he said.

Suzuki pointed out that it was not surprising that most of the benefits of new developments in technology and in science are thus still accruing overwhelmingly to the military and to private industry.

I think Canadians, Americans and people around the world generally recognize that, but when we are talking about NAWAPA, to which I will now turn, and the Grand Canal schemes, I think we can see who intends to line their pockets and for what reasons.

An article run on March 9, 1985, in the *Toronto Star* was entitled "Preparing to sell Canada dry?"

Is Canada's water for sale? The previous Government said No. Last year, then-environment Minister Charles Caccia said "We reject the notion that water is available for export. This will be a very important commodity in the decades ahead."—

We can't afford to allow water exports, no matter what the price. A firm, simple No is the only thing that can put these grandiose schemes to rest. The Prime Minister should be saying this, not sending a message to foreigners that Canada is for sale.

I certainly agree with that editorial. I turn now to an article contained in *The Financial Post* of September 5, 1981, entitled "Water crisis trickling into our consciousness". It reads as follows:

This energy-related water demand occurs where there is already short supply (the West), or, in the case of nuclear power, where water quality is already threatened (Ontario). In the U.S., this conflict is compounded by a growing reliance on coal, which not only produces acid rain, but also releases large quantities of carbon dioxide.

It's expected that increasing levels of atmospheric carbon dioxide will raise lower atmosphere temperatures (the "greenhouse" effect) by at least two-five degrees celsius by the year 2050, thus reducing precipitation.

Since this will aggravate the present drought in much of western North America, the pressure for massive water transfers—and exports from Canada—is likely to increase.

We can see that there are many players in this game. As I have said before, there are the smoke stack industries and those who do not want to clean up these problems like toxic waste and then we deal with who is really going to be making the money and who are the losers. As I will point out in a moment, all the people of the world might well be the losers from either NAWAPA or this lunatic Grand Canal scheme.

*The Citizen* ran an article on April 28, 1981, entitled "Water supply crisis looms" which reads as follows:

Total Canadian water use is expected to double in the next two decades, from 26.3 billion gallons a day to 62.2 billion gallons daily. Manufacturing and energy needs make the largest demands. Last year, 48 per cent of Canadian water use went to power stations for cooling purposes, while manufacturers drew 32 per cent.

Let us add those two figures together, Mr. Speaker. That amounts to 80 per cent of Canada's water use.

The article continues:

Growth in these areas, particularly as Canada strives for energy self-sufficiency, and agricultural expansion in already water short Western Canada are expected to place the greatest pressures for increased water consumption.

As hewers of wood, we know that we are in a crisis with coal, wood and all of our raw resources. What about us as drawers of water? Those politicians who say that we are hewers of wood and drawers of water had better understand that these kinds of massive diversions and exports would create a global crisis to which I now turn.

An article entitled "Why U.S. engineers want to turn on Canada's tap" appeared in *The Sun* of Vancouver in April 1981.

It says the following:

During 1980, Americans used 235.5 billion gallons of fresh water every day. Nearly half of this amount, or 105.2 billion gallons, was not replaced by snow or rainfall. To make up the difference, great underground reservoirs known as aquifers are gradually being tapped for their ancient water supplies. The public is alarmed by reports of "the browning of America."

This is the atmosphere which has given a fresh lease on life to enormous water transfer projects such as that dreamed up in California in 1964 by the huge engineering firm, the Ralph M. Parsons Co. Called the North American Water and Power Alliance, this gigantic project with a price tag of more than $200 billion would bring water from the Yukon down to Mexico.

Let me turn now to our global problems in terms of atmospheric pollution and the implications of such a large diversion project. I am not talking about the impact on migratory birds or the sea life in any of these areas or of the native people and others who would be displaced. I am talking about things on a much larger scale. In an article written by Dr. Kenneth Hare, recognized in this country as being one of our foremost atmospheric scientists, the following appears:

Careful statistical analysis shows not only the 100,000-year interval seemingly favoured by glacial epochs, but also the influence of small changes in the orbit of the sun that recur at intervals of 41,000 and 19,000 to 23,000 years.

● (1800)

These recent discoveries are not yet properly understood, but they are formidable evidence that the "ice age" to which we are alleged to be returning was in fact a succession of glacial epochs spread over two million years or more. Each of these epochs, incidentally, was far longer than the history of civilization!—

Calculations suggest that carbon dioxide will double its atmospheric concentration by mid-21st Century or later. This assumes that the world goes on increasing its use of oil, gas and coal, but that high prices keep the buildup down to about 2 per cent per annum.

**The Acting Speaker (Mr. Charest):** Order, please. I am sorry to interrupt the Hon. Member, but the hour provided for the consideration of Private Members' Business has now expired.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### ENVIRONMENTAL AFFAIRS—LOCATION OF UNITED STATES NUCLEAR WASTE DUMPS

**Mr. Bob Corbett (Fundy-Royal):** Mr. Speaker, the occasion for my participation this evening in the adjournment debate is the result of a question which I put to the Minister of the Environment (Mr. McMillan) on January 28, in which I expressed concern about the proposed location in the United States of several nuclear waste storage dumps. I understand this evening that the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Cook) will be responding. I am sure that is of some relief to the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin).

Apparently the United States is examining the possibility of 20 sites in the U.S., several of which are along the American-Canadian border. Thirteen of the sites are in four states bordering Canada. They are located in Minnesota, Wisconsin, New Hampshire and Maine. The rest of the proposed sites are in the southeast section of the states. Of the 13 sites along the Canadian border about which we are expressing concern, eight are of direct concern to Canadian authorities. One site of specific concern is located in Maine.

I appreciate that the Minister of the Environment, the Minister of Energy, Mines and Resources (Miss Carney) and the Secretary of State for External Affairs (Mr. Clark) have made strong representations to the Government of the United States and to officials of the environment agency to ensure that every protection is given to the environment in Canada. However, I think it is important to register now our objection to the potential location of any of those sites along the Canadian border. Specifically I want to refer to the potential prospects of the site in Maine. That site is in the River Ste. Croix watershed area which creates the border, in part, between the State of Maine and the Province of New Brunswick. The actual site itself would be located, if it became a reality, within 40 miles of the border. Of course the concern is that watersheds and other ecologically critical and sensitive areas could be adversely affected.

It is well known that Maine's geological history indicates that there are no safe places in the State of Maine for the safe storage of nuclear waste. Although we recognize that most other areas which are under consideration in the United States have the same difficulties, the Maine site is a good example for us to utilize when we are examining the potential impact and damages that could accrue to Canada, particularly to the Province of New Brunswick, as a result.

• (1805)

I hope that I have reinforced what the Minister of the Environment has already responded to me for the assurance of the citizens of those areas which could be affected. The Canadian Government will indeed continue to monitor very closely these proposals to store nuclear radioactive wastes in storage dumps along the Canadian border. We will continue to impress upon our U.S. counterparts that the establishment of these nuclear waste dumps in our area, where potentially dangerous environmental impact could be felt, is unacceptable to Canadians. It is unacceptable to endanger our environment to that extent and we will use evry influence available to us to ensure that when those sites are selected, if that method of disposal is indeed decided upon, they will not be in proximity of the Canadian border to the satisfaction of the Canadian Government and to the relief of the concerns of those who are extremely perplexed about the consequences to the environmentally sensitive areas on our side of the U.S.-Canadian border.

**Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, the Member for Fundy-Royal (Mr. Corbett) has raised a question which could be of concern to all Canadians. I am delighted to have the opportunity to rise this evening to give him complete, solid, and total relief from his concern.

The U.S. nuclear waste repository program, which is searching for a site for its second repository, has caused concern. Canada has insisted from the start that any site selected for a U.S. nuclear waste repository must pose no threat to the Canadian environment or to the health of this or future generations of Canadians.

The Secretary of State for External Affairs (Mr. Clark) has discussed this issue several times with United States Secretary of State George Shultz. Last spring they established Canada-U.S. consultative meetings to ensure that there would be a well-defined process by which Canadian concerns could be addressed and resolved with the United States. Federal officials have benefited in this consultative process from the views and concerns of provincial experts as well.

In addition to the Secretary of State for External Affairs, the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of the Environment (Mr. McMillan) have discussed the issue with their U.S. counterparts. These discussions have resulted in the firm U.S. commitment to consult with Canada throughout the entire U.S. program. Most significantly, the U.S. has promised that it will drop from consideration any potential area that could require field work in Canada.

In a letter to the Secretary of State for External Affairs, the U.S. State Department pledged that the 15-year U.S. Department of Energy screening process is intended to ensure that no site will be selected which will have harmful effects on either side of the border.

During the last year, the United States looked at 235 areas for a potential site for the second repository. Approximately 40

of these were within 25 miles of the Canada-U.S. border from New Brunswick to Manitoba. The U.S. Department of Energy draft report issued on January 16, 1986, narrowed the number of areas under consideration to 20, none of which is within 25 miles of Canada. One site along the Maine-Quebec border was specifically dropped from the report as it would have required field work in Canada.

A number of the 20 areas identified in the recent U.S. report may present concerns to Canada as they are all or partially in watersheds that flow into Canada, or are very close to such watersheds. The Provinces of New Brunswick, Quebec, Ontario, and Manitoba have been provided with copies of the report and the federal Government has already met with them once since the report was issued, and will meet with them again before the next Canada-U.S. consultative meeting, which will likely take place sometime in April.

Following the release by the U.S. of the report in its final form in July, the 20 areas identified will be subject to field investigations leading to a narrowing to three areas in 1991. These three areas will then be subject to intensive research leading to a final selection of one site in 1998. Throughout this elaborate process the Canadian Government will follow developments closely and will ensure, by every possible means, that the one site eventually selected will pose no risk whatsoever to the Canadian environment or to the health of this or future generations of Canadians.

I sincerely hope that answer will relieve the mind of the Member for Fundy-Royal.

• (1810)

FORESTRY—VANCOUVER ISLAND FOREST LANDS. (B) REQUEST FOR ADDITIONAL FUNDING

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, over a year ago I asked the Minister of State for Forestry (Mr. Merrithew) about long-term federal funding for forestry on Vancouver Island. This has been a long-term concern of both myself and my Party, but the immediate stimulus for my question was the proposal by the Vancouver Island Mayors called "Strategy for Survival". I am very pleased that the Minister is present in the House this evening to give a direct response to my concerns. I know he endorses the concept contained in this proposal. The problem does not lie so much with the Minister as it does with the present Government's priorities.

The Minister's response to my question was basically: Wait and see. We have waited for over a year now and we have not seen the kind of funding which is needed if Vancouver Island is going to recover from the present recession. I just want to draw the attention of the Minister to the fact that there are fewer people working on Vancouver Island today than there were when his Government was elected in September, 1984. According to Statistics Canada, in January, 1986, we had 187,000 people working on Vancouver Island. In September of 1984 the figure was 207,000 people. That adds up to a loss of 20,000 jobs while this Government has been in office. We are concerned that, while the Government seems to be creating jobs in other parts of Canada, it is not creating jobs on Vancouver Island.

Last June the Standing Committee on Fisheries and Forestry heard testimony from the Vancouver Island Mayors who had originally put forward this proposal "Strategy for Survival". The proposal documents the economic benefits which would be gained from investment in intensive forestry on Vancouver Island. I am sure the Minister would agree that this is among the best forest land in Canada, indeed anywhere in the world. The federal-provincial forestry agreement emphasizes reforestation in areas of British Columbia which have not yet been satisfactorily restocked. As the Minister knows, reforestation is not the major problem on Vancouver Island. The problem is how to make the best and most intensive use of this prime forest land.

The Mayors' proposal points out that for an investment of some $22.3 million a year in an ongoing program, some 1,100 direct and 500 indirect jobs would be created. Over the 45-year life of this kind of program, the Mayors suggest that the harvestable volume of wood would increase by 33 per cent. The total value would increase by 55 per cent, which amounts to some $655 million. The revenue return to the Government would increase by 33 per cent or some $79 million. The value of this kind of program is not the subject of debate this evening. There might be some quibbles one way or another about some of the fine points, but I am sure the Minister himself agrees with the basic value of this kind of investment. In fact, he has endorsed the principle involved. What is at issue is the question of federal funding.

On June 28 the Standing Committee on Fisheries and Forestry endorsed the proposal and the sixth report made to this Parliament unanimously called for the federal Government to give favourable consideration to funding.

• (1815)

On September 16 the Hon. Member for Comox-Powell River (Mr. Skelly) moved that the House concur in the committee report. Unfortunately this motion was talked out by Conservative back-benchers who did not want the issue to come to a vote. They knew it would have passed and that would have given a clear signal to the Government that it should give this kind of program very high priority. Government back-benchers said that we were rushing things. The Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) said that he had been talking to the Minister of State for Forestry (Mr. Merrithew) and the Minister of Employment and Immigration (Miss MacDonald) and that they had been very encouraging. He said, as recorded at page 6650 of *Hansard* for September 16, 1985, and I quote:

> If you can put your ear to the railway and listen for what is coming, I anticipate that it will be a favourable response and I will be quite happy when that happens—

We have been waiting for that favourable response for a long time and it still has not happened. We have had instead a patchwork approach to forestry in the form of funding through Section 38. We appreciate that kind of funding, but it has

meant that sometimes we have had inappropriate priorities. It is like buying groceries at the corner convenience store instead of doing a proper shopping trip with a list and buying things in order. You pay too great a price for start-up and shut-down when you are dealing in this kind of patchwork manner with forestry projects.

We do not need to fixate on the particular program of the mayors. We can look at other mechanisms, but what we do need is some commitment of funding to forestry on Vancouver Island. We know that there are problems with protectionist pressure from the United States in lumber.

**The Acting Speaker (Mr. Charest):** The time allocated to the Hon. Member has expired.

**Hon. Gerald S. Merrithew (Minister of State (Forestry)):** Mr. Speaker, I very much want to thank the Hon. Member for raising this particular topic. I welcome the opportunity to address the House as it has not been addressed in the last little while. The Hon. Member raised two points, or he did a few months ago. One is job-creation under the Vancouver Island mayors' proposal. Number two is the allocation of funds under the ERDA forestry agreement. I want to tell the Hon. Member that I personally know Mayor Graham Bruce, who is the single largest proponent and supporter of this particular project. That project is supported by members from all parties in British Columbia. In fact, just as late as the other day I spoke to the Hon. Member for Vancouver South (Mr. Fraser) on this matter, because he too is concerned about it.

The project is exciting, it is original and his worship of course presented this in a very dynamic, forceful and persuasive manner. I tend to support that. However, I want to point out that the Vancouver Island mayors want a proposal which is perhaps better addressed by the job-creation ministry, CEIC. We have a problem here in that this one project of a few municipalities in one small part of Canada is worth some $23 million a year. That makes it a very, very large project. However, we have been able, through various mechanisms, to try to fund money toward this particular project. In fact we spent $35 million to date on 375 forestry job-creation projects in British Columbia. Those projects generated more than 4,500 forestry jobs, of which about one-third were on Vancouver Island. Under the forestry agreement, which is four times larger than ever signed before with the provincial Government of British Columbia, most of that work is on non-sufficiently restocked lands. Vancouver Island has only 3 per cent of the identified NSR land in British Columbia. Therefore the Hon. Member raises a very good point. There is another part of the program, and that is that 27 per cent of the agreement is available for intensive forest management. I can assure the Hon. Member that of the funds under the agreement and under the Minister of Employment and Immigration (Miss MacDonald), a large amount of money has been and will be spent on Vancouver Island to help redress the unemployment situation. I have seen the particular project in North Cowichan and I must say that is a very innovative and exciting project. However, there are two or three constraints. First, there is the sheer size of that one small area but nonetheless important area of Canada. Second, we will try to make sure that 27 per cent of the $300 million agreement to be spent over the five years of our intensive forest management will be spent on Vancouver Island so that those mayors will get their fair share.

• (1820)

In the meantime, I want to thank the Hon. Member for drawing his concerns and the concerns of the Vancouver Island mayors to my attention. We will continue to attempt to give extra emphasis to Vancouver Island. Certainly I respect and understand the unemployment situation on the island and appreciate the support the Mayor of North Cowichan and other mayors on the island have given to forestry in general. We will continue to give extra attention to this area through UIC funding, ERDA funding and EBAP funding to the projects which the mayor has brought to our attention.

## CANADA POST CORPORATION—THREAT OF PRE-CHRISTMAS STRIKE

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, several weeks ago I asked the Minister responsible for Canada Post about the possibility of the Government giving serious consideration to outlawing strikes at Canada Post. I suggest that a poll would show that a very high proportion of Canadians are very dissatisfied with the over-all delivery service of Canada Post and would want to declare that service essential to prevent employees from striking.

The new President was appointed recently. We welcome the news that Mr. Donald Lander is now the top Chief Executive Officer. I wish him well because he has an awesome task to undertake on behalf of all Canadians.

Let me dwell on some examples from my riding of Don Valley East concerning the level of service we are experiencing. Today I received a letter from a Mr. Mariano DiGangi who enclosed an envelope posted in downtown Toronto on January 31, 1986 which he just received yesterday, February 19. He asks: "Should it take 20 days for a letter to travel less than 15 miles?" He states that the letter contained a cheque but who will repay him for the lost interest on the sum it represented? He states: "When will we insist on performance standards appropriate to the rising costs of postal service in this country?"

Yesterday, I was on the phone to Mrs. Jane Hunter at apartment 203, 4003 Bayview Avenue. There are three large apartment buildings at this location, housing many senior citizens who receive pension cheques. Until about two months ago they regularly received their mail at two o'clock in the afternoon. For the last several weeks they have had no idea when the mail would arrive—arriving as late as 9:30 in the evening. I recently spoke to the postal authority about this case. They are supposed to remeasure the burden of that route and advise us shortly.

There are many horror stories. A good friend of mine received a letter from Korea in four days. It was a special

delivery letter, costing $55 Canadian, but it only took four days to come from Korea to downtown Toronto. However, it took six days for that letter to go from downtown Toronto to Willowdale. That is totally unacceptable.

• (1825)

Another example is the constituent who sent in a copy of an envelope which was mailed from his bank. It took six days to get from the Toronto Dominion Bank on Bayview Avenue to one block away. I applaud the former Minister responsible for Canada Post. He launched the Marchment Committee. I believe that group did an excellent job in travelling across Canada to find out about the various issues. It came up with 43 separate recommendations. I sincerely hope that the new president and his management will study those recommendations very thoroughly and give each and every one serious consideration.

I would like to touch on a few of the major items in the report. Of course, we all know of the massive deficit that Crown corporation—which was just set up three years ago—is enduring. Very recently we had to pour another $243 million of taxpayers' money into that company. In the Marchment report there is a major recommendation in which targets are really set. All Canadians require a postal service which they can depend on for reliable first-class and second-class mail. It should be consistent and dependable. The report then went on to set up a three-tiered target system which states that mail should take no longer than two days to be delivered within a given city from the time it is mailed, it should take no longer than three days within a province and no longer than four days anywhere in Canada.

Obviously, in a great many examples, we are missing those targets by a country mile, but I hope the new president and his management team will get down to brass tacks in terms of increased productivity and dependability of service.

We can hit upon certain ironies in that organization with respect to its set-up right now. Most mail gets sorted at night, yet the men and women with the most experience work during the day, so the most inexperienced people are trying to handle the high volume of mail in the evenings. Delivery carriers are currently paid, I understand, about $12.98 an hour. They receive time and a half for the first two hours of overtime and double time for any hours over that. I worked out an example. If one of them worked until nine o'clock on a given day, he would receive for the first two hours of overtime $38.94, an additional $103.84, for those other four hours and if we add in his regular seven or eight hour day—and I am using seven hours—of $90.86 the total gross pay for that one day alone, excluding benefits, would be $233.74, this has been going on for many weeks and I suspect it is related to low productivity and just too many days off. The average employee of Canada Post has 18 days off a year. That is double the average of the private sector. It is almost an extra month off. Most months have about 21 working days.

This is such a serious subject and such an awesome task, as I mentioned, for Mr. Lander to tackle, that I would like to quote from an article in today's *Toronto Sun* by Laura Sabia:

> A case can be made that the post office is an essential service. Outlaw strikes and replace them with hard-nosed negotiations. We can no longer carry the baggage of intimidation by threats of strike. We can no longer permit problems to increase and fester. A stern but fair policy is needed, enunciated loud and clear by government and executed by the new president. If we must face confrontation with the unions, let's face it now and erase the slate clean.

There are some 60,000 employees in that organization. Obviously, thousands of them are well meaning, hard-working people. Clearly we have some very severe problems with the union side and with management, I underscore, and I, for one—and I know I speak on behalf of thousands of Canadians—wish Mr. Lander well. I wish him Godspeed and good luck in getting that organization turned around so that it will not only give good service but it will make a profit as do the post offices in the United States and in Australia.

• (1830)

**Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, in the limited time available to me I will deal with the subject matter of the Hon. Member's question which was first raised on November 7, 1985. At that time intense negotiations were going on with the Union of Postal Communications Employees which represents some 4,000 employees at Canada Post.

The Minister expressed optimism at that time that both parties would arrive at a negotiated settlement. I am happy to report that that turned out to be the case as far as the Union of Postal Communications Employees is concerned.

At this very moment members of the union are in the process of ratifying a tentative agreement reached two weeks ago with the assistance of a conciliation commissioner appointed by the Minister of Labour (Mr. McKnight). When this tentative agreement is signed in a few weeks, Canada Post will have completed an entire round of negotiations with all nine of its unions, which represents some 29 bargaining units, without any strikes having occurred.

What this illustrates is that we have a corporation and its unions which have reached the maturity to settle their differences at a negotiating table and not on picket lines. This successful round of negotiations also indicates that the laws governing labour relations in Canada really work and that the structures in place to ensure fair labour settlements and justice in the workplace are effective in achieving these objectives.

When Canada Post became a Crown corporation almost five years ago, one of the key issues was to shift the jurisdiction governing labour relations from the Public Service Staff Relations Act to the Canada Labour Code. There have not been any strikes at Canada Post for the past four years. This situation is the consequence of the flexibility that the Canada Labour Code provides for both parties to reach a negotiated settlement. The series of collective agreements reached with all of Canada Post's unions in this first round of negotiations under the Canada Labour Code is positive proof that the system is working.

With respect to strikes being made illegal at Canada Post, I feel confident that the matter should be left under the jurisdiction of the Canada Labour Code. We should continue to negotiate satisfactorily at the bargaining table contracts between the 29 unions represented at Canada Post.

**The Acting Speaker (Mr. Charest):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.

# HOUSE OF COMMONS

**Wednesday, February 26, 1986**

The House met at 2 p.m.

## STATEMENTS PURSUANT TO S.O. 21

[*English*]

### HOUSE OF COMMONS

USE OF TERM "WELCHING"

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I want to take advantage of this brief intervention to correct an ethnic slur which I inadvertently put on the record of this House on January 13. On that day, as reported at page 9719 of *Hansard*, I accused the Minister of Regional Industrial Expansion (Mr. Stevens) of welching on his commitments to the country. A citizen, perhaps a member of a Welsh-Canadian community, has written to me demanding a retraction.

There is some doubt about whether the word "welch" derives its origin from the inhabitants of Wales. The pejorative use of "welch", for example, is never capitalized, and *The Greater Oxford Dictionary* does not associate the nationality and the pejorative. However, *Webster's Third Edition* suggests an association—

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

**Some Hon. Members:** Oh, oh!

* * *

### THE ADMINISTRATION

CRITICISM OF DIRECTION

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, each day more and more Canadians are becoming more and more disappointed with the Prime Minister (Mr. Mulroney). I have an example that I want to share with the House. Bill Neville, whom you know as a long-time Conservative Party activist, recently told *Maclean's* magazine: "This Government is a little unclear even on the basic direction . . . the issue is, where is this Government going?" Angus MacIssac of Pictou, Nova Scotia, said: "I've voted tory all my life . . . I'll never make that mistake again." We also have the president of a large corporation who told columnist Hy Solomon of *The Financial Post* that the Prime Minister "is an insubstantial man . . . he borders on being less than upright and forthright." Then we have the Mayor of Pictou, Nova Scotia, an area which the Prime Minister represented at one time, who said: "Everybody's disappointed".

The list gets longer and longer every day, and with the Budget today I suspect that will continue as more Canadians regret that one-night stand back on September 4, 1984.

**Mr. Speaker:** Order, please. The Hon. Member for London East (Mr. Jepson).

* * *

• (1405)

### ADMINISTRATION OF JUSTICE

CRIMES COMMITTED BY PAROLEES AND PERSONS RELEASED ON BAIL

**Mr. Jim Jepson (London East):** Recently in my riding of London East, a London police constable was shot in cold blood. The accused man in this incident was out on $25,000 bail on charges of possession of LSD and cocaine for the purposes of trafficking, and for possessing a restricted handgun. The accused has a criminal record going back to 1971.

It is travesties like this that we are seeing on an almost weekly basis in our newspapers and on television. They clearly indicate the need for tougher bail and parole laws for violent offenders.

On a related note, statistics show that over 15 per cent of parole and mandatory releases are revoked because of a further offence, frequently of a violent nature. It seems to me that we are living in a day and age when the rights of criminals are protected far better than the lives and safety of their victims. Mr. Speaker, this must be changed.

* * *

[*Translation*]

### HOUSE OF COMMONS

PAGES BEAT MEMBERS IN ICE HOCKEY

**Mr. Moe Mantha (Nipissing):** Mr. Speaker, I have but a small report to make. When we played our hockey game last night against the pages, we were given a sound trashing: 11 to 10 for the pages!

[*English*]

Mr. Speaker, last night at the annual hockey match between the Pages and the Members of Parliament it was discovered who truly runs the House of Commons, even though as sub-servants the House of Commons Pages delivered a hard

fought defeat to the brave parliamentarians. I must say this was a case of the Tories and the Liberals getting together. I don't know about the socialists, but it seems they do not believe in sport. Despite the on-ice rivalry affection and co-operation do and always will exist between the Members and the Pages. The extreme effort put forward by the Pages to defeat us is only characteristic of the same effort they put forward to serve this House. Mr. Speaker, I will also say that the referees were good.

**Mr. Speaker:** Order, please. The result was predictable.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Hamilton East.

**Ms. Copps:** Mr. Speaker, my only regret was that I was wearing Jelinek skates.

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## UNEMPLOYMENT INSURANCE

### CALL FOR REVOCATION OF REGULATION CHANGES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, today is a day that all Canadians are going to be watching Mr. Wilson, and watching the federal Government to see what kind of relief it brings for Canadians in the form of the Budget. I want to serve notice to the Prime Minister (Mr. Mulroney), to the Minister of Employment and Immigration (Miss MacDonald) and to the Minister of Finance (Mr. Wilson) that steel workers, former steel workers, Armed Forces personnel, former Armed Forces personnel, former secretaries, and all laid-off Canadians want the Government to change the punitive regulations that it has developed with the Unemployment Insurance Commission.

Michael Wilson brought in this cruel measure in November, 1984. Today is the chance that he has to take it back. We beg you, Mr. Prime Minister and Mr. Minister of Finance, revoke these unfair measures for the sake of all Canadians.

* * *

## BALTIC EVENING

### POSTPONEMENT DUE TO PRESENTATION OF BUDGET

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, tonight was to be the fourteenth Baltic Night on Parliament Hill. Michael Wilson, although Minister of Finance, continued to chair the committee that plans this annual event. He presided over the luncheon meeting on December 11 which considered arrangements for this year's dinner and entertainment. Persons resident outside, as well as in Ottawa, made plans to attend Baltic Night, only to learn last week that the event had been postponed because of budget night.

Members of our ethnocultural communities often feel neglected by Government. National policies seem to take precedence over their own concerns, and those who appear sympathetic to them in social settings pursue the "dictates of government" with little regard for ethnocultural concerns. The postponement of Baltic Night is one more unfortunate instance of this lack of sensitivity.

**Mr. Speaker:** Before we proceed may I remind Hon. Members that any reference to another Member by name is out of order.

* * *

## THE ECONOMY

### REDUCTION IN DEFICIT

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, over the last decade or so there has been a phenomenal growth in the level of deficits. The growth started under a former Minister of Finance, the Right Hon. Member for Vancouver Quadra (Mr. Turner). If, according to Liberal and NDP doctrine, deficits create jobs, why is it that we inherited almost 1.5 million unemployed when we took office? The truth is that deficits rob us of financial, social, and human resources. Moneys used to pay interest on outstanding debt are not available to create jobs or to finance social programs.

I would like to bring to the attention of the House figures released recently by the Minister of Finance (Mr. Wilson). In November, 1985, the budgetary shortfall dropped by $64 million compared to November, 1985. More important is that for the first eight months of the current fiscal year the deficit is down by $229 million compared to the same period in the last fiscal year. This represents a reversal of the trend established by the successive Liberal Governments which pushed ever increasing deficits onto the backs of Canadians and nearly destroyed our economy.

**Mr. Speaker:** I would like to advise the Member his time has expired.

* * *

[*Translation*]

## TRADE

### IMPORTANCE OF BILATERIAL NEGOTIATIONS WITH UNITED STATES TO INCREASE COMMERCIAL EXCHANGES

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, I have difficulty understanding the attitude of Opposition members who for the past several months have been opposing the free trade negotiations which aim at creating new jobs and protecting existing ones in Canada.

Although our lumber is now entering the United States duty free, American producers tried on two occasions these past few years to convince the Congress of the need to impose countervailing duties. Hence, the importance of our bilateral negotiations with the United States on trade development.

Last year, Mr. Speaker, the Canadian production of softwood increased by 7.8 per cent to a record level and that of hardwood, by 14 per cent. It is easy to understand the importance of this market when we realize that we export 65 per cent of our sawn lumber to the United States.

* * *

● (1410)

## SOCIAL SECURITY

EVENTUAL IMPACT OF BUDGET

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, the Conservative Government will know another dark hour at 4:30 this afternoon.

Everyone will recall that, less than one year ago, our senior citizens were savagely attacked by this Government and this Prime Minister. They will also recall that the sick were savagely attacked by a 10 per cent tax. In addition, mothers still remember the deindexing of family allowances and they are here to protest on the Hill before the Senate to urge the Government to reverse its decision on Bill C-70.

Mr. Speaker, I would like to assure all the Hon. Members that, this afternoon, representatives of family organizations, senior citizens and the Anti-Poverty Council will be on Parliament Hill to make sure that they will not be had by this Government as they were last year and to make comments—

* * *

[*English*]

## EXTERNAL AFFAIRS

THE PHILIPPINES—EXPRESSION OF PEOPLE POWER

**Mr. Benno Friesen (Surrey-White Rock-North Delta):** Mr. Speaker, 18 years ago, in the summer of 1968, the people of Czechoslovakia, particularly in Prague, were celebrating what was for them a real breath of freedom and democracy in that city.

In the name of the people, the state moved in its tanks and crushed that enthusiasm and crushed their freedom. Thousands were killed in that expression.

Two days ago, half way around the world, in the city of Manila, thousands of people were in the streets celebrating what for them was a new expression of freedom in their land. Again, the tanks moved in. But what a difference. It was not the state but people power at its best. It was people power in the wholesome and refreshing expression of freedom.

We must take note of the contrast, and give credit where credit is due, and pay tribute to the pacifist way in which the new President has expressed her view of democracy.

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

*S.O. 21*

## CROWN CORPORATIONS

BATA FOUNDATION—REJECTION OF MUSEUM SITE URGED

**Mr. Howard McCurdy (Windsor-Walkerville):** Mr. Speaker, Bata Shoes Limited has been condemned for its labour practices in South Africa and for its failure to adhere to the Government's voluntary code of conduct. Now the Bata Foundation is seeking to enhance the tarnished image of the shoe company by seeking free land from Harbourfront, a federal Crown corporation, on which to erect a shoe museum.

The proposal must be rejected as the only course of action consistent with the request of the Secretary of State for External Affairs (Mr. Clark) that Canadians take their own action to express their revulsion against apartheid. For the Government, its Departments, agencies, and Crown corporations to fail to follow the same course would be manifest hypocrisy. Nor is it appropriate that a federal employee should be seconded to Bata as an advocate for a name which, in South Africa, stands for injustice.

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## THE ECONOMY

FISCAL RESPONSIBILITY OF GOVERNMENT

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, today the Minister of Finance (Mr. Wilson) will bring down his second Budget. Perhaps for the first time in many years Canadians will realize that the difficult task of rebuilding our economy will take the collective efforts of everyone.

Canadians realize that there are no quick fixes. They realize that the Budget will provide an environment for building security for the future.

The Government is providing profound leadership in the affairs of our nation. Clearly, the Government has a responsibility to demonstrate serious commitment to deficit reduction, but the success of the goal is dependent upon the courage and will of Canadians to realize that everyone must play a role and take a fair share of responsibility.

The future can indeed be a bright one if all Canadians work together. Fiscal responsibility has begun under the Government, and it will continue until we have balanced our books and achieved success.

* * *

[*Translation*]

## YOUTH

UNEMPLOYMENT IN NEW BRUNSWICK—GOVERNMENT'S DECISIONS

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, two weeks ago, I referred to the fact that unemployment in New Brunswick had increased to 15.3 per cent. There is now no indication that things will improve.

Let us take for example a component of the Challenge 86 Program, namely Summer Employment Work Experience.

In 1985, New Brunswick received $4.8 million. In 1986, this province will receive only $4.2 million, or $600,00 less, which means a loss of 300 jobs next summer. I must now wait for the applause to die down—

The decisions of the Government to abolish and cut back programs do not reflect reality. It is to be expected that these bad decisions will make the under-employment problem among young people in New Brunswick even worse.

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• (1415)

## ORAL QUESTION PERIOD

[*English*]

### THE BUDGET

ACCESS TO CONTENTS

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, my question is directed to the Deputy Prime Minister and it concerns what could be, indeed, a very serious potential budget leak. Can the Deputy Prime Minister give his assurance to the House here and now that no unauthorized persons, other than the two representatives of his caucus who are presently sitting in the lock-up, have been able to see the Budget for the purposes of preparing the communications document and the question and answer document that will be handed out later this afternoon to members of the Conservative Party sitting in this House?

**Hon. Barbara McDougall (Minister of State (Finance)):** Yes, Mr. Speaker

**Some Hon. Members:** Yes what?

**Mr. Speaker:** Supplementary question?

**Some Hon. Members:** Oh, oh!

[*Translation*]

PREPARATION OF BUDGET

**Mr. Don Boudria (Glengarry-Prescott-Russell):** Mr. Speaker, I wonder whether this means that yes, everybody saw it or that nobody did.

Perhaps the Minister did not understand the question. Let me repeat: Is the Minister trying to tell the House today that this year's documents are similar to last year's, when they were about an inch thick, and that these documents were prepared by two researchers, without the help of a typist, in four hours spent in a parliamentary lock-up, and that nobody else saw these documents?

Is that what the Minister is telling us today?

[*English*]

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, the Hon. Member has a little problem with his English. He asked if I could assure him of something and I said "yes".

**Mr. Boudria:** It's better than your French. You may want to withdraw that later.

**Mr. Clark (Yellowhead):** Back to the gutter.

**Mr. Speaker:** Order, please. The Hon. Member for Saint-Jacques.

**Mr. Guilbault (Saint-Jacques):** I have a question for the Deputy Prime Minister.

**Mr. Nunziata:** We don't criticize your French Members.

**Mr. Speaker:** Order, please.

PUBLIC RELATIONS CAMPAIGN

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of reports concerning what appears to be a rather massive campaign by the Government to sell its Budget to the Canadian people, would the Deputy Prime Minister tell us how many outside consultants have been hired by the Government to help it in its job of trying to get the Canadian people to agree with the Budget?

**Mr. Hnatyshyn:** The Minister of Finance.

**Miss MacDonald:** All Canadians.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, there are in this House of Commons 211 Hon. Members who support the Government—

**Mr. Blackburn (Brant):** Sometimes.

**Mr. Nielsen:** —and each and everyone of those Hon. Members, once the Budget has been delivered, will be very active in ensuring that the Canadian public is fully informed and consequently supportive of all of its measures.

**Mr. Guilbault (Saint-Jacques):** I, too, thought that the Tory Members would get active in trying to sell the Budget, but the Deputy Prime Minister went completely away from my question, Mr. Speaker.

CONSULTANTS INQUIRY

**Mr. Jacques Guilbault (Saint-Jacques):** I am asking the Deputy Prime Minister whether outside consultants were hired by the Government and paid with taxpayers' money to prepare some communication scheme, perhaps to be used by Tory backbenchers? Were there outside consultants hired by the Government?

**Mr. Gauthier:** Answer the question.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the hon. gentleman is asking me whether outside consultants were hired by the Government for the purpose of budget preparation.

**Some Hon. Members:** No.

**Mr. Ouellet:** Publicity. Answer the question.

**Mr. Nielsen:** The answer is, no. The last time I can recall that having occurred, or a similar circumstance having occurred, was when Mr. Walter Gordon was Minister of Finance.

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker—

**Mr. Speaker:** I cannot, I am afraid.

**Some Hon. Members:** No.

**Mr. Speaker:** The third question is usually reserved for the first speaker or the Leader, with respect. I am sorry.

**Mr. Ouellet:** Is this a new rule?

* * *

● (1420)

[*Translation*]

## TEXTILE INDUSTRY

### CLOTHING AND TEXTILE COMMISSION REPORT—RECOMMENDATIONS—GOVERNMENT POSITION

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

On January 27 of this year, the Minister of Consumer and Corporate Affairs met with the survival committee for the textile and clothing industry in the Eastern Townships, and informed the committee that the Government was going to make a decision at the end of February, further to the report by the commission on clothing and textiles.

Considering the Government's promise, could the Minister inform the House when and in what way the Government intends to act on these recommendaitons and prevent the loss of between 50,000 and 60,000 jobs?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, a few months ago, I met with people from the textile industry in Sherbrooke. I met with them here in Ottawa, I met with them at Saint-Jean in my riding, and the Government is very much aware and very concerned about the problems in this industry.

As you may have noticed, Mr. Speaker, in the last fifteen months we have already created 550,000 jobs in Canada, many of these in Quebec. We are going to keep on working very hard to create jobs in all areas and all sectors.

### MAINTENANCE OF JOBS

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a supplementary for the Minister of Regional Industrial Expansion.

Is the Minister aware of the position of the President of the Canadian Textile Industry who has accused the previous and present Governments of flagrant incompetence because they failed to use their authority under the GATT to save the jobs that were lost?

And when is the Minister going to announce quotas to save Canadian jobs?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, negotiations between the textile industry and the Government of Canada are still going on.

As the Hon. Member mentioned, we have had several meetings and we expect to have more. As soon as the policy has coalesced, we intend to make it public.

### REQUEST THAT GOVERNMENT INTERVENE

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, the Prime Minister has referred to the textile industry as one of Canada's key industries.

When is the Government going to act to save the jobs being threatened in Quebec?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, when we consider the number of jobs we have created in Canada and Quebec in the last fifteen months, I think we ought to be proud we are Canadians and have one of the best economies in the world.

Mr. Speaker, it cannot be said often enough that 580,000 new jobs in fifteen months is quite an achievement.

**Mr. Speaker:** Order. This is starting to sound like a Minister's statement. The Hon. Member for Saint-Maurice.

* * *

[*English*]

## SPACE WEAPONRY

### UNITED STATES STRATEGIC DEFENCE INITIATIVE

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, my question is for the Deputy Prime Minister. The President of the United States has sold the star wars package to the Government by saying that it will make nuclear weapons impotent and obsolete. However, we have learned this week

that the nuclear power and weapons research budget for star wars has been doubled to $603 million. Does the Government still support star wars, which was supposed to make nuclear weapons obsolete, but which we now learn is moving us into a third generation of nuclear weapons?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the position of the Government with respect to SDI has been stated time and time again in the House by the Prime Minister, by the Secretary of State for External Affairs, and by myself. The position has not changed one iota.

[*Translation*]

GOVERNMENT POSITION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, would the Deputy Prime Minister tell us whether the Government still considers it advisable to go ahead with the star wars program now that we have just learned with stupefaction that right now the star wars program in the United States is bringing us ever closer to a third generation of nuclear weapons and global holocaust?

● (1425)

[*English*]

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** The supplementary question does not alter the answer to the first question. The position of the Government has been clearly stated repeatedly, and that position stands today.

* * *

[*Translation*]

## AUTOMOTIVE INDUSTRY

ANXIETY OF WORKERS IN GM PLANT AT SAINTE-THÉRÈSE—GOVERNMENT POSITION

**Mr. John Parry (Kenora-Rainy River):** Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. During my February 14 meeting with the Sainte-Thérèse GM workers they told me they were concerned about the possible loss of 4,000 jobs. Contrary to its position announced in January, is the Government now prepared to deal seriously with this issue in an attempt to find a solution with GM?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, the GM workers are holding consultations with the Department of Regional Industrial Expansion. As Hon. Members would know, a number of investments might be forthcoming and we hope that all GM workers will keep their jobs and, better still, that new investments will create additional jobs, as is now the case throughout Canada.

POSSIBLE CLOSURE OF GM PLANT AT SAINTE-THÉRÈSE—GOVERNMENT POSITION

**Mr. John Parry (Kenora-Rainy River):** A supplementary question, Mr. Speaker. Since GM management have admitted that consideration is being given to closing down their Sainte-Thérèse plant, will the Government simply let them go ahead or will it take steps to protect those Quebec jobs through a fair redistribution of the automobile industry in Canada?

**Hon. André Bissonnette (Minister of State (Small Businesses)):** As you may have noticed, Mr. Speaker, the last 15 months have been highlighted by huge investments in the automobile industry. Several companies have shown interest in Canada because they believe that our country is a good place to invest. I am convinced that GM management as well will bank on Canada's brightening prospects and the know-how of our topnotch labour force.

* * *

## AVIATION INDUSTRY

MINISTER'S ANNOUNCEMENT OF MONTREAL JOB-CREATION PROGRAM

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, I have a question for the President of the Treasury Board. A week ago, the Minister announced a major plan to save and create jobs in Montreal, namely 1,400 jobs at SPAR Aerospace. How does the Minister explain that since his announcement, SPAR has been laying off people, 65 since November, and 20 more in the near future? When he launched that program with SPAR, was SPAR really committeed to creating 1,400 jobs and stopping those layoffs—

[*English*]

**Mr. Speaker:** Order, please. It is becoming a little long.

[*Translation*]

**Hon. André Bissonnette (Minister of State (Small Businesses)):** As you may have noticed, announcement of 1,400 jobs made in Montreal by SPAR will always make Members opposite feel somewhat jealous. They ruined Montreal during the last 10 years, Mr. Speaker, and the minute we come up with any announcement that is decent, that has some drive, they try to ruin it.

The SPAR Corporation put forward a program that is spread over a few years and I am sure, Mr. Speaker, that what has been announced in terms of job creation, will be delivered.

[*English*]

JOB CREATION—GOVERNMENT POSITION

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, the Government has not answered the question. Is SPAR going to lay off hundreds of workers one

month and then re-employ them several months later and call that job creation? Is that what the Government means by job creation?

[*Translation*]

**Hon. André Bissonnette (Minister of State (Small Businesses)):** Mr. Speaker, I will not go as far as raising the issue of the way they handled the Bell Helicopter matter when they made their announcements. That is not the way we work. SPAR has announced jobs, and we will make sure that these are actually provided.

* * *

[*English*]

## UNEMPLOYMENT INSURANCE

### CALCULATION OF PENSIONS AS INCOME

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of Employment and Immigration and relates to the change which came about on January 5, 1986, whereby pension income is now considered earned income for unemployment insurance purposes. When this was asked before in the House, the Minister said that she was waiting for the Forget Commission—

**Mr. Speaker:** This is now a second statement. Question please.

**Mr. Rodriguez:** Will the Minister ask the Forget Commission to give an interim report on this particular issue as it is affecting many unemployed Canadians right across the country?

• (1430)

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, I will be glad to receive the recommendations of the Forget Commission when they are put before me.

### POSSIBLE FORGET COMMISSION RECOMMENDATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is directed to the same Minister. If and when the Forget Commission reports in the fall and recommends that this change should not have been put into place, will the Minister assure all unemployed Canadians who are disentitled as a result of the change that they will in fact be able to collect their unemployment insurance from January 5, 1986, to the present?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, indeed the Government will study with care all the recommendations that the Forget Commission makes to us.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** That is no good.

[*Translation*]

## INDUSTRY

### O'FARRELL REPORT ON GULF-ULTRAMAR TRANSACTION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. When the Minister announced that unfortunate decision in Montreal to allow the transaction between Gulf and Ultramar to go through, he did not have the O'Farrell Report available. In view of the fact that the document has now been made public by the Minister, is he ready to admit that at that point he took Quebecers for a king-size ride, because it is clearly stated in the report there is a refinery under-capacity in Quebec, and the shutting down of Gulf will be affecting consumers?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I note in the various questions which have been put to us by the allied Parties over there in opposition that there has not been one mention to date of the 60,000 jobs which have been created in Montreal in the last 12 months.

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:** In direct answer to the Hon. Member's question, the answer is an abrupt no, because that is not what the report said.

[*Translation*]

### INQUIRY WHY GOVERNMENT DID NOT MAKE O'FARRELL REPORT PUBLIC BEFORE MAKING DECISION

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, the Minister's defensive attitude definitely shows he feels guilty. Will the Minister tell us why his Government refused to make public that report blaming his Government, before making a decision? Why has it not bee made public?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, in reply to the Hon. Member, I will never feel guilty in this House or before the Canadian public for the creation of 60,000 jobs in Montreal over 12 months.

* * *

## CANADIAN SECURITY INTELLIGENCE SERVICE

### NEWSPAPER REPORT OF STATEMENTS ATTRIBUTED TO OFFICIALS

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, my question is for the Solicitor General. Undoubtedly the Minister is aware that reporters for *The Globe and Mail* have, several times recently, used allegations which they credited to officers of the Canadian Security Intelligence Service to make sensa-

tional charges against foreign consular officials. Has the Minister authorized this release of information—or is it disinformation—to the press, without regard to its effect on good relations within as well as outside Canada?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, first of all let me thank the Hon. Member for a very serious question. As the Hon. Member will know from reading the article in question, *The Globe and Mail* attributes the information to unnamed sources and not to CSIS. I can indicate that in the interview which was given by CSIS to *The Globe and Mail* no specific reference was made to specific embassies or consular activities in Canada of specific consulates in Toronto, for example.

MINISTER'S POSITION

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, the story in *The Globe and Mail* refers specifically to Gerry Cummings of CSIS and is quite specific in dealing with consular officials. Will the Minister put a stop to this kind of unauthorized leak of information in order to restore good relations among ethnocultural groups in the country?

**Hon. Perrin Beatty (Solicitor General of Canada):** Mr. Speaker, it is quite true that an officer within CSIS gave an interview to *The Globe and Mail*.

**Mr. Deans:** Why?

**Mr. Beatty:** What the Hon. Member will see from reading the article is that reference was made to a series of consulates within Toronto; a series of countries were mentioned. It was not the intention of CSIS to refer to specific countries, which it did not do. The information in *The Globe and Mail* refers to specific consular activities of specific countries. They are its choices, not those of CSIS.

* * *

## INCOME TAX

INVESTMENT DEALERS—EXCLUSION OF DATA FROM T-5 FORMS

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, my question is directed to the Minister of National Revenue and concerns taxable interest income. Millions of dollars of income tax are lost because investment dealers do not include interest income from Treasury bills in the T-5 forms. Could the Minister tell the House what he is doing to correct the situation?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, as the Hon. Member knows, there have been consultations with the Canadian Investment Dealers' Association in an attempt to improve the situation. There is no specific legal requirement at the present time for this T-5 slip to which he referred. I am confident the situation will be improved in upcoming months.

[*Translation*]

INTEREST INCOME—INCLUSION IN TAX FORMS—MINISTER'S POSITION

**Mr. Alfonso Gagliano (Saint-Léonard-Anjou):** Mr. Speaker, will the Minister give this House the assurance that for the 1986 fiscal year such interest income will be included in the T-5 statements as prepared by stockbrokers?

[*English*]

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I have great respect for my hon. friend opposite, and I will take this as a very serious representation.

* * *

## INDIAN AFFAIRS

PRAIRIE TREATY NATIONS ALLIANCE

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. At a meeting last September 24 with the Prime Minister and the two Ministers whom he appointed to represent him in the bilateral process, the Prairie Treaty Nations Alliance tabled a document entitled "Canada-Indian Nations Relationships" and three memoranda of agreement. Why has the Minister of Indian Affairs and Northern Development and the Minister of Justice not met with the Prairie Alliance since that time? Could he also tell us what is the status of the documents which were tabled last September 24?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the meeting which we had with the Prime Minister was a very good one. A number of matters were raised, and they are still under consideration.

REQUEST FOR MEETING WITH MINISTERS

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, could the Minister tell the House when the Prairie Alliance can expect another meeting with the Minister of Indian Affairs and Northern Development and the Minister of Justice so that they can proceed as agreed with the Prime Minister last September?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the process for the development of the constitutional forum which is occurring in 1987 is one that involves a number of people and a number of meetings. We will begin the process involved over the year, and at the appropriate time we will meet with the Prairie Treaty Nations Alliance.

## EMPLOYMENT

CANADIAN JOBS STRATEGY—CREATION OF JOBS FOR YOUNG PEOPLE

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, my question is for the Minister of Employment and Immigration. I am concerned, as we all are in the House, with youth unemployment. Could the Minister inform the House what impact the new Canadian Jobs Strategy is having on long-term jobs for youth?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, one of the better statistics we have seen in the last year is that some 75,000 young people who were unemployed a year and a half ago have now found jobs, that is, some 5,000 jobs per month for young people are being created. The Canadian Jobs Strategy is seeking to improve that figure even further. This year some $330 million will be directed to youth programs. One of them, Job Entry, will be directed particularly to those young people who have not finished high school and who need to improve both their education and their job experience.

**Mr. Speaker:** Order, please.

* * *

[*Translation*]

## RAILWAYS

ALLEGED PURCHASE OF ROLLING STOCK IN ENGLAND—GOVERNMENT POSITION

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a question for the Minister of Transport.

Will the Minister confirm that VIA Rail is taking steps to buy rolling stock in Britain? How can he justify such a decision, when workers are being laid off by the railway equipment divisions of Bombardier, National Steel Car, CSW Works, CSF Foundry and, more recently, Marine Industries?

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the Hon. Member should check his sources of information because he is wrong.

[*Translation*]

IMPORTANCE OF SAFEGUARDING JOBS

**Hon. André Ouellet (Papineau):** Mr. Speaker, I am quite pleased with the Minister's answer, and I hope he will very soon announce the purpose of rolling stock made in Canada. In that respect, I hope he will accept the invitation sent by Mr. François Lamoureux, President of the Marine Industries Union, to go to Tracy, on March 8, 1986, to explain why the deficit reduction is more important to his Government than creating jobs in the railway industry.

[*English*]

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, unlike the former Government which refused to acquire new transcontinental passenger equipment, this Government is actively engaged in the procurement and acquisition of transcontinental passenger equipment. Negotiations and discussions are going on between VIA and a consortium of UTDC and Bombardier. As I indicated to the House a couple of days ago, I think that we are fairly close to a letter of agreement which will be followed by a contract and, hopefully, the ordering of the equipment. I am still optimistic and confident that that can be achieved.

* * *

• (1440)

## NORTH AMERICAN AIR DEFENCE

POSSIBLE FLIGHT TESTING OF UNITED STATES BOMBERS

**Mr. Derek Blackburn (Brant):** Mr. Speaker, my question is for the Minister of National Defence. Could the Minister inform the House whether or not the United States Government has requested permission from the Canadian Government for low level flight tests of its B-52 bombers in the Northwest Territories sometime in 1986?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** No, I cannot, Mr. Speaker. If the hon. gentleman wishes details, I can provide those to him.

REQUEST FOR COMMITTEE REFERRAL

**Mr. Derek Blackburn (Brant):** Mr. Speaker, in supplying those details, which I would appreciate very much, would the Minister undertake to assure the House that in future the militarization of the Northwest Territories and of Labrador, Goose Bay specifically, would be referred to the new committee on defence, with respect to social and ecological impact studies which are extremely crucial to those two parts of Canada?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I have no need to give the hon. gentleman that reassurance. Under the reform rules that the House has adopted unanimously, there is no end to where the committees might take their inquiries.

I do, however, reject the notion that we are setting about the militarization of our North, as the Hon. Member puts it.

To go one step further with respect to the previous answer, if the hon. gentleman would like a briefing, I would be only too happy to supply it.

*Oral Questions*

## NUCLEAR ARMAMENTS

FAILURE OF CRUISE MISSILE TEST

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, I have a question for the Minister of National Defence. Has the Minister yet retrieved his errant Cruise missile and, if so, has he found out what was the matter with it?

**Some Hon. Members:** Oh, oh!

**Mr. Benjamin:** Put the Minister on the next one.

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Sir, it is not my errant Cruise missile—

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** —although I know how it must have felt, having been the pilot of a single engine airplane on many occasions when the fan stopped.

**Some Hon. Members:** Oh, oh!

**Mr. Nielsen:** Again, I can tell the Hon. Member that the recovery operation under the command of a member of the Canadian Forces is actively engaged now in recovering the debris.

* * *

## THE BUDGET

PREPARATION OF BRIEFING MATERIAL

**Ms. Sheila Copps (Hamilton East):** My question is for the Deputy Prime Minister. Because he did not answer the question asked by the Hon. Member for Saint-Jacques, I would like to give him a chance to answer it again.

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** Can the Deputy Prime Minister give us today an assurance that no public funds will be used for outside consultants to help Progressive Conservative Party members, caucus members, or the Government propogate today's Budget?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I can assure the Hon. Member that the Government will ensure that Canadian taxpayers' dollars are spent more wisely and with a good deal more propriety than they have been in the past.

**Some Hon. Members:** Hear, hear!

MINISTER'S POSITION

**Ms. Sheila Copps (Hamilton East):** In other words, Mr. Speaker, the taxpayers of Canada are going to pay for this elaborate communications strategy—

**Mr. Speaker:** Order, please. Just a question, please.

**Mr. Clark (Yellowhead):** Throw her out.

**Ms. Copps:** Does the Deputy Prime Minister think it is fair that the taxpayers of Canada pay for the kind of elaborate communications strategy which was leaked in the press today, which is clearly designed not to help the Government but to assist individual members of the Conservative Party propagate their philosophy?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the Hon. Member may not be aware, although I would be surprised if she were not, that taxpayers support in a very substantial way the respective research departments of each of the Parties in this House of Commons.

**Ms. Copps:** That is not the question.

**Mr. Nielsen:** The distinction is that when we were in Opposition we were always ahead of the Liberal's research personnel, and now that we are on this side, those excellent personnel are still ahead of those in opposition.

**Some Hon. Members:** Hear, hear!

* * *

## TRANSPORT

WINDUP OF INSURANCE COMPANY—EFFECT ON TRUCKING INDUSTRY

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I have a question for the Minister of Transport. What steps is he going to take to ensure that trucking companies in Canada can continue to operate, now that the Minister of State for Finance has ordered the truckers insurance company wound up while, at the same time, failing to ensure that adequate coverage at rates they could afford could be obtained?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, the Hon. Member knows, I am sure, that a proposal was put on the table to the truckers to assist them in acquiring the company that had encountered financial difficulty. Because of the fact that they had difficulty in acquiring reinsurance, the deal fell through. We are prepared to work with the truckers and assist them in every way we can.

REQUEST FOR ESTABLISHMENT OF PUBLICLY OPERATED INSURANCE PLAN

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, I have a question for the Minister of State for Finance on the same subject.

Would the Minister now take the step of either setting up a national publicly operated insurance plan or, at the very least if she does not want to take that logical step, agree to establish national standards to ensure this kind of situation will not recur?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think we were, as I am sure the Hon. Member

was, very disappointed when this arrangement did not work. There were the other reasons besides the reinsurance.

We are in conversations with the reinsurance industry and with the property and casualty industry to try to smooth not just that particular problem but a whole range of problems dealing with liability insurance, and I thank the Hon. Member for his question.

* * *

## CROWN CORPORATIONS

### POSSIBLE SALE OF TELEGLOBE CANADA

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I am sure he is aware that Teleglobe is one of Canada's most profitable Crown corporations, a great high-tech success story paid for by all Canadians.

Will the Minister confirm that no foreign ownership will be permitted of our only international communications network, Canada's unique voice to the other continents of our world?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** In reply to the Hon. Member, Mr. Speaker, I certainly agree that Teleglobe is a good company and a profitable company, but I feel she must bear in mind that when we asked for bidders with respect to Teleglobe, 11 indicated an interest, three of which are non-Canadian companies.

I can assure the Hon. Member and Members of the House that it is certainly not our intention to allow control of Teleglobe to go to non-Canadian hands, but whether a consortium would find it suitable to include one or more of those non-Canadian interested parties is yet to be seen.

**Mrs. Finestone:** I will come back to that, Mr. Speaker.

### CONSEQUENCES OF SALE

**Mrs. Sheila Finestone (Mount Royal):** My supplementary question is for the Minister of Communications, Mr. Speaker. Will the Minister guarantee that, if the Government carries out its very foolish plan to privatize profitable Teleglobe, that Canadians will not have to pay higher rates for their business and personal long distance phone calls as a result of this ridiculous move?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Yes, Mr. Speaker.

[*English*]

## INDIAN AFFAIRS

### PROVISION OF WATER AND SEWAGE FACILITIES ON NORTHERN MANITOBA RESERVES

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Last month in Manitoba he was asked by a number of northern chiefs whether he would take a major initiative to provide water and sewage treatment facilities on a number of reserves in northern Manitoba. Is the Minister at this time able to answer that request?

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the discussion I had with the people in the northern communities was a good one. The specific request with respect to sewer and water is an important matter to them. Very shortly I will be in a position to respond, I think, positively, to them.

### TIMING OF DECISION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, would the Minister like to define the term shortly?

**Some Hon. Members:** Oh, oh!

**Hon. David Crombie (Minister of Indian Affairs and Northern Development):** It is a word I have some familiarity with, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Crombie:** I want to assure the Hon. Member that the time taken was not any intentional delay but to make sure that we have adequate information in order to make our appropriate decision.

* * *

● (1450)

## AUTOMOTIVE INDUSTRY

### AUTOMOBILE EMISSION STANDARDS

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister of Transport. He is aware of reports that he intends to delay implementation of new automobile emission standards aimed at reducing acid rain. Are these stories true and, if so, why?

**Hon. Don Mazankowski (Minister of Transport):** Mr. Speaker, that is not true. The new auto emission standards will apply to all 1988 model year cars and all years thereafter.

*Oral Questions*

## UNEMPLOYMENT INSURANCE

EFFECT OF REGULATION CHANGES ON ANNUITY HOLDERS

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, my question is directed to the Minister of Employment. Last week some of my colleagues and I met with representatives of the Armed Forces Pensioner's Association regarding UIC regulation changes. They told us that if the Minister had been present at a meeting of theirs in Kingston last week she would have been drawn and quartered on the spot by some of the people who work for her. Will the Minister explain why she continues to feel that these cuts are fair to the annuity holders of Canada when those people are the ones who paid for the annuities? The annuities are their property, not that of the Government of Canada.

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, since 1971 the Unemployment Insurance Fund has operated on certain basic principles. One principle is that premiums are paid by all persons in the workforce. Another is that those who are entitled to draw unemployment insurance are those without jobs and without income. The changes we have made have not violated those basic principles.

EFFECT ON INCOMES

**Mr. Len Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, will the Minister explain to this House and her constituents how she can justify the fact that her measures have caused some people to fall below the poverty line? Some of them are even in danger of losing their homes. Is that her idea of sensitivity to those people who change jobs in mid-life?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, as I mentioned previously, we are administering the program according to its basic principles.

* * *

## CORPORATE AFFAIRS

MULTINATIONAL DRUG MANUFACTURING COMPANIES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Eastman Commission, which looked into the price of prescription drugs, reported that the people of Canada would save tens of millions of dollars under the present laws. It also reported that the multinationals were being treated fairly with their four-year exclusive right to sell drugs they had developed. Why is the Minister saying he is prepared to give them exclusive rights for longer than four years?

[*Translation*]

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, we are indeed looking at the recommendations of the Eastman Report and we are also consulting with the various groups and provinces. I have already clearly indicated that, when a policy is introduced, it will be along the same lines as the other Government policies which have already been announced to promote job creation and new investments in Canada.

[*English*]

EXCLUSIVE PATENT RIGHTS

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, surely the Minister knows that there is no evidence that there were many jobs before or that there is likely to be even more jobs in the future if he agrees—

**Mr. Speaker:** Order, please. No preamble, just a question, please.

**Mr. Orlikow:** Mr. Speaker, why is the Minister reported as saying that he will agree to more than a four-year period?

[*Translation*]

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I simply said that, in my examination, I am concerned mostly with ensuring that our policy will promote job creation and new investments in Canada, and this can require a longer period of protection.

* * *

[*English*]

## EXTERNAL AID

THE PHILIPPINES—REQUEST THAT CANADA PROVIDE INCREASED ASSISTANCE

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He will know that the Government of Corazon Aquino has inherited a $26 billion foreign debt, a shaky currency, increasing inflation, and widespread poverty, to name just a few problems. Will the Minister undertake a major review of Canadian aid to the Philippines and consider increasing the meagre amounts now provided, to assist the fledgling Filipino democracy?

**Mr. Nystrom:** Marcos was a Liberal.

[*Translation*]

**Hon. Monique Vézina (Minister for External Relations):** As concerns the aid we provide to the Philippines, there is in fact a bilateral project of about $1.5 million which will end in the near future, and we work in close co-operation with non-government organizations and use the funds administered by the Embassy. These are only small projects. For the moment, that is all the assistance we provide to the Philippines.

[*English*]

LEVEL OF FOREIGN AID

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, can the Minister assure the House that this afternoon's Budget will not result in a decrease in foreign aid, especially to the Philippines?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, as the Hon. Member spends more time in the House he will know that question is out of order.

**Some Hon. Members:** Oh, oh!

**Mr. Murphy:** Put Joe in the chair.

**Mr. Speaker:** Order, please. As we all spend more time in the House I will make those decisions.

**Some Hon. Members:** Hear, hear!

BUDGET FORECASTS

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, my question is directed to the Minister for External Relations. In view of reports that Canada's development assistance budget is going to be slashed by some 10 per cent, how can the Minister and her Government allow such cuts to take place at the very time when developing countries have an increasing need for that funding? An overwhelming number of Canadians have said they support development assistance at least at present levels.

[*Translation*]

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, I am a very new Member of Parliament, but I know quite well that such a question is not in order on Budget Day.

[*English*]

**Mr. Speaker:** Order, please. These comments about what is in and out of order are out of order.

**Some Hon. Members:** Hear, hear!

GOVERNMENT POLICY

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, this concern is not out of order. If other nations follow Canada's lead and cut their budgets as well, what will happen to people in countries such as Africa, especially to women and children? Are we going to condemn them to a repeat—

**Mr. Speaker:** Order, this is too long.

[*Translation*]

**Hon. Monique Vézina (Minister for External Relations):** Mr. Speaker, I have no intention of giving answers about hypothetical situations, but I shall be happy to reply to all these questions as early as tomorrow.

* * *

## REGIONAL INDUSTRIAL EXPANSION

ALLEGED CONTRACT AWARDED TO CERTAIN ORGANIZATION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, my question is to the Minister of Regional Industrial Expansion and deals with the study on the role of service industry in the Canadian economy. Hon. Members are aware that four out of five women are involved in the service industry. Now, I should like to know why the Minister has awarded a $2 million contract to the Fraser Institute, an organization which is openly against the employment equality program, against minimum wages, and whose views are definitely against the promotion of women.

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, the contract the Hon. Member refers to is, of course, with respect to an economic study. It is purely in that domain and has nothing whatsoever to do with the topic she refers to in her question.

[*Translation*]

SITUATION OF WOMEN—GOVERNMENT POSITION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I should like to tell the Minister that if he took the time to read the literature published by the Fraser Institute, he would realize that his information is not accurate. I should like to know why he has awarded a contract to the Fraser Institute whose bias against women is well known; is it because the Conservative Party wants to keep women in ghettoized jobs?

[*English*]

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I would have presumed that the Hon. Member would have known better. Her question is just not well-founded. The answer to her specific question is very definitely no.

* * *

• (1500)

## MUSEUMS

PREPARATION OF EXHIBITS FOR NEW MUSEUM OF MAN

**Ms. Lynn McDonald (Broadview-Greenwood):** My question is directed to the Minister of Communications who knows that the Museums Corporation is extremely worried that the new Museum of Man, as it is currently called, will not be able to open with exhibits when the new building opens because of a lack of money. Will the Minister undertake to assure the

House that the $50 million required for exhibits in the building as well as a building itself, will be provided in time?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, I can assure the Hon. Member that these matters are being considered by the Department and that it is fully the responsibility of the Department and Minister, and not the General Secretary of the Museums Corporation, to make the necessary announcements in due course.

[*English*]

AVAILABILITY OF FUNDING

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, my supplementary question deals with the same museum construction more generally. Will the Minister assure us that the necessary funds to complete the buildings will be there and that there will be no call for private funding and fund raising drives that will compete with museums across the country which have to go to the public for their funding?

[*Translation*]

**Hon. Marcel Masse (Minister of Communications):** Mr. Speaker, the first part of the question was settled a few months ago. The decisions were then made public and thus the second part of the question is not applicable.

[*English*]

**Mr. Speaker:** Before proceeding to Points of Order and Routine Proceedings, I thought the House might be interested in knowing that in 45 minutes today we got 48 questions and answers.

* * *

[*Translation*]

## PRIVILEGE

EXPLANATIONS CONCERNING MINISTER'S ANSWER

**Mr. Don Boudria (Glengarry-Prescott-Russell):** This afternoon, Mr. Speaker, I rise on a question of privilege following certain comments made in the House by the Minister of State (Finance) (Mrs. McDougall) concerning the ability of Francophone Members in the second language.

After giving you the required notice this afternoon, Mr. Speaker, I have received a letter from the Minister of State (Finance) and I accept it as an apology.

[*English*]

RELEVANCY OF ANSWERS DURING QUESTION PERIOD

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, Monday of this week you gave the House an extensive ruling with respect to conduct in the question period. In that ruling you gave us an indication of what you expected with respect to the length of preambles, repetition of questions and preambles to supplementaries. You said if we abused those rules you would cut us off. This afternoon I put a question to the Government about Spar Aerospace Industries in Montreal, a very specific question, and I got an answer with respect to Bell Helicopters, which was completely irrelevant to the question I asked.

There was another question from this side about lay-offs in a very specific industry in Montreal and we got a political speech with a lot of rhetoric which was irrelevant. In view of the rulings that you have made will you cut off Ministers who give very irrelevant answers to the questions asked, just as you will cut off this side when we are irrelevant?

**Mr. Speaker:** Order, please. I know that is a serious request. I think if the Hon. Member checks the tape he will find that I did rise progressively during answers today when I thought they were too long. If the Hon. Member believes that the remedy with regard to the answers that the Hon. Member believes are irrelevant—and to some degree the Chair cannot be charged with that—or feels that the late show, the only remedy I know of, is inadequate, he always has the right and recourse to the Committee on Privileges and Elections to have the matter discussed further.

ACCEPTABILITY OF QUESTION

**Mr. John Nunziata (York South-Weston):** Mr. Speaker, during Question Period today I put a question to the Secretary of State for External Affairs (Mr. Clark). He responded by saying that my question was out order. Perhaps I can ask for some direction from the Chair. The Chair did not rise to rule my question out of order. Could you rule whether or not the question was in order?

**Mr. Speaker:** Order, please. That is not a question of privilege. I take it the Hon. Member is rising on what he presumes is a point of order. What is admitted or not admitted by the Chair is entirely within the Chair's discretion. That is the only answer I can give the Hon. Member on that matter. Members who believe that a question or an answer is out of order have the right to rise at three o'clock and raise a point of order, as the Hon. Member has just done.

**Mr. Clark (Yellowhead):** On a point of order. In the matter in question, I was in procedural error.

**Mr. Deans:** That doesn't mean you were wrong.

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

MORGENTALER CLINIC—RESTRICTIONS ON POLICE—CONTINUED OPERATION

**Mr. Speaker:** These I presume have all been certified?

**Mr. Alan Redway (York East):** Yes. Mr. Speaker, it is my honour and duty to present a petition which has been duly certified by the Clerk of Petitions. It is a petition signed by some 75 residents of my riding who are members of the Holy Cross Parish, calling upon Parliament to express to the Government and the Province of Ontario our displeasure with the restrictions placed on the Metropolitan Toronto Police Department in regard to laying charges under Section 251 of the Criminal Code against the operators of the premises known as the Morgentaler Clinic.

**Mr. Peter Peterson (Hamilton West):** Mr. Speaker, I rise today to present a petition on behalf of some residents of my constituency, Hamilton West, who protest the continued operation within the City of Toronto of premises known as the Morgentaler Clinic for the stated purposes of performing unlawful abortions.

**Mr. Ken James (Sarnia-Lambton):** Mr. Speaker, I have the honour to present to this House a petition on behalf of 586 residents of my riding of Sarnia-Lambton. My constituents are protesting the continued operation of the Morgentaler Clinic in the City of Toronto for the stated purpose of performing unlawful abortions, which is an affront to law abiding citizens.

**Mr. Elliott Hardey (Kent):** Mr. Speaker, I also wish to present to the House a group of similar petitions signed by approximately 552 people from my riding in Ontario. They ask that Section 251 of the Criminal Code be obeyed so that the continued operation of the Morgentaler Clinic in the City of Toronto may cease.

SITTING SUSPENDED

**Mr. Speaker:** Pursuant to an Order made Monday, February 24, 1986, this sitting is suspended until 4.30 o'clock p.m., at which time may I remind Hon. Members the House will consider a Ways and Means Motion by the Hon. Minister of Finance (Mr. Wilson).

**Mr. Deans:** A point of order.

**Mr. Speaker:** I am in procedural difficulty in allowing a point of order, but I will hear it.

**Mr. Deans:** Mr. Speaker, I regret that I did not catch your eye before. I just want to be clear that the bells will in fact ring in advance of 4.30 in order that Members are advised that the House is reconvening.

**Mr. Speaker:** I am surprised that Members are not aware of that, but yes, the bells will ring.

At 3.08 p.m. the sitting of the House was suspended.

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SITTING RESUMED

At 4:30 p.m. the House resumed.



# GOVERNMENT ORDERS

[*English*]

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

**Hon. Michael Wilson (Minister of Finance)** moved:

That this House approves in general the budgetary policy of the Government.

He said: I want to speak frankly to this House, and to the people of Canada.

My message today is a serious one, and in many ways not pleasant. But it must be said. And it must be understood.

We have made tremendous progress together in the past 18 months. Growth has been strong. Jobs are being created in record numbers. The deficit is coming down.

But the mounting burden of public debt continues to threaten our future. It is growing faster than our ability to pay. It must be controlled.

When Canadians elected this Government, our mandate was clear. It was to create jobs. But to create those jobs we had to solve the problems left by a decade of financial mismanagement.

[*Translation*]

In November of 1984, I placed before this House a plan to fulfil this mandate. In the major document entitled "*An Agenda for Economic Renewal*", we set out a comprehensive strategy based on three fundamental principles.

[*English*]

First, the best way to create jobs is through private initiative.

[*Translation*]

Second, good Government does not mean more Government, it means more efficient government.

[*English*]

And third, Canada's prosperity depends on restoring the health of the nation's finances.

A Record of Action

We set to work immediately. The actions we have since taken fulfil an essential part of the Agenda that we brought forward 16 months ago.

Through our first eight months in office:

[*Translation*]

- We worked actively to build a constructive relationship with our provincial colleagues.

[*English*]

- We launched the Canadian Jobs Strategy.
- We reduced expenditures and improved programs.

- We signed the Western and Atlantic Energy Accords.
- We established Investment Canada.
- We initiated regulatory reforms in the areas of transportation, telecommunications, financial institutions and competition policy.
- We restored close and co-operative relations with our allies and trading partners.

In May of last year, we took further action.

- We reduced the operating costs of all Government departments.
- We cut industrial grants.
- We closed costly heavy water plants.
- We reduced transportation expenditures.

[*Translation*]

- We provided major incentives for investment in small business.

[*English*]

- We improved the pension system.
- We introduced a new child benefit system to increase assistance to those most in need while reducing overall costs.
- We established a program to sell surplus assets and privatize Crown corporations.
- We appointed an independent commission to examine the unemployment insurance system.
- And we launched a process to reform the corporate income tax.

Last May I said we would reduce the deficit to $33.8 billion this year. We will meet that target. I said we would control Government spending. I projected expenditures this year at $105 billion. Our spending will be more than $1 billion lower. We said we would cut spending and control the deficit. We did what we said we would do.

[*Translation*]

Today I will announce further measures to implement the economic renewal plan set out in November 1984, measures that will restore fiscal stability by the end of the decade. This is being achieved by the most significant and far-reaching program of expenditure control ever undertaken by the Government of Canada.

[*English*]

These measures, when combined with those in November 1984 and May 1985, will ensure that the federal deficit is substantially reduced this year, next year and every year into the next decade.

This budget will reduce the deficit to $29.8 billion in the coming fiscal year and, by the end of the decade, it will be cut to $22 billion.

Financial requirements – the amount we must borrow each year to pay the bills – will be cut from $28.3 billion in 1985-86 to $17.9 billion in 1987-88, a reduction of 37 per cent in just two years. By the end of the decade, financial requirements will be down to $11 billion.*

* This budget implements certain accounting changes recommended by the Auditor General. Details and a full reconciliation are presented in Annex 1, the Fiscal Plan. In this section of the Budget Speech, in order to facilitate comparison with figures in the May budget, the numbers are presented on the basis of the former accounting system. In the remainder of the speech, all financial numbers are presented on the new accounting basis.

Our national debt will no longer be growing faster than the economy.

Increases in taxation contribute to this result. But fully 70 per cent of the debt reduction will be achieved by spending cuts.

The plan we set out in November 1984 is working, and working well. We are sticking to that plan.

## A Stronger Economy

We set out to challenge Canadians to bring about economic growth and job creation through their own initiative and effort. Canadians have responded to this challenge.

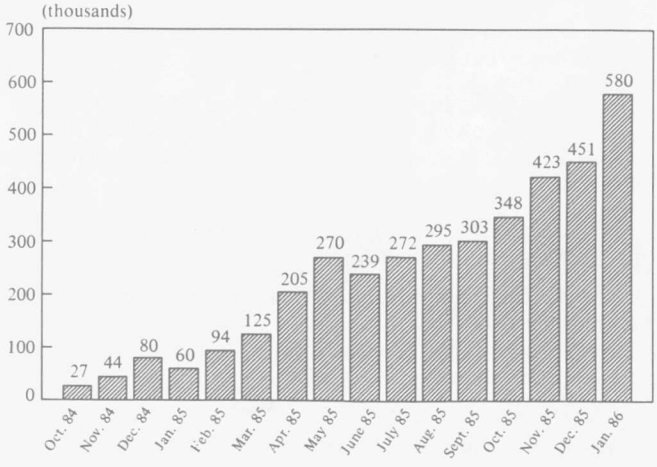
● (1640)

Our economic performance during the past 18 months has been much better than anyone expected. In 1985, growth in Canada was far stronger than in any of the major European countries, twice as great as in the United States and equal to that of Japan.

Economic growth has also become more broadly-based. The forces that drove the economy in 1985 were generated right here in Canada – higher business investment, more housing starts and strong consumer spending.

Job creation has been vigorous. The unemployment rate has fallen from 11.7 per cent in September 1984 to 9.8 per cent today – the first time it has been below 10 per cent since April 1982.

**Total Employment Gains Since September 1984**



The skeptics doubted we could create tens of thousands of jobs. They said cutting the deficit and creating jobs could not be done at the same time.

Canadians have made those skeptics eat their words.

Canadians haven't created tens of thousands of jobs, they've created hundreds of thousands – 580,000 new jobs since September, 1984.

[*Translation*]

Canadians should understand how remarkable this achievement is. During the past 18 months our rate of job creation has been more than 50 per cent higher than in the United States. Even more remarkable, Canadians have created more jobs, in absolute terms, than all the Western European countries combined – countries which together have 16 times our population.

While growth has been strong, inflation has been stable. Canadian cost performance compares favourably with that of our major competitors. Because of strong productivity growth and moderate wage increases, the competitiveness of Canadian industry has improved.

Labour-management relations have improved greatly. The proportion of working time lost through industrial disputes is at its lowest level in 20 years.

[*English*]

Solving the Problems of the Past

These are all positive signs – evidence that we are on the right track. But one major obstacle remains in our path.

When the government came to office, we encountered a debt problem of massive proportions. For 15 years, successive governments financed more and more spending by borrowing more and more money. The bills were passed to future generations. The buck was passed to us.

Well, the buck stops here. It must stop here.

Let me put this in the simplest terms possible.

For years the government borrowed billions of dollars simply to pay the interest on past loans. Interest on these loans increased from $1.7 billion 15 years ago to $22 billion in 1984-85. As a country, we have been mortgaging our future, year by year, and paying the interest by taking out a new loan. Every Canadian knows that this is a recipe for disaster. This is the reality with which this government has had to deal – a reality that threatened rising debt, falling confidence, a falling dollar, rising interest rates, slower growth and even higher deficits. That is the vicious circle we had to break.

The Expenditure Record

That is why since November of 1984, we have acted to overhaul and streamline the operations of government. And none too soon.

Over the last decade, program expenditures had more than doubled. Discretionary spending – spending on non-statutory programs – had grown even faster. In the three years prior to this government taking office, discretionary spending grew by 43 per cent. Operating costs of Government departments increased by 30 per cent. Personnel costs grew by 20 per cent.

[*Translation*]

This Government moved decisively to bring this spending under control.

[*English*]

We set in place a new, disciplined approach to Government management.

- We are acting to eliminate 15,000 positions from the federal public service by the end of the decade; 5,000 will be eliminated in 1986-87.
- We reduced capital expenditures and closed diplomatic posts in foreign countries.
- We are eliminating programs, such as the Canadian Home Insulation Program, the Petroleum Incentives Program, the Petroleum Compensation Program, Katimavik and the Shipbuilding Industry Assistance Program.
- We reduced subsidies to VIA Rail, Canada Mortgage and Housing Corporation, CN Marine and the Canadian Broadcasting Corporation.
- We sold de Havilland, the Northern Transportation Company, and most of the Government's interest in the Canada Development Corporation.
- We wound up several Crown corporations, including Canagrex.

These are not intentions. These are concrete actions we have taken. The results are clear. In this fiscal year, our actions have resulted in gross savings of $5.8 billion – about $560 for every Canadian household.

The Government has benefited greatly from the work of the Ministerial Task Force on Program Review. Private sector volunteers worked closely with public servants in 19 study teams to examine virtually all Government programs. Their task was to improve the way Government operates and delivers services. The recommendations in their reports have prompted many specific actions which have reduced duplication, streamlined operations and led to meaningful savings. I am announcing today that all the study team reports will be released on March 11.

This expenditure reduction has involved thousands of people doing their jobs quietly and efficiently outside the glare of these television lights. And the result is that discretionary program spending this year will be held to $37.7 billion, $530 million lower than the previous year.

Total program spending, including all statutory programs such as Old Age Security, family allowances and unemployment insurance, will be held to $86.6 billion – lower than last year's spending.

This is the first absolute decline in total program spending in over 20 years.

These actions were enough to accomplish our first objective – to halt the upward spiral in our deficit. But unprecedented as they were, they were not enough to provide assurance that our annual deficits would continue to fall. The risks to continued growth are still there and they are too high to be ignored.

New Expenditure Restraint

To reduce these risks, and to achieve our goal of fiscal stability, I am today announcing measures to restrain Government expenditures even further.

First, it is important that restraint start at the top. The Prime Minister has already taken a cumulative salary cut of $20,290 over two years. Each Minister has taken a cumulative cut of $9,440 over the same period. The Government will ask members of this House and the Senate to accept a reduction of $1,000 in their salaries this year. This $1,000 cut will also apply to the Prime Minister and his Cabinet.

• (1650)

I am announcing that in 1986 there will be no regular annual increase in the salaries of deputy ministers, assistant deputy ministers and equivalent political staff. For other executive levels, such increases will be held to a maximum of 2 per cent. To encourage excellence and prudent management, the Government will award pay increases to senior executives only on the basis of merit, with greater emphasis on productivity improvement.

Second, our privatization efforts are continuing.

As we identify corporations which do not meet public policy objectives, we will either close them or sell them to the private sector where they can become more competitive, lessen the burden on taxpayers and provide better service.

As announced, Canadian Arsenals Ltd. will be sold before the end of this fiscal year. We are negotiating with the territorial Governments concerning the disposition of the Northern Canada Power Commission. The remaining companies of the Canada Development Investment Corporation are still for sale. We expect to sell Teleglobe Canada in the next few months. Expressions of interest are still being received on Canadair and Eldorado Nuclear.

Third, Ottawa must become leaner and more efficient.

I am announcing a $500 million special reduction in non-statutory spending for the 1986-87 fiscal year. This is equivalent to 2 per cent of the cost of all non-statutory Government programs, with the exception of foreign aid and defence. The President of the Treasury Board (Mr. de Cotret) will shortly announce the plan to implement this reduction. This will reduce departmental budgets on an ongoing basis.

We are implementing two other significant management measures. Operating costs in all departments will be substantially cut in 1986-87 as part of the special $500 million reduction. Thereafter they will not be permitted to rise by more than 2 per cent per year.

In addition, Government departments will be forced to absorb increases in workload by increasing productivity or reallocating funds to higher priorities. Reserves that previously existed to fund such increases are being substantially cut. The experience gained this past year gives me confidence that these tighter operating constraints can be managed.

These spending reductions will result in savings of $850 million in 1986-87, rising to $2.8 billion in 1990-91. These savings amount to $80 per taxpayer next year.

All these actions force new discipline on the system – long overdue discipline.

[*Translation*]

But they also expose the truth about our financial problem. The billions we can save through better management are not enough to resolve Canada's financial problems.

[*English*]

We must also restrain spending in a number of specific areas.

The Government is determined to come to grips with the financial and operating problems of Canada Post. Over the past year the Corporation has made progress in reducing overhead costs, cutting the numbers of managers and staff and increasing productivity. It is clear, however, that the Corporation will not be in a break-even position by the end of this fiscal year, as called for in the five-year plan established by the last government.

The Marchment Committee has recommended another five years to reach the break-even point. This is not acceptable.

Following discussions with the President of Canada Post, the Government has requested a new operating plan to improve productivity at Canada Post so that the Corporation will reduce its operating deficit to zero by the end of fiscal 1987-88. The Government is confident that by taking further steps to improve productivity and efficiency, Canada Post and its workers can meet the objective of self-sufficiency while improving reliability of service to the people of Canada.

[*Translation*]

The Government has also re-examined its funding commitment for foreign aid.

[*English*]

This year, Canadian aid will exceed $2 billion – 0.5 per cent of our gross national product, well above the average of other major donor countries.

In my last budget, I spoke of the Government's intention to see our foreign aid spending reach 0.6 per cent of GNP by 1990. This would have required spending increases for five consecutive years considerably above the rate of growth of our economy. Had we continued on this trend, foreign aid would have grown by over 12 per cent a year on average. Growth rates of that magnitude cannot be sustained when domestic programs are being tightly constrained. Accordingly, growth

in Canada's aid program will be reduced by $1.5 billion over the next five years. The savings will be $83 million in 1986-87 and $205 million in 1987-88. For the balance of this decade foreign aid will remain at 0.5 per cent of GNP. It will increase by 8.7 per cent per year, on average, bringing the total to $3.1 billion in 1990-91. Our objective will be to reach a foreign aid/GNP ratio of 0.6 per cent by the middle of the next decade.

But direct foreign aid is not enough. Trade is also important. Less developed countries need access to our market. That is why we have taken further steps to open the Canadian market to exports from developing countries. The decision to relax the import quotas on footwear is a measure of considerable benefit to less developed countries. The Caribbean initiative through which we extend trade and other measures of assistance to the Commonwealth Caribbean is a second example of these actions.

[*Translation*]

Our nation's defence is another area where tough financial decisions are required.

[*English*]

The Government is fully committed to a strong defence capability. This commitment has been confirmed by decisions to reinforce our military presence in Europe and to strengthen the North Warning System. It must be recognized, however, that our biggest imperative now is to reduce the deficit so that we have the economic growth and fiscal flexibility in future years to fund important programs such as defence.

To contribute to restoring fiscal balance, the rate of growth in defence expenditure will be held to 2.75 per cent, after inflation, in 1986-87. In 1987-88, and subsequent years, defence spending will grow by 2 per cent per year, after inflation. This will achieve savings of $285 million over the next two years.

Notwithstanding this restraint, expenditures on defence will continue to increase substantially each year over the balance of this decade. Annual average growth will exceed 6 per cent, bringing our defence budget from $9.3 billion this year to $9.9 billion next year and $10.5 billion the year after.

[*Translation*]

Canada will continue to meet its defence responsibilities in North America and Europe and this Government will make every effort to increase our level of financial commitment as our economic and fiscal circumstances permit.

[*English*]

As a result of the spending cuts this Government has made to date, expenditures on Government programs will grow by less than inflation over the next five years. By the end of the decade, Government spending on programs will fall to the same share of the economy as in the 1960s.

• (1700)

Over the next two years there will be virtually no growth in spending on non-statutory programs. We will spend less on these programs in 1987-88 than in 1984-85. I am unable to find any period in Canadian history when the federal government has reduced discretionary spending on this scale.

So far I have talked of cutting spending on non-statutory programs. Let me now address the issue of statutory spending.

The Government of Canada will spend $53 billion this year on social programs. At the same time, related tax expenditures such as the child care expense deduction, the child tax credit and the age exemption total $3.5 billion.

The vast bulk of these expenditures goes to finance four major programs:

- Approximately $12 billion is for unemployment insurance benefits and employment initiatives;
- $13 billion goes to income security for the elderly;
- $2.5 billion is for family allowances; and

[*Translation*]

- $12.6 billion in cash is transferred to the provinces for health, education and welfare. The total contribution, which also includes tax transfers, is about $20 billion.

[*English*]

In November 1984, the Government announced its intention to reform social programs based on the twin tests of social and fiscal responsibility.

Since that time, we have taken a number of actions:

- We reformed family benefits in a way that maintains the principle of universal access, targets more resources to those most in need and frees up savings for other priorities.
- We restrained the rate of growth of transfer payments to the provinces for health care and post-secondary education.
- We provided supplementary equalization payments for all six equalization-receiving provinces in 1985-86 and for Manitoba in 1986-87.

[*Translation*]

- We appointed a commission to examine the unemployment insurance system and will be receiving its report this Fall.

[*English*]

- We extended support to widows and widowers, aged 60-64, who are in need.

We are especially proud of the steps we have taken to improve pensions for Canadians, through the most significant reform of pension arrangements undertaken in years. The pension debate dragged on for a decade. This Government has delivered results.

We have introduced legislation to ensure for the first time that workers can take their pensions with them when they change jobs, that they can retire early if they wish and that surviving spouses will be provided for. We are making it possible for many regular part-time workers to join pension plans.

We have concluded a vitally important agreement with the provinces on the Canada Pension Plan. As a result, the financ-

ing of the CPP will be put on a sound financial basis and its benefits expanded to meet changing needs.

We are also moving to achieve parity in tax assistance for retirement saving between employees and the self-employed, many of whom are owners of small businesses. I will be releasing draft legislation on registered retirement savings plan limits and related issues within weeks.

In this budget, I am proposing new measures to give retired Canadians who have RRSPs more flexibility in the investment management and withdrawal of their retirement savings.

Over the coming months the government will continue to improve the structure of key social programs. We will consider the recommendations of the Forget commission on unemployment insurance. We are examining the recommendations of the Macdonald commission. In my next budget, I intend to propose further measures to reform our system of social expenditures and related tax provisions. Such measures must respect several basic principles. They must maintain universal access. They must direct more resources to those most in need. They must improve the opportunities for individuals to become self-reliant. And they must reduce the after-tax value of benefits going to higher-income Canadians who do not need assistance.

Some have called for major cuts in social assistance. This Government is not prepared to dismantle social programs. The best ways to reduce the cost of social measures are to make sure that spending and tax assistance are targeted effectively and to reduce the need for such support – by keeping the economy growing and creating jobs so that greater opportunities are provided to those Canadians now in need.

## Improving the Tax System

A continuing priority of this Government is to improve the tax system. Improvements are necessary to spread the tax burden more equitably, to ensure that incentives are effective and to protect Government revenues.

Since November 1984, the Government has taken steps to protect the integrity of the personal and corporate tax systems.

- We ended the abuse of the scientific research tax credit.
- We eliminated tax shelters based on investments in yachts, recreational vehicles and similar properties.
- We halted income-splitting through interest-free loans between family members.
- We stopped the so-called "carve-out" transactions in the oil and gas sector.

[*Translation*]

- We prevented the use of trusts to distribute investment income tax-free.

[*English*]

- We terminated the use of partnerships in corporate takeovers to increase tax deductions.
- We tightened foreign property investment rules to prevent abuse.

We are also implementing a minimum tax of 25 per cent to ensure that high-income Canadians pay their fair share of tax.

Last May, I issued a discussion paper entitled "*The Corporate Tax System: A Direction for Change*". The thrust of that proposal was to reduce selective tax preferences and move to broader-based incentives through lower tax rates.

Today, I am implementing the first phase of this restructuring. The following measures will enhance economic performance, provide incentives based on results and contribute to deficit reduction.

- The 3-per-cent inventory allowance will be eliminated effective today.
- The general investment tax credit will be phased out starting next year.
- The 20-per-cent investment tax credit will remain to encourage investment in Atlantic Canada and the Gaspé Peninsula. This credit will be extended to include investments in adjacent offshore areas.
- The Cape Breton investment tax credit will remain at 60 per cent and will be improved. Smaller investments will qualify and the rate of refundability will be increased, as recommended by the Cape Breton Advisory Committee.
- The special investment tax credit for manufacturing investments in designated areas will be extended past its termination date at the end of this year at a reduced rate of 40 per cent.
- Corporate tax rates will be reduced over a three-year period beginning July 1, 1987. By 1989, the basic federal corporate rate will have been reduced from 36 per cent to 33 per cent of taxable income.
- Manufacturing companies will continue to have a lower tax rate, falling from 30 per cent to 26 per cent by 1989.
- The federal tax rate for small business will fall from 15 per cent to 13 per cent.

• (1710)

The effect of all these measures will be to generate an additional $765 million of net revenue during the period of transition to 1988-89. As a result of these changes, there will be an increase in the number of profitable corporations that pay tax.

These actions are the first phase of corporate tax reform. I will release a new discussion paper later this year. It will propose further reductions in tax preferences and further tax rate reductions, consistent with the principles set out in the May 1985 budget paper.

As well, I am proposing a number of other changes to corporate and personal income taxes to tighten the system and to prevent erosion of the tax base.

- New at-risk rules for limited partnerships will be introduced. These rules will restrict limited partners' claims to tax credits and business losses to the amount of their investment that is actually at risk. The new rules will cut

back tax-motivated arrangements that can lead to high-income individuals and profitable corporations significantly reducing their taxes.

- New provisions governing salary deferral arrangements will be introduced to ensure that tax cannot be unduly deferred by delaying the receipt of compensation.
- The ability to defer taxes by claiming deductions for unpaid remuneration will also be limited.
- The married exemption claimed for a spouse will be based on the spouse's income for the whole year, rather than from the date of marriage.
- Measures will be introduced to ensure reporting of treasury bill income. I will be announcing, within the next few weeks, proposals to simplify the interest accrual rules.

I am also proposing important changes in the tax treatment of dividends. The dividend tax credit will be reduced from one-half to one-third of the cash dividends received by individuals from tax-paying Canadian companies. As a parallel measure, the 12 1/2-per-cent dividend distributions tax for small business will be repealed. This will permit a major simplification of the tax system for small business. It will also preserve the integration of the corporate and personal taxes on income earned by small business corporations. These changes will be effective January 1, 1987.

The lower dividend tax credit will continue to provide a significant incentive for investment by Canadians in Canadian dividend-paying companies, but it will now ensure that more high-income individuals will pay regular tax on dividend income. Accordingly, I am also proposing that, effective this year, the taxation of dividends from taxable Canadian corporations under the minimum tax be based on the actual amount of cash dividends received.

[*Translation*]

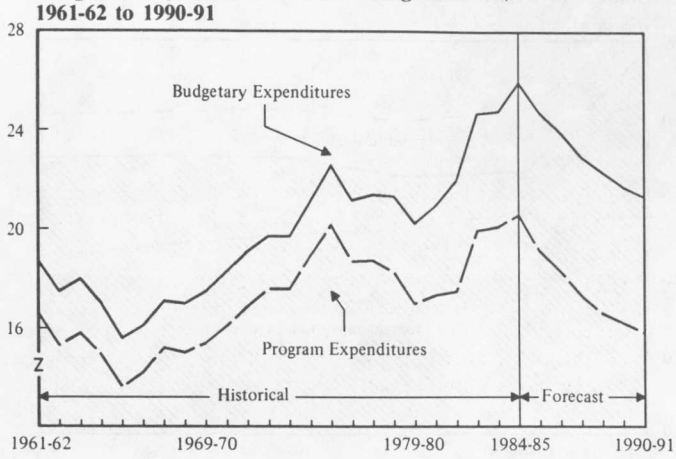
Turning the Deficit Corner

To this point I have described the Government's expenditure control record and our plans to reduce government spending further. I have outlined our plans to bring forward proposals for comprehensive changes to social transfers and related tax provisions. I have proposed the first phase of corporate tax reform and eliminated or reduced a number of tax preferences.

[*English*]

These actions imply great change. Federal spending on programs as a share of the economy will be cut back to the level at the beginning of the 1960s – prior to the "fly now, pay later" regime of more recent years. But these measures in themselves are not enough to overcome our fiscal problem. Spending cuts alone cannot bring about fiscal stability by the end of the decade.

**Budgetary Expenditures as a Percentage of GNP, 1961-62 to 1990-91**




To accomplish that goal, we must start paying the full cost of present Government programs and a share of the interest burden built up over past years.

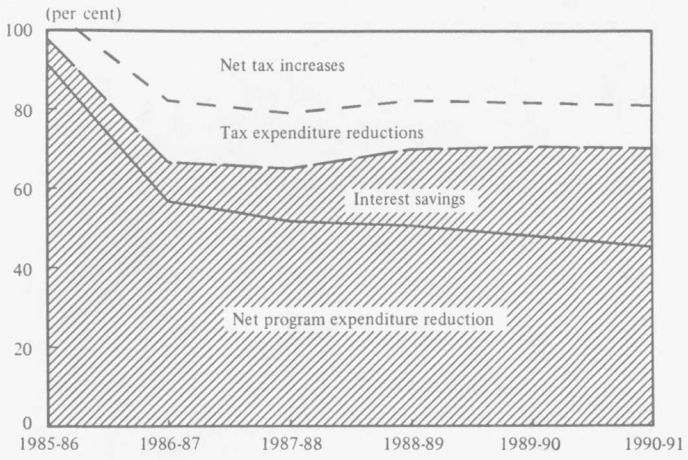
I am therefore announcing the following tax increases:

- A 3-per-cent surtax will be imposed on federal personal income taxes commencing July 1, 1986. The existing personal surtax will expire as scheduled.
- The current surtax on large corporations expires at the end of 1986. It will be replaced by a 3-per-cent surtax on all corporations effective January 1, 1987.
- The rates of federal sales tax will be increased by 1 percentage point effective April 1 this year. I will be announcing in a few minutes details of an innovative measure which will make the effect of the federal sales tax more progressive by providing important benefits for low-income Canadians.
- Finally, excise taxes and duties on alcohol and tobacco will be raised by 4 per cent and 6 per cent respectively, effective midnight tonight.

The net effect of all the tax measures I am announcing today will be to raise $1.5 billion in 1986-87 and $2.4 billion the following year.

These tax increases will make greater demands on Canadians. But they also put the size of our debt problem into clearer focus. In recent years our annual deficit has exceeded $30 billion. Every year the deficit remains near $30 billion another $3 billion of interest charges is added to the next year's spending. These tax increases help us hold the line. But they are only part of a comprehensive debt control program, 70 per cent of which will be achieved through expenditure reductions.

**Sources of Deficit Reduction**




Let me now address the question of federal sales tax reform. Like the debate on pensions, discussions on a better sales tax system have been going on for a long time. The problems with the current system are well known. It results in serious inequities among competing business firms. It puts Canadian manufacturers at a competitive disadvantage relative to importers. It results in hidden taxes on exports. Canada is now the only industrialized country in the world that still imposes a sales tax at the manufacturers' level.

[*Translation*]

It is time to act on this issue, to bring our sales tax system into line with today's realities.

[*English*]

My officials have for some months been examining the value-added tax. They are also looking at alternative systems, including a business transfer tax, which involve less administrative complexity and paper burden.

I expect to complete a review of the options in the very near future and put forward a paper with a concrete proposal for public discussion at an early date. Our intention is to move to a new system that will encourage growth, improve equity, and yield revenues sufficient to replace the federal sales tax, to end the surtaxes I have announced today and to provide adequate offsets for low-income Canadians.

I have already reported on the fiscal impact of the measures in this budget. The budget also implements revisions to the Government's accounting practices in response to recommendations made by the Auditor General. Details are provided in the Fiscal Plan tabled with the budget. I recommend this document to Honourable Members and all others who wish to have full details on the Government's fiscal situation.

On the revised accounting basis, the deficit next year will be $29.5 billion, a reduction of 14 per cent from this year. Financial requirements next year will fall to $22.6 billion, a decline of 22 per cent from this year's level. By the end of the decade, with moderate economic growth averaging 2 3/4 per cent per year, financial requirements will fall to $11 billion.

## Reinforcing Priorities

This government has acted to restore fiscal responsibility in Canada. In many cases, we are going to spend less. In every case, we are spending smarter and making better use of scarce resources. In some cases, we must spend more, to help those in need today and to help build the foundation for a better future. In a careful and effective manner, we intend to reinforce our basic priorities.

● (1720)

## Helping Those in Need Today

The plight of low-income Canadians is of major concern to this Government.

[*Translation*]

Last May we increased the child tax credit to provide greater assistance to low-income families.

[*English*]

Until now, our poorest families have had to wait until they receive their income tax refund to receive the credit. This has led to many of them seeking the services of tax discounters. To provide more timely assistance to low-income families and to reduce the need for tax discounting, the Government is proposing to advance payment of the child tax credit. A prepayment of $300 per child will be paid in November 1986 to families whose income in 1985 was $15,000 or less. Almost one million families will benefit from this measure.

I am also announcing a fundamental innovation to the income tax system to benefit low-income Canadians, many of whom are elderly. Commencing this year, the Government will provide a refundable sales tax credit of $50 per adult and $25 per child, for families and individuals with incomes below $15,000. About four million families and individuals will benefit from this measure. This progressive measure represents a major expansion of our refundable tax credit system and a significant improvement in our tax system.

For many months the government has been working with provincial governments to target training and employment programs to those Canadians who depend on welfare. We believe that the best assistance we can provide to such Canadians is a meaningful job. Provincial Governments share this view. As a result of our consultations the Government is committing up to $100 million a year for the next three years to a special program to help social assistance recipients find employment. These funds will be matched by the provinces.

I also propose to increase the disability deduction by $250, effective this year. This will provide increased support to 185,000 disabled Canadians.

There is another group in society which is now suffering particularly hard times and which needs our help.

Our farmers are caught in a vicious squeeze of low prices and rising costs. Many are facing an intolerable debt burden. This is not just an economic problem – it is a social problem that must be addressed. Accordingly, to preserve a viable farm

sector, the Government is adopting a new Farm Financial Assistance Policy.

The Government will increase resources to the Farm Credit Corporation over the next two years. The Corporation will establish a new financial instrument to be known as a commodity-based mortgage. For those farmers with substantial debt problems, but with reasonable long-term prospects, this mortgage will be available at a basic interest rate of 6 per cent. The principal of these loans will be linked to farm commodity prices. The loans will offer eligible farmers long-term, stable financing at a cost related to their revenues.

The Minister of Consumer and Corporate Affairs (Mr. Côté) will introduce legislation to establish Farm Debt Review Panels to provide advice and assistance in restructuring farmers' debt.

We will also take measures to ease the transition of farmers who must seek alternative employment. A new program will offer such farmers job counselling, retraining and interim financial assistance.

These measures represent an additional financial commitment to Canadian farmers of $65 million this year and $130 million next year.

The Minister of Agriculture (Mr. Wise) will also be announcing measures to assist tobacco farmers to diversify into other crops.

The Government will extend the existing 3-cent-a-litre fuel tax rebate for primary producers for one year to January 1, 1988. Farmers and other primary producers are now required to keep detailed records of "on-highway" and "off-highway" fuel use in order to calculate their rebates. The Minister of National Revenue (Mr. MacKay) will shortly announce new guidelines to simplify the calculation so as to reduce paper burden.

[*Translation*]

These initiatives are designed to help those in need today. But even though resources are scarce, we believe it is equally essential to make other investments now which will lay the foundation for future growth and jobs.

[*English*]

## Investing in the Future

### Trade

A major area is trade.

This Government has invited the Government of the United States to enter into negotiations toward a more secure and enhanced bilateral trade relationship. Similarly, preparations are under way for Canada's active participation in the next round of multilateral trade negotiations to commence this Fall. I am strongly encouraged by the positive response of Canadian business and industry to the trade challenge this Government has initiated. This response shows that Canadians do not shrink from fair competition. Canadians realize that trade gains lead to job gains. Today more than three million jobs are linked to our export performance.

I cannot overstate the importance to Canada of ensuring that foreign markets remain open to Canadian exports and that Canadian companies take maximum advantage of markets abroad. Exports of goods and services account for close to 30 per cent of Canada's gross national product. We must also ensure that the Canadian market remains open and that Canadian companies are prepared to meet import competition.

To do that, it is important to ensure a fiscal environment that allows lower and more stable interest rates and a tax system that promotes competitiveness and efficiency.

[*Translation*]

Our deficit reduction plan and proposed tax changes will support our trade initiatives.

[*English*]

The reform of the corporate income tax proposed in this budget will reinforce our trade initiatives by encouraging businesses to pursue profitable opportunities on the basis of economic factors as opposed to tax considerations. Sales tax reform will remove the biases in the current tax that hinder the efforts of domestic producers to compete at home and abroad.

This budget demonstrates that our fiscal problem is now in hand. Tax reforms will be implemented over time. Similarly, trade negotiations take time and their results will be implemented only over a number of years. By beginning to act now on these three fronts we can ensure that Canadian firms will be able to take full advantage of market opportunities in years to come.

● (1730)

Trade in services is becoming increasingly important. Representatives from the Canadian financial community have raised with me the prospect of attracting more international banking business to Canada by designating certain Canadian cities as international banking centres.

Some time ago, the Department of Finance commissioned a study of such centres. That study, which I propose to make public shortly, drew attention to certain drawbacks to the concept of international banking centres. It also drew attention to possible changes which could enhance the international competitiveness of our banks.

[*Translation*]

The Government is prepared to facilitate the establishment of international banking centres in Montreal and Vancouver. This would be consistent with our desire to broaden our trade and business interests in Europe and the Pacific Rim. I will be undertaking discussions with the banking community and provincial governments in order to pursue this objective.

[*English*]

### Research and Development

A second priority is investment in knowledge.

The crucial importance of knowledge to Canada's future requires a new partnership between the private and public sectors. The federal Government plays a major role in support-

ing university-based research and the development of highly qualified personnel in Canada. One channel for this support is through the operations of the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council. The Government proposes to provide a secure funding base for these councils by adding $300 million over the balance of the decade.

We are also prepared to increase this base funding up to 6 per cent by matching, dollar-for-dollar, private sector contributions to the councils. This could provide an additional $700 million over the next five years. But the partnership created between the private sector and university researchers is just as important as the dollars. Contacts between the business and academic communities would be improved.

[*Translation*]

And Canada would benefit from the more vigorous and co-ordinated application of scientific knowledge to our industrial needs.

[*English*]

Training and Adjustment

Continued economic growth also requires investment in training so that workers can adjust to new conditions and take advantage of new opportunities.

The Minister of Employment and Immigration (Miss MacDonald) is implementing the new Canadian Jobs Strategy in co-operation with the provinces and industry. This innovative and successful approach combines training and job creation to help workers adapt to a fast-changing labour market. Programs are targeted at building the skills necessary to help young people obtain a first job and to assist women re-entering the labour market. This budget allocates $800 million to the Canadian Jobs Strategy in 1987-88.

The position of older workers deserves special consideration. I am announcing federal funding of up to $125 million over a four-year period to finance a new Program for Older Worker Adjustment. This program will assist older workers who lose their jobs and who have no immediate prospects for re-employment. The Minister of Labour is developing this initiative in co-operation with the provinces and the private sector.

Small Business

Small business is the most important source of jobs in Canada today. This government has done much to support small business.

In my first budget I brought forward a number of measures to encourage investment in small business by individuals and by pension funds.

[*Translation*]

I provided tax incentives for investments in labour-sponsored venture capital funds. I extended the small business bond program and increased the value of the refundable tax credit for small firms carrying out research and development. I introduced a lifetime capital gains exemption to encourage enterprise and risk-taking by rewarding successful investment in Canada's future. We will continue that support.

[*English*]

Several measures in this budget reinforce our support for small business. Specifically:

- The tax rate on small business income will be reduced from 15 per cent to 13 per cent, beginning July 1, 1987. The tax rate on small business manufacturing income will be reduced from 10 per cent to 8 per cent.
- The 12 1/2-per-cent dividend distributions tax will be repealed.
- Tax rules providing deductions for allowable business investment losses will be broadened.

In the May budget I announced measures to allow pension funds to invest in small business ventures. Draft rules were made public for comment last November. The final rules to implement these changes will be available shortly and will respond to many constructive comments that have been made during the consultations.

The government also proposes to more than double the amount of guaranteed loans available under the Small Business Loans Act. This will raise the ceiling to $2.5 billion and allow small businesses even greater access to the financing they need to grow and create jobs.

Atlantic Enterprise Program

As I reported earlier, economic conditions have improved substantially in Canada. Nevertheless, certain regions of the country are continuing to experience longer-term structural economic difficulties. This is particularly true of the Atlantic region. To enhance the rate of private sector job creation in the Atlantic and Gaspé regions, I am announcing a major new initiative, the Atlantic Enterprise Program.

Under this program, private sector lenders will be encouraged to make loans for business start-up or expansion. Up to $1 billion of these loans will be guaranteed to a substantial extent by the Government of Canada. The Atlantic Enterprise Program will also provide access to lower cost financing through interest rate buy-downs. This program is another example of how the Government, working together with the private sector, can spend smarter. Together we will generate significant financial assistance so that Atlantic Canada can share in our national prosperity. The Minister of Regional Industrial Expansion (Mr. Stevens) will be announcing the details of this program shortly.

Northern Development and Indian Affairs

The Government will bring forward measures which promote northern development and encourage the economic self-reliance of our native peoples.

- A new, permanent system of tax benefits for housing and travel will apply to residents of the north and isolated posts,

effective January 1, 1987. This will achieve equity between employees and the self-employed.

- In recognition of the vast distances involved in northern travel, the budget proposes a $50 ceiling on the air transportation tax on domestic flights, offset by a one percentage point increase in rates.

• (1740)

The Minister of Indian Affairs and Northern Development (Mr. Crombie) will introduce amendments to the Indian Act which will allow bands to levy municipal-type taxes on Indian lands.

In addition, the Indian Remission Order which relieves tax on certain employment income will be extended for the 1986 taxation year.

I am also announcing that for 1986-87, the Government will allocate up to $40 million to extend the Indian Community Human Resource Strategies program into a second year.

## Building a Sense of Community

These initiatives – in trade, technology, training and economic development – are designed to promote growth. But nations are not held together by dollars and cents. Nations are held together by intangibles – by shared values and experiences.

One of these values is public service through private initiative.

No Canadians share more than those in the voluntary sector. Volunteers have not only built a sense of community in Canada; they have built bridges to people in less fortunate lands.

The Government wants to encourage this sense of participation. We are continuing to examine a number of measures to encourage charitable donations and will work with the voluntary sector to find an appropriate and effective solution.

The Government also desires to help foster the arts. I am pleased to announce the allocation of an additional $75 million per year beginning in 1986-87 to fund a number of specific cultural initiatives. These will benefit people whose creativity finds expression in the motion picture and book publishing industries, in the performing arts and in the music and recording industries. The Minister of Communications (Mr. Masse) will be announcing the specifics of these initiatives.

## Budget Process

I would like to say a few words about the budget process. The May budget made proposals to improve the process. This budget is being presented in February in line with my proposal for a regular budget date. A parliamentary committee has examined the budget process and made useful suggestions. I will be responding to their report in detail in due course. This Government has also enhanced the role of parliamentary committees in examining tax and budget matters and has increased consultation. All concerned share the view that legislation arising from budgets should be available as soon as possible and be passed into law within a reasonable period of time. I will be bringing forward legislation arising from this budget expeditiously. The first item of legislation will be the Bill seeking $22.6 billion of borrowing authority for 1986-87. This amount corresponds to the financial requirements forecast for next year.

In this budget I have referred to a number of areas that form an important part of the Government's agenda for future budgets. Proposals will be developed to improve social expenditures and related tax provisions, to pursue the further restructuring of the corporate income tax and to reform the sales tax. I look forward, as these proposals are presented, to receiving comment on them from parliamentary committees and other interested Canadians.

I am tabling Notices of Ways and Means Motions covering tax and tariff measures.

Mr. Speaker, discussions among House Leaders have taken place and, further to the order adopted by the House on February 24, I understand that immediately following my remarks the House shall revert to Introduction of Bills in order to introduce the Bill outlining the Government's borrowing requirements for 1986-1987.

## Economic Outlook

Let me turn now to the economic outlook for Canada.

[*Translation*]

The actions we have taken and the actions we are taking in this budget provide a basis for sustained growth over the balance of the decade.

[*English*]

I am projecting real growth of 3.7 per cent for 1986, one of the highest rates of growth among the industrialized countries. In 1987, the economy is expected to grow by a further 3 per cent – the fifth consecutive year of sustained growth. Inflation will remain steady around 4 per cent.

[*Translation*]

And the Canadian economy will continue to create jobs at a substantial rate. Because of strong labour force growth, progress in reducing the unemployment rate will be steady but less dramatic.

[*English*]

By the end of this year I anticipate an unemployment rate of about 9.6 per cent, falling to 9.0 per cent by the end of 1987.

## Conclusion

This Government has demonstrated its resolve to restore fiscal responsibility to Canada.

We are doing this in a way that is consistent with the commitment we made to Canadians in November of 1984. Our objective, then and now, is to solve the problems of the past in order to create jobs today and into the future.

We are reducing the crushing burden of interest payments that has accompanied a decade of uncontrolled growth in our debt. Just as Canadians seek to pay down their personal debt to use the savings for better things, we are doing the same in government, creating room to respond to the nation's needs.

Cutting the deficit is not an end in itself. It is the means to an end. It is the means to achieve lower interest rates, higher growth and more jobs.

[*Translation*]

The actions we have taken reflect the priorities we set out in November 1984 and acted on in May 1985:

- to release the creative spirit of individuals from the heavy hand of Government;

[*English*]

- to enhance our capacity to compete by promoting trade, investment and technology;
- to play a constructive role in the global community;
- to assist individuals to adjust to a changing world;
- to help Canadians who need assistance.

This is what we promised. This is what we are delivering. We will continue to act with consistency and determination. Canadians can look to the future with confidence.

**Some Hon. Members:** Hear, hear!

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## ROUTINE PROCEEDINGS

[*English*]

### BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

**Hon. Barbara McDougall (Minister of State (Finance))** moved for leave to introduce Bill C-99, an Act to provide borrowing authority.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

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

**Mr. Speaker:** Pursuant to order made Monday, February 24, the House will now revert to Orders of the Day.

## GOVERNMENT ORDERS

[*Translation*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, first of all, I must say I am deeply disappointed in the Budget brought down by our colleague, the Minister of Finance (Mr. Wilson).

**Some Hon. Members:** Oh, oh!

• (1750)

[*English*]

**Mr. Johnston:** You may recall that there is some consistency here. I was profoundly disappointed last May. The consistency is that I, and I am sure most Canadians, are profoundly disappointed today.

In spite of all the rhetoric, when one looks at these budgetary documents, which we have had a few hours to study, we see a $4 billion increase in Government expenditures for each of the next three years. Let us not play games. Let us tell the people of Canada what in fact is taking place.

Indeed, we expected some sensible cuts. There are some cuts which are not sensible and I will expand on that in a moment.

Perhaps there are some reasonable tax increases, but why not some solid tax reform instead of more tinkering at the edges? We have seen the great tinkerer at work once again. Why not—

[*Translation*]

—Mr. Speaker, why didn't the Minister take this opportunity to repair the terrible damage done by last year's Budget, including the capital gains tax exemption?

[*English*]

In fact, the reality, as we all know, is that the Budget has been driven by one consideration—to get the deficit below $30 billion. The figure of $29.5 billion was the magic number.

How did the Minister get there? Again, by massive increases. Last year we had one of the largest increases in taxation in Canadian history. Now, the Minister has compounded his felony by again heaping taxes on innocent Canadian taxpayers, including sales taxes, commodity taxes, regressive taxes which affect those who can least afford to pay taxes.

Indeed, I would call this a cowardly Budget. It takes no imagination to reduce the deficit by levying taxes on Canadians.

When I was sitting in the lock-up, an image sprung into my mind that I would like to share with the House.

**Some Hon. Members:** Oh, oh!

**Mr. Johnston:** I thought of the Wizard of Oz and the Cowardly Lion; the roar that: "This will be a tough Budget". Now we know on whom it is tough. The Cowardly Lion did not have the courage to take on the kind of tax reform and issues which this country must address. Sitting next to the Minister of Finance (Mr. Wilson) I saw the Tin Man, heartless, wielding his hatchet on $1.5 billion from foreign aid as a result of his exercise. I need not tell you who the Wizard himself is, with lights and bells and smoke and booming voice.

Elsewhere, in terms of job strategy, what do we see? In 1987-88 there will be an addition of $800 million.

**Miss MacDonald:** Hear, hear! You bet.

**Mr. Johnston:** Do we hear from the Wicked Witch of the West, Mr. Speaker?

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order. Things may be described in certain ways, but people cannot.

**Mr. Johnston:** I understand, Mr. Speaker, but it was an image.

The fact is that there is $900 million in that program for the next two years. Therefore, what is presented as an $800 million increase is in fact a $100 million decrease.

**Miss MacDonald:** No, it is not.

**Mr. Johnston:** I understand that one must be parliamentary so I will not refer to the Scarecrow and his particular problem.

The taxpayers are the innocent victims. They are the ones who have been heavily mugged on the Yellow Brick Road. They have been told by the Minister of Finance, without even blushing, that 70 per cent of the decrease in the deficit will come from cuts and 30 per cent from tax increases. I suggest the Minister of Finance will have to twist himself into an unprecedented human pretzel to explain that to us in the House of Commons.

When I look at this document in terms of cuts, I see that in 1986-87, of $883 million in cuts, $500 million comes from the special reductions in non-statutory spending. These are subjective numbers that will be left in the hands of the President of the Treasury Board (Mr. de Cotret).

Reserves are necessary but we see reserve reductions by $200 million. We are left with $183 million of hard cuts, of which $83 million comes from Canada's foreign aid programs. I would think that the Secretary of State for External Affairs (Mr. Clark) would blush at that, a cut of $1.5 billion over the next three years. Of course, the people in those countries who so desperately need that money do not vote here in Canadian elections, but they have surrogate voters through the conscience of Canadians.

I did some rough calculations. I will not go on at length because I know that I will continue the debate tomorrow, but when one looks at what happened last May—

[*Translation*]

And if people are shocked at what is being done here today . . . it is truly incredible. For instance, we see that sales taxes and similar levies will raise nearly $6 billion by 1990-1991. This is incredible, Mr. Speaker!

[*English*]

What did it tell us? It told Canadians not to worry, but to try to get by. The Government will give each Canadian a $50 tax credit against sales tax and $25 for each of their children. This means that in 1990-91, rather than paying $5.9 billion in additional commodity taxes it will be some $5.6 billion.

People are to get an accelerated payment on their child tax credit. Imagine that great benefit. I am not sure if the Minister received a standing ovation for that but it means that the amount will be moved back from April to November of the preceding year. That is a generous contribution to those Canadians who are suffering under this avalanche of taxes.

[*Translation*]

As far as my comments are concerned, I do think, Mr. Speaker, that I have given you some idea why we are disappointed . . . why we are deeply disappointed. I hope to be able to pursue this debate tomorrow. I intend to give these documents a thorough going-over this evening, and perhaps I will be able to say something good about them, but at the moment, I must say there isn't much. All I see is an avalanche of taxes. I am disappointed, and I move:

That the debate be now adjourned.

Motion agreed to.

[*English*]

**Mr. Speaker:** Pursuant to order made Monday, February 24, 1986, this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 5.59 p.m.

# HOUSE OF COMMONS

**Thursday, February 27, 1986**

The House met at 11 a.m.

**Mr. Speaker:** Order.

[*Translation*]

## VACANCY

SAINT-MAURICE—HON. JEAN CHRÉTIEN, BY RESIGNATION

**Mr. Speaker:** I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Jean Chrétien, Esq., Member for the electoral district of Saint-Maurice, by resignation. Accordingly I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

[*English*]

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I appreciate you allowing me the opportunity to say a few words. This morning at five after ten Mr. Chrétien arrived in my office with a letter of resignation as the Member of Parliament for Saint-Maurice and told me that he was going to see you immediately thereafter. I said to the Hon. Member that it was a shock, that the country needed him, that certainly the Liberal Party needed him, and that I did as well in personal terms. I asked him if there was any way we could reopen the question and try to resolve matters to his satisfaction. He said that after 23 years as a Member of Parliament he felt he had made his contribution to this House and to the country, and that now he wanted to place his family first and seek other opportunities.

It became clear that despite my attempt to persuade him differently his course of action had been set, Your Honour. I understand he did see you and presented his resignation to the House.

[*Translation*]

I must say that Jean Chrétien is a great Canadian, who served his country for twenty-three years as a Member of this House, and who served his constituents in the district of Saint-Maurice, with distinction, tremendous flair and limitless dedication. In the course of his career he has held some very important positions. It would take too long to summarize Jean Chrétien's entire career, but two events stand out, and especially his efforts during the Quebec Referendum. Under the leadership of Mr. Trudeau, Jean Chrétien marshalled the forces of the federal wing of the party to work together with Mr. Ryan and others, and to represent and lead the federalist forces in Quebec, and he did so very successfully. This country and the province of Quebec will never forget Jean Chrétien's efforts in this respect.

During the negotiations for patriating our Constitution and enshrining the Charter of Rights and Freedom in that Constitution, Jean Chrétien, as Minister of Justice, played a key role. So there was the Referendum, our Constitution, the first Francophone to be appointed by the then Prime Minister to the position of Minister of Finance, and a superb Minister of Indian Affairs and Northern Development who was very proud of the fact he had inaugurated more national parks than any other minister: all this adds up to an unparallelled career and a unique Member of this House. We will miss Jean Chrétien in the House of Commons, and I am sure that my opinion is shared by all.

I wish Mr. Chrétien and his family, as I have already said privately, the very best. He deserves the gratitude of all his fellow Canadians, and I hope that Jean Chrétien, his wife Aline, and the whole family—he became a grandfather for the third time yesterday—I wish him the best of luck. His name, presence and personality will never be forgotten in this House.

• (1110)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I want to congratulate my hon. friend, the Leader of the Opposition (Mr. Turner) on the warmth and sincerity with which he spoke of a great Quebecer and a great Canadian. Jean Chrétien has resigned. He was a brave and dedicated Member who served Canadians and his constituents with energy and dignity. This extremely likeable man has made an unforgettable impression on all Canadians.

As a Quebecer, I remember more specifically his steadfast and courageous leadership during the Referendum campaign, since I worked for him at the time. He showed great leadership and generosity towards all his collaborators, and he showed understanding for the position of his opponents.

[*English*]

He was—I should not speak of Jean in the past tense—he is gone, but only from this House. As a Member of Parliament and a colleague, he was witty and compassionate. He was partisan and caring. He loves Quebec and believes very deeply in Canada and has a unique and thoughtful way of expressing that.

I still have some of the scars to prove his effectiveness. There were moments in Central Nova when I doubted whether I would ever see this House. Jean Chrétien would arrive in New Glasgow, Pictou or Stellarton and create, as he did, a very favourable impression, which dismayed me at the time

but which I salute today. So we in the House say goodbye to Jean Chrétien and his wife and family with our affectionate good wishes.

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, I want to join with the Prime Minister (Mr. Mulroney) and the Right Hon. Leader of the Official Opposition (Mr. Turner) in expressing my regret and, I must say, surprise, at Jean Chrétien's decision to leave the House of Commons to embark on whatever career he has decided upon. I do not believe there is anyone in the country who would deny that in the 23 years he has been here he has served with dynamism, honesty and courage. He stood up for everything he believed in all of the time.

One never had to doubt where one stood with Jean Chrétien. He made it quite clear when he agreed with you that he agreed with you vigorously, and when he opposed you that he opposed you vigorously. He has left a lasting impression on all Hon. Members of the House of Commons who were here during his 23 years.

He seems to me to be a man who will always place the people of Canada first in his efforts, both on behalf of Canadian federalism and on behalf of Canadian independence. He left a mark not only with those of us who were here to watch him, alongside others, fight the battle, but he also left us a legacy and I believe the majority of Canadians would agree that they owe him a debt of gratitude.

He was always available to new Members of Parliament. When I first came to the House of Commons Jean Chrétien was on the Government side. He was the first one who came to welcome me to the House of Commons. It was Jean Chrétien who invited me, as a newly elected Member of Parliament, using himself as an example, to attempt to learn some of the other official language in order that I could play a more meaningful role. I am personally grateful to him for that kind of understanding. He has a sense of humour which allows for an easing of tensions when tensions grow up. He was always able to find a funny way of putting something which ensured there would not be a lasting breach develop between Hon. Members when they had disagreements.

I hope that Jean Chrétien's departure from politics is a temporary departure. I hope he will at some point return to politics in one way or another and will continue to serve the public of Canada.

**Mr. Speaker:** I have received notice that there are two Hon. Members who want to make comments. I will allow them both to do so briefly and then we will go on to Routine Proceedings.

[*Translation*]

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, as Chairman of the Quebec Caucus and an old friend of Jean Chrétien, I would like to pay tribute to his tireless dedication to the work he did in this House.

As a person, a Member, and a Liberal, Jean Chrétien has always seen Canadian unity as one of his greatest concerns, but he was also a Francophone Quebecer, a French Canadian who wanted to project and demonstrate his pride in that fact, and often, when talking to his Quebec colleagues and the people of Quebec generally, he gave himself as an example of a unilingual Francophone who managed to make his mark at the national level and at the same time served the interests of his constituency and his province, and served them well.

On behalf of my colleagues, and especially the Liberal Members from Quebec, I want to thank him for what he did, and I also wish to thank him on behalf of all Canadians. I wish him the best of luck in his new career in the private sector, and I want to remind him that... well, Jean Chrétien and I started together in politics in the fifties at the Laval University Liberal Club. So we have many memories of battles against Maurice Duplessis and subsequent election campaigns.

I realize that his decision was not an easy one, since at one time I myself had to make that decision. I know it is not easy, and I want to thank him for everything he has done for Quebec and for Canada and wish him the best of luck in his new career.

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, I want to take this opportunity to say that I am losing a personal friend, and I want that to be clear. He has generously and passionately served his country, his province, his constituency and, certainly, his Party.

It is unfortunate that political life be such that Jean came to the conclusion that he would tender his resignation to you this morning.

I got to know Jean at university, one of the Liberal students during the years from 1953 to 1960, and we have always been very close friends.

His departure will create a vacuum in the Commons, the Liberal Party is losing a dedicated worker in the House and, I repeat, I will miss him very much in Parliament.

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## ROUTINE PROCEEDINGS

[*English*]

### MAIN ESTIMATES, 1986-87

A message from Her Excellency the Governor General transmitting Estimates for the financial year ending March 31, 1987, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

• (1120)

**Mr. Cassidy:** Mr. Speaker, I rise on a point of order. I hope that the President of the Treasury Board (Mr. de Cotret) will assure us that he will not leave for his press conference until the opposition spokespeople have had time to make—

**Mr. Speaker:** Order, please.

Statements by Ministers.

[*Translation*]

EXPLANATORY STATEMENT BY PRESIDENT OF THE TREASURY BOARD

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, today I am pleased to table the Main Estimates for the fiscal year 1986-87 which amount to $107 billion, an increase of 4.4 per cent over the 1985-86 Main Estimates.

With the additional $500 million expenditure cut-back announced yesterday by my colleague the Minister of Finance (Mr. Wilson), which is not included in these estimates, the growth rate decreases to 3.9 per cent, the lowest rate recorded for the estimates in 24 years.

**Some Hon. Members:** Hear, hear!

[*English*]

**Mr. de Cotret:** Of the total Main Estimates roughly two-thirds, or $69.5 billion, represents expenditures made in accordance with existing legislation, while the remaining $37.5 billion represents expenditures which Parliament is being asked to vote or authorize. It is this $37.5 billion over which the Government has the most direct control in the short and medium term and which most clearly indicates that the Government is determined to cut costs.

I am pleased to announce that for the second year in a row the rate of growth in these expenditures is virtually zero.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** Taking into account the $500 million reduction, this growth rate is two-tenths of 1 per cent, the same as last year. Obviously, in real terms, once adjusted for inflation, this represents a reduction of roughly 4 per cent in these expenditures. This is the first time since the immediate post-Korean War period that such a low rate of growth in the Government's operating expenditures has been achieved two years in a row.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** This very modest growth rate stands in sharp contrast to what this country has seen in the past. Indeed, over the period 1970 to 1984 the average annual growth rate in the voted portion of the Main Estimates well exceeded 10 per cent. In fiscal year 1975-76 it even reached a high of 36.8 per cent. It was no coincidence that such a situation prompted the then Auditor General to declare in his report for the fiscal year ended March 31, 1976, that:

—Parliament—and indeed the Government—has lost or is close to losing, effective control of the public purse.

[*Translation*]

Mr. Speaker, I have already referred to the low growth rate of the annual estimates, and I should emphasize that it has been achieved in spite of significant increases in expenditures for national defence and external aid to meet our international commitments. If we take the $500 million reduction into account, expenditures in all other operational sectors decline by 4.2 per cent on average, and this is in addition to last year's 2 per cent decrease.

This Government is intent on slashing expenditures, but in a reasonable manner. Last year when the Main Estimates were tabled we were forecasting total expenditures of $105 billion for 1985-86, including supplementary estimates. Although it had to cope with a number of major and unforeseen outlays, the Government now expects real expenditures of less than $104 billion for 1985-86. In fact, never since 1979-80 have total expenditures fallen below forecast levels, as they will this year.

[*English*]

This achievement was made possible as a result of a series of major undertakings over the past 18 months on a number of fronts, all designed to fulfil the Government's goal of managing the public sector more efficiently and more effectively, of doing more with less. All of this without reducing the high quality of our services to the public. More specifically, these low growth Main Estimates result from the tough measures we have undertaken to reduce government spending. During this time the Government has: first, streamlined or eliminated a number of costly or outdated programs, such as the Canada Oil Substitution Program, reduced business subsidies provided through DRIE and phased out Canagrex. Second, we have reduced business subsidies to many Crown corporations and privatized others. Third, we have eliminated the provision for inflation in Government operating budgets. Fourth, we have developed new cash management policies to reduce borrowing. Fifth, we have improved the management and control of Crown real estate. Finally, we have eliminated a five-year program to reduce the size and cost of the Public Service.

On this last point, the Estimates I tabled today show a reduction of some 5,500 person-years, or 2.1 per cent from the previous year for the year to come. This alone will save $150 million in 1986-87. By 1990 the reduction will total, as has been mentioned previously, 15,000 person-years. The accumulated savings to taxpayers will be $1.5 billion. The recurring annual savings will be approximately $500 million.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** As I have mentioned on previous occasions, every effort is being made to minimize the effect on employees and lay-offs, if any, will be kept to a minimum.

[*Translation*]

Over-all, the measures taken so far will make it possible to reduce projected expenditures or to earn non-tax revenues of about $6 billion in 1985-86 and $8 billion in 1986-87, as compared with the projected expenditures when the Government took office. I might add that such measures were taken

after due consideration and that everything has been done to properly define the restraint sectors.

As I just said, yesterday the Minister of Finance announced a $500 million cut-back in expenditures for 1986-87. Treasury Board officials are now advising the various departments about these lower expenditures. However these restraint measures will be flexible enough so as not to harm the health and safety sectors, public services and programs for underprivileged Canadians. This is why reductions will differ from one department to another, overaping 2 per cent of voted expenditures.

The implementation of those measures has not been easy, Mr. Speaker. The success achieved until now points to the determination of all of my colleagues and to the support of higher echelons in the Public Service. Other challenges will have to be met as the management of expenditures remains a major component of this Government's strategy for controlling the deficit.

• (1130)

[*English*]

We realize that we have put and are putting a heavy burden on our managers and they responded well. Yesterday the Minister of Finance (Mr. Wilson) announced that this year there will be no regular annual increase in the salaries of Deputy Ministers, Assistant Deputy Ministers and equivalent political staff. For the lower levels of the management category, salary ranges will be increased by up to 2 per cent only. We felt that this measure was essential to demonstrate the seriousness of our fiscal position. I am pleased to be able to say, however, that we shall continue to reward performance in our management category.

I shall soon announce a new feature in our management compensation package, a productivity bonus, which will reward those managers and Departments that meet and exceed their expenditure reduction targets while achieving their other program and policy goals.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** There will now be an inducement to rational economies with an appropriate reward system. It is our intention to reward excellence in management in a manner never before attempted in the federal Public Service.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mr. de Cotret:** To conclude, Mr. Speaker, good management and reasoned reductions in expenditures over the last 18 months have given unprecedented results. This Budget shows the huge amount of success achieved by the Government in implementing its strategy. Our continuing efforts to restrain expenditures and improve management efficiency and effectiveness confirm this Government's sound leadership.

[*English*]

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, this will not take very long, I can assure you. I know you are going to limit me to the time the Minister took, undoubtedly. I can see why his remarks were so short. Tory times are hard times.

**Some Hon. Members:** Oh, oh!

**Mr. Baker:** What is amazing about the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson) is that they are somehow trying to blame and punish the Canadian people for a problem that they themselves created.

When we examine the official record, we discover that in the past 17 months, the Government has managed to contribute 23 per cent to the total public debt of this nation. That is the exact figure. The Minister of Finance on the one hand derides the previous administration and then on the other says that our payment on the debt has risen from $18 billion when the Government took over to $26 billion today. Obviously this is a Government of absolute contradictions.

A moment ago, the President of the Treasury Board said that we are now going to have a productivity bonus to pay to managers who save money for the federal Government. Although the President of the Treasury Board did not say it, I suppose this is meant for expenditures that are not fixed. However, by the same token, if they are not for those expenditures, then they will affect contractual employees and part-time help, and as well they will effect a saving to the federal treasury by having paid by the Government a bonus called a productivity bonus to save money for the Government. That in itself is absolutely and totally outrageous.

Looking at the facts again, I see that the Prime Minister's Office is still up in the high $6 million bracket for operations. I can see that spending in the Privy Council Office is up over $1 million. The Government allows that kind of extravagance but then turns around and tells Canadians that when they go to National Parks they have to go on self-guided tours because the Government can no longer afford tour guides. The Government then turns around and says it now has to pay out $900 million to provide a guarantee that was not there before for people with money in the bank. The Government then turns around and discontinues, through these Estimates, guarantees to primary producers. That is what I call a Government of total contradiction.

This Government has made more political appointments than any other administration, yet it is asking the Canadian public to approve a plan of bonus payments to civil servants who chop money for the federal treasury. In short, this is a disastrous Budget and a disastrous set of Estimates. When this sinks in, Canadians are not going to be pleased with the Minister of Finance and the President of the Treasury Board.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, the Budget package and now the Estimates which have been laid before the House today seem to be designed to send a signal to financiers and bankers on Wall Street, Bay Street and in

financial markets around the world. Whatever the impact may be on business circles, I suggest that they also send a signal to ordinary Canadians and average Canadian families that the Government intends to fight the deficit on the backs of the average Canadian taxpayers.

The Government is fighting the deficit in this way, and it is doing it to the extent that next year corporate tax receipts for the Government of Canada will be down by $75 million while at the same time the Government expects to collect $7 billion more in sales taxes and income taxes from individuals. That is true. The President of the Treasury Board (Mr. de Cotret) is shaking his head, but the fact is that for high income earners the tax rate will actually come down. For corporations, the tax rate will come down. It is the little guy who is going to be paying the cost of bringing down the deficit.

In terms of spending, it is also clear that the policy of the Government is to squeeze and squeeze regardless of the impact on ordinary Canadians. I remind the Government that there are a million and a quarter Canadians out there who are still unemployed, yet it is cutting back in the area of Canada Employment commission services and will be cutting the Canadian Jobs Strategy next year from $900 million to $800 million. Also I remind the Government that there are many Canadians who live in many places in this very large and widespread country, yet $70 million is to be taken out of the subsidies for weekly newspapers, other newspapers and magazine mailings across the country. Of course this will have a very direct impact upon the ability of Canadians to communicate with each other. It is something which we have had in the country for a hundred years, and for very good reasons—because of the nature of and the distances in our country. To take it away in the interest of reducing the deficit may please Wall Street, but it will be very difficult for average Canadians.

• (1140)

The Government projects a decrease of $200 million in the postal deficit, not in the five years projected by the Marchment Commission but in the course of one year beginning one month and one day from today. That will mean substantial cuts in services, substantial lay-offs and substantial increases in postal costs. Once again I suggest that they are neither appropriate nor affordable in terms of the services Canadians expect from the Post Office in a country as geographically vast as Canada.

Because the Government is more interested in acting tough than realistically coming to grips with the problems, we have the Government demonstrating that it can throw gore on the floor to the bankers and the financiers, regardless of whether there are other ways by which the necessary targets could be achieved.

In Cape Breton, where last year's measures have been totally useless, the Government has decided to cut back capital spending and is to defer the reconstruction of the Prince Mine coal washing plant, another major job-creating investment in Cape Breton which has been cut by the Government. Perhaps the President of the Treasury Board is not aware that we have 20 per cent unemployed in Newfoundland, 15 per cent in New Brunswick, 13 per cent in British Columbia and 12 per cent in Quebec. However, spending on regional development is being cut once again. The economic and regional development package under the Conservatives is being cut by some $7 billion, if I understand it correctly, under the Government. It is a sign of the commitment of a Government which campaigned on the platform of jobs, jobs, jobs just 18 months or 20 months ago.

**Mr. de Cotret:** That is what we delivered.

**Mr. Dick:** Yes, 580,000 more jobs.

**Mr. Cassidy:** There are a million and a quarter people unemployed out there. The Budget says that the unemployment rate will stay the same. It says that there are many people who will not get jobs. If the Government considered jobs a priority, it would bring the unemployment rate down to 7 per cent, to 6 per cent or to 5 per cent, not 10 per cent. It would bring down the unemployment rate in Newfoundland, New Brunswick and British Columbia, not just in central Canada.

The Government has a policy which says that the private sector is good and the public sector is bad. Somehow Conservatives just do not like Government at all. It is a bit like 1984—public sector bad, private sector good. Therefore we are seeing privatization and public sector services being cut back. We are seeing Government being treated as a scapegoat and therefore public servants in particular being treated as if they were responsible for what is happening, rather than being the victims of Government policy.

Women in particular will be the victims of the Government's policies. This morning we asked the Deputy Secretary of the Treasury Board whether there was any policy to ensure that women would not be unduly the victims of the Public Service cut-backs. "No, we have not thought of that", he said. There have been no directives coming from the political level of Government to ensure that the proportions laid off do not contain a disproportionate number of women. The evidence from Fisheries and other Departments is that a higher proportion of women are being cut back. I call upon the President of the Treasury Board to reverse that particular policy and announce it today.

Vital services are already being cut because of the $150 million cuts in the Public Service which have already been announced. The Government is cutting the Health and Welfare library. A valuable and irreplaceable national resource will be closed. Translation services, which are essential to Government in a bilingual country, are being cut back. Customs officers who, among other things, protect the country from the influx of drugs and pornography from abroad are being cut back. Canada Employment offices which help unemployed Canadians are being cut back in terms of the services which they can provide. Now the Government is taking a further step; we are told that in addition $500 million in non-statutory areas or almost four times as much will be cut.

If the Government wanted the co-operation of public employees in making these cuts, it had ample room—and it has been demonstrated that it had ample room—to provide the job security protection which they sought and gain that co-operation. The 700 people which the President of the Treasury Board says will be cut back represent three-tenths of one per cent of the Public Service. If the pay agreement with the unions had been cut back by three-tenths of one per cent—and I am sure they would have accepted that—the money could have been found to save those 700 people from being thrust into a difficult job market. This does not only affect Ottawa, it affects the whole country. If the Government can find $500 million in the cuts announced in the Budget yesterday, it could have found the necessary sums to have kept those 700 jobs, allowing any changes in the Public Service to have taken place by attribution, not by the cuts which are now taking place.

The Government wanted to demonstrate to bankers that it could fire, that it could be tough, that it could be rough, just like back in the 1890s on the 1920s. That is what it wanted to do.

[*Translation*]

This is what this Government attempted to do. They wanted to show the financial community that they were a tough Government, that they were capable of laying off secretaries, clerks, messengers, women and other groups that are now being laid off because of this Government's policy. This is simply in order to make a show of their toughness, not because it is needed in terms of budget or fiscal policy.

[*English*]

I ask how the Public Service can work effectively with these policies from the President of the Treasury Board. People will not be prepared to co-operate if they fear that in co-operating they will in fact be jeopardizing their own jobs. The Government has not abandoned the archaic, out of date policy of exercising reverse order of merit and making arbitrary decisions in terms of who goes and who stays. Public employees who have been in office for 20 years and have worked hard are being dumped, while people working in the same office with them, having been there for five years, are being kept. That is clearly unfair, unkind, unwise and ill-advised.

**Mr. de Cotret:** And untrue.

**Mr. Cassidy:** I want to make a couple of specific proposals. In the first place we were told by the deputy secretary today that the $500 million in cuts would not include further cuts in the Public Service. I suggest that that $500 million could lead to as many as 10,000 more cuts in the Public Service. There must be a better process of monitoring than has been announced up to now. I suggest very specifically to the President of the Treasury Board that the $500 million worth of cuts should be referred to the standing committees of the House of Commons which now have the responsibility of departmental oversight under the new rules that came into force at the beginning of this week when we returned from the break. I make that suggestion quite constructively and positively to the President of the Treasury Board.

In addition, now we know that 6,151 jobs will be cut; 1,000 in Defence, 623 in Transport, 549 in Public Works, 455 in Supply and Services, 393 in National Health and Welfare, 376 in Agriculture, 374 in Indian Affairs, 296 in Energy, Mines and Resources, and so it goes. At last we have the list. We need a means of monitoring to ensure that those cuts are not being applied unfairly as is shown by the evidence right now. If those cuts have to be made, I want the President of the Treasury Board to ensure on behalf of the Government that they will in fact be monitored and surveyed by the standing committees for each Department, rather than allow arbitrary and unfair cuts to be made by Public Service managers who will be rewarded with productivity bonuses the more efficiently and the tougher they appear in making those cuts.

* * *

[*Translation*]

## COMMITTEES OF THE HOUSE

### MULTICULTURALISM—FIRST REPORT OF STANDING COMMITTEE

**Mr. Vincent Della Noce (Duvernay):** Mr. Speaker, I have the honour to present the first report of the Standing Committee on Multiculturalism.

### SELECTION—TWENTIETH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour to present the twentieth report of the Selection Committee, in both official languages.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

* * *

● (1150)

[*English*]

## PETITIONS

### PROPOSED DEVELOPMENT OF NCC PARKLAND

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, I am again duty bound to present yet another petition from 48 residents of my riding who do not live within the immediate neighborhood of the Mile Circle but who are strongly opposed to the National Capital Commission's proposal to turn that piece of parkland into an embassy row.

## MAIN ESTIMATES, 1986-87

REFERENCE TO STANDING COMMITTEE

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, pursuant to the provisions of Standing Order 82(5) and Standing Order 83, I move, seconded by the Minister of Finance (Mr. Wilson):

That, notwithstanding the Order made on Friday, February 14, 1986, the Main Estimates for the fiscal year ending March 31, 1987, laid upon the Table earlier this day, be referred to the several Standing Committees as follows:

[*Translation*]

Since there is a detailed allocation of the Estimates to various committees and the list is lengthy, if it is agreeable to the House, Mr. Speaker, I would ask that the list be printed in *Hansard* as if it had been read.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

[*English*]

**Mr. Speaker:** Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

[*Editor's Note: List referred to above is as follows:*]

*To the Standing Committee on Aboriginal Affairs and Northern Development*

Indian Affairs and Northern Development, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, L55 and L60

*To the Standing Committee on Agriculture*

Agriculture, Votes 1, 5, 10, 15, 35, 40, 45 and 50

*To the Standing Committee on Communications and Culture*

Communications, Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and 80

*To the Standing Committee on Consumer and Corporate Affairs*

Consumer and Corporate Affairs, Votes 1, 5, 15 and 20

*To the Standing Committee on Elections, Privileges and Procedure*

Privy Council, Vote 10

*To the Standing Committee on Energy, Mines and Resources*

Energy, Mines and Resources, Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50, 55, 60, 65 and 70

*To the Standing Committee on Environment and Forestry*

Agriculture, Votes 20, 25 and 30

Environment, Votes 1, 5, 10, 15, 20, 25 and 30

*To the Standing Committee on External Affairs and International Trade*

External Affairs, Votes 1, 5, 10, L15, 20, 25, 30, 35, 40, L45, L50, 55, 60 and 65

*Standing Orders*

*To the Standing Committee on Finance and Economic Affairs*

Finance, Votes 1, 5, L6, 10, 15, 20, L25, 35 and 40

National Revenue, Votes 1, 5, 10 and 15

Privy Council, Vote 20

*To the Standing Committee on Fisheries and Oceans*

Fisheries and Oceans, Votes 1, 5 and 10

*To the Standing Committee on Government Operations*

Consumer and Corporate Affairs, Vote 10

Finance, Vote 30

Governor General, Vote 1

Parliament, Vote 1

Privy Council, Votes 1, 5 and 25

Public Works, Votes, 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and L80

Secretary of State, Vote 15

Supply and Services, Votes 1, 5 and 10

Treasury Board, Votes 1, 5, 10, 15, 20 and 25

*To the Standing Committee on Human Rights*

Justice, Vote 10

*To the Standing Committee on Justice and Solicitor General*

Justice, Votes 1, 5, 15, 20, 25, 30, 35, 40 and 45

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30 and 35

Privy Council, Vote 30

*To the Standing Committee on Labour, Employment and Immigration*

Employment and Immigration, Votes 1, 5, 10, 15, 20, 25 and 30

Labour, Votes 1, 5, 10, 15, L20, L25 and 30

*To the Standing Committee on Management and Members' Services*

Parliament, Vote 5

*To the Standing Committee on National Defence*

National Defence, Votes 1, 5, 10 and 15

*To the Standing Committee on National Health and Welfare*

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and 80

*To the Standing Committee on Regional Industrial Expansion*

Regional Industrial Expansion, Votes 1, 5, 10, 15, 20, L25, L30, 35, 40, 45, 50 and 55

*To the Standing Committee on Research, Science and Technology*

Science and Technology, Votes 1, 5, 10, 15, 20, 25, 30 and 35

*To the Standing Committee on Secretary of State*

Secretary of State, Votes 1, 5, 10, 20, 25 and 30

*To the Standing Committee on Transport*

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65 and 70

*To the Standing Committee on Veterans Affairs*

Veterans Affairs, Votes 1, 5, 10, 15, 20, 25 and 30

That Privy Council Vote 15 be referred to the Standing Joint Committee on Official Languages and that Parliament vote 10 be referred to the Standing Joint Committee on Parliament; and

That a message be sent to the Senate to acquaint Their Honours thereof.

* * *

## HOUSE OF COMMONS

MESSAGE TO SENATE—REFORM OF STANDING ORDERS OF HOUSE OF COMMONS

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, as well, after consultations with my colleagues opposite, I would like to seek the unanimous consent of the House to propose the following order and have the same considered

and disposed of without debate. This has to do with a message to the other place with respect to changes in our Standing Orders. If I may be permitted to read it at this time, it will be self-explanatory:

That a message be sent to the Senate to inform Their Honours that this House has adopted certain amendments to the Standing Orders of the House of Commons which shall continue in force until this House adjourns on the last sitting day of this year, as follows:

1. That within ten sitting days of the return to Canada of an officially recognized interparliamentary delegation composed, in any part, of Members of the House, the head of the delegation, or a Member acting on behalf of him or her, shall present a written report to the House on the activities of the delegation.

2. That certain of the said amendments touch upon the powers, mandates, membership and other matters related to the Standing Joint Committees, so far as the House of Commons is concerned and, in particular;

(*a*) the Standing Joint Committees on the Library of Parliament and Printing have been deleted from the list of Standing Joint Committees and that a Standing Joint Committee on Parliament has been added to the same, and that it is suggested that the said joint committee be composed of twelve members and that its mandate include, among other matters, the review of and report on the effectiveness, management and operations together with the operational and expenditure plans of all operations under the joint administration of the two Houses and other related matters as the committee deems fit;

(*b*) the Standing Joint Committee on Regulations and Other Statutory Instruments has been empowered to include in a report to the House a proposed motion which, if the report be concurred in, would become an Order of the Ministry to rescind a single specified regulation or other Statutory Instrument which the Ministry has the authority to rescind, and that such reports shall be deemed adopted on the fifteenth sitting day after a motion for concurrence in the report is placed on the Order Paper for consideration unless such a motion is previously disposed of;

(*c*) the mandate of the Standing Joint Committee on Official Languages shall include, among other matters, the review of and report on the annual report of the Commissioner of Official Languages which is deemed, so far as the House of Commons is concerned, permanently referred to the said Committee immediately the said document is laid upon the Table;

(*d*) the Striking Committee of the House of Commons shall make a report, within the first ten sitting days in the year, establishing annual membership lists of the Standing Joint Committees which expire on the last sitting day in the year; and

(*e*) substitution of members on joint committees shall be made by the Chief Whip of recognized parties for one meeting only and twenty-four hours prior to it, that such substitutions shall be made from a list of up to five Members of the House designated by the member of the Committee, that within five sitting days of the organization of the Committee, such lists shall be filed with the Clerk of the Committee and they shall be appended to the *Votes and Proceedings* of the House of Commons on the tenth sitting day following the last organization meeting, and that any Member failing to submit such a list shall be struck from the list of members of that committee and that the Striking Committee shall replace the said Member.

That this House requests the Senate to unite with this House in order to give full effect to the above-mentioned amendments to make such amendments in the Rules of the Senate as it shall deem fit and appropriate in the circumstances, and to select, if the Senate deems it advisable, some of its Members to act on the said proposed joint committees.

**Mr. Speaker:** The House has heard the proposal of the President of the Privy Council. Is there unanimous consent for its introduction?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, the following question will be answered today: No. 496.

[*Text*]

### PLANT PROTECTION LABORATORY

Question No. 496—**Mr. Tardif (Richmond-Wolfe):**

1. (*a*) Does the Department of Agriculture plan to build a plant protection laboratory in Victoriaville and, if so (*a*) what became of the $773,000 allotted for the 1984-85 fiscal year (*b*) what will become of the $3,500,000 allotted for the 1985-86 fiscal year?

2. Did the Department in June, 1984, conduct several studies on the technical requirements for the laboratory and, if so, in each case (*a*) who was the author (*b*) on what date was it prepared?

3. Between June and September 1984 did officials of the Departments of Agriculture and Public Works visit Victoriaville and the surrounding area in order to study lands available for building a laboratory and, if so ( a) what were their names (*b*) did they visit the lands of (i) Mr. Edgar Comtois, Route 116, in Princeville (ii) Mr. Benoit Lemieux of Victoriaville (iii) Mr. Camille Dubois of Victoriaville (iv) Mr. Forent Mercier of Victoriaville (v) Mr. Liguori Gagnon of Princeville (vi) Mr. Jacques Bussière of St. Albert (*c*) were other farms or lands visited and, if so, which ones and what were the names of their owners?

4. On August 9, 1984, did officials of the Department of Agriculture meet with municipal authorities and the industrial commissioner of Victoriaville and, if so, what was the name and job description of each official?

5. Did Mr. Sandy Ednie of the Department work on the Victoriaville laboratory file and, if so, during which period of time?

6. Is the laboratory under construction and, if so, who in the Department has been in charge of the construction since September 17, 1984?

7. Was a report submitted to the Minister of Agriculture and, if so, on what date?

**Hon. John Wise (Minister of Agriculture):** 1. The department does not plan to build a plant health (protection) laboratory in Victoriaville. The amounts of (*a*) $773,000 for the fiscal year 1984-85 and (*b*) $3,005,000 for the 1985-86 fiscal year were approved in principle for building the laboratory, subject to obtaining the funding from the La Prade Development Program. The funds were never made available due to the Government's restraint measures.

2. Although approval was sought for a technical study in August, 1984, it was never conducted because of the restraint measures. (*a*) not applicable. (*b*) not applicable.

3. Yes, Agriculture Canada and Public Works Canada visited Victoriaville and the surrounding area and conducted a study on lands available for building a laboratory.

(*a*) The study was completed by H. F. Hinderlang, Property Officer of Public Works Canada (Quebec Region). Messrs. J.R. Charbonneau, J. Bénazet, A. Caron and F. Ostiguy,

officers of Agriculture Canada, visited the farms and the lands.

(*b*) (i), (ii), (iii) (iv), (v) and (vi) Yes.

(*c*) Other farms or lands visited were those of Mr. Réjean Verville, Ste-Clothilde de Horton; Mr. René Jobibois, RR 1, Kingsey Falls; Mr. Yvan Pinard, Ste-Clothilde; Ferme Mme F. Blanchette, St-Rosaire; Mr. Robert Pépin, Victoriaville; Ferme Prévost, Gilles Inc., Kingsey Falls; Domaine du centre industriel, Victoriaville; Mr. Marcel Ménard, Warwick; Ferme Claire Matin, Victoriaville; Mr. Lionel Baty, Warwick; Mr. Réal Landry, Warwick; Mr. Benoit Lemieux, Victoriaville; Mr. Camille Dubois, Victoriaville; Ferme Comtoise, Princeville; Terre Florent Mercier, Victoriaville; Ferme Liguori Gagnon, Ste-Victoire; and Mr. Jean-Noël Roux, Victoriaville.

4. Yes. Mr. J.R. Charbonneau, Head, Real Property, Mr. J. Bénazet, Chief of Exports for the Plant Health Program, Mr. A. Caron, Program Officer for the Plant Health Program and Mr. F. Ostiguy, Regional Program Manager for Plant Health (Quebec Region) met with officials of "La Société du crédit agricole" at Arthabaska; the industrial and commercial commissioner of Victoriaville; Mr. Jean-Guy Dubois, Member of Parliament for Lotbinière, as well as Mr. Albert Beaudet, the Chief Engineer of Victoriaville.

5. Mr. Sandy Ednie was project leader from August 13, 1984 to November 9, 1984.

6. No.

7. No.

[*Translation*]

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

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

**Some Hon. Members:** Agreed.

[*English*]

**Mr. Speaker:** Prior to Orders of the Day, may I inform the House that because of the ministerial statement and pursuant to Standing Order 19(6)(*b*)(i), the sitting will continue after one o'clock until 1.28 p.m.

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## GOVERNMENT ORDERS

[*English*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 26, 1986, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.



**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, it is a pleasure to rise again this morning after having had the opportunity of offering a few preliminary comments and impressions with respect to the Budget presented by the Minister of Finance (Mr. Wilson) in this House yesterday.

I might say that the Minister who is with us at present has had the courtesy to inform me that he will be leaving the Chamber. It is because of another appointment and not because of anything that I am about to say, although I suspect in his heart of hearts he would probably be in agreement with most of my statements and the conclusions at which I have arrived.

**Some Hon. Members:** Oh, oh!

**Mr. Johnston:** To begin, I said last night that I would take some time between yesterday evening and this morning to examine the Budget to see what I could find in it that might be of value. Unfortunately, some of the lesser areas which will be of benefit to particular taxpayers really do not fit into my speech today, but I will comment on them in due course.

I must say over-all I can summarize my impressions of the Budget with five adjectives. First, as I said last night, I believe the Budget is cowardly. I know you corrected me yesterday, Mr. Speaker, when you said I could not refer to people as cowardly, but I am not referring to the Minister of Finance as a coward, I am referring to the Budget itself. Second, I think it is appropriate to say that the Budget is grossly unfair. Third, the Budget is deceitful in the way it was presented and crafted. The Budget could be described as short-sighted. It could also be described as unimaginative, and finally, it could be described as economically unsound.

[*Translation*]

This morning, Mr. Speaker, I would like to take a few minutes to discuss each one of these issues: the economy, the question of equity, etc. As you know—

• (1200)

[*English*]

It is cowardly because instead of bringing forward the Nielsen Task Force report and examining those areas where cuts could be made—

[*Translation*]

Instead of cutting Government programs, the Minister has chosen to launch an attack on Canadian taxpayers. He has decided not to slash his programs, perhaps with the Prime Minister's encouragement, but first and foremost to launch an attack against taxpayers for the reason that they cannot defend themselves.

[*English*]

I recall, Mr. Speaker, and I am sure that the Minister of Finance (Mr. Wilson) does because I have reminded him of it a number of times, the interview that he gave to *Question*

*Period*, I think on March 1, 1985, in the pre-Budget period. In response to a question by Mr. Terry Wills of *The Gazette* as to whether he would increase taxes, the Minister said that taxes are not the way to go, that there is enough room on the expenditure side. He said that on March 1. Then, as we know, in May of last year he brought in the heaviest tax bill that this country has ever witnessed in peace time.

What happened to the Minister of Finance who appeared on *Question Period*? With all due respect to the Minister, for whom I have high regard, I suggest that he lost his battle in Cabinet, that he lost to his colleagues and especially the Prime Minister (Mr. Mulroney), and that he was unable to bring forward the Budget which he wanted. He did not want to impose the greatest tax burden that Canadians have ever suffered.

Yesterday the Minister had the unmitigated gall to stand in the House with the Budget in front of him, which again exacerbated the tax bill, and tell the people of Canada, "the buck stops here". What a laugh. I would like to see him say that with a straight face to the average Canadian taxpayer. They know where the buck stops. The buck stops in their pocketbooks, that is where the buck stops. They wanted it to stop with the Minister and with the Government, but no, Sir, the buck stops with them. They know exactly where the buck stops.

How big a buck has stopped in their pocketbooks? For the year 1986-87 alone the Minister has added $560 million in personal surtax, a sales tax bill of $815 million, a tobacco tax of $150 million, and corporate taxes. The total bill comes to $1.905 billion. That is the buck that stopped yesterday in the pocketbooks of the taxpayers of Canada. Adding to that the taxes imposed in May of last year, which come to a grand total of $4.380 billion, the total for 1986-87 is $6.285 billion. That means that each taxpayer will have to pay approximately $628 of additional federal income tax. Next year the story will repeat itself. Next year there will be an additional $3 billion added to the $4 billion from last May, which is a total in excess of $7 billion in 1987-88.

We do not have all the data for the intervening years until 1990-91 because the Government has once again failed to live up to the obligations imposed upon us by the Lambert Commission, which we honoured, to give detailed five-year projections. Therefore, we have a hiatus in the numbers which were offered. In any event, in 1990-91 there will be total of $13.25 billion more in taxes suffered by the people of Canada. That is where the buck stops. It did not stop with the Government. That is what Canadian taxpayers have been asked to bear.

The Minister has slapped himself on the back about all his spending restraint saying that historically no Government has ever done such a thing. I would wager, Mr. Speaker, that there have never ever been tax increases of this magnitude in peace time in the history of the country.

Let us suppose for a moment that the Government was simply going to hold its spending to the 1985-86 level. Is that asking a lot? That would mean that in 1986-87, instead of increasing spending to $116.740 billion, spending could have remained at $112.250 billion. That would have simply been holding the line. Canadian taxpayers want to know why the Government is not holding the line. The difference is $4.490 billion. Had the Government held the line, that amount would have been available to apply against the deficit. A simple calculation shows that without any additional taxes the deficit would have been further reduced to $26.880 billion. That would have happened without any tax increases at all. If the Minister had held the line and not increased spending, he could have risen to slap himself on the back in the House and proudly say, "the buck stops here". But the buck did not stop here, it was passed on to Canadian taxpayers.

It is cowardly that the Minister and the Prime Minister are not willing to face individual Canadian constituents, but are quite prepared to face the Third World. They are quite prepared to lop $1.5 billion from our foreign aid over the next five years. In his presentation and in the budget documents the Minister points out that Canada is still better than France, the United States, and Britain in terms of the percentage of Gross National Product devoted to foreign aid. However, he neglected to mention that those countries rank between tenth and twelfth on the list of donors and that Canada ranks ninth. In fact,there are eight industrialized countries which make substantially higher contributions to foreign aid than does Canada.

Therefore, he has no reason to slap himself on the back. In fact, he has reason to be deeply shamed, as has the Secretary of State for External Affairs (Mr. Clark) who has responsibility to ensure that that Budget is maintained and that Canada meets the targets which have been set. The target of .6 per cent has now been postponed until 1995. That also contradicts an earlier statement made by the Secretary of State that he would like to have the target increased to .7 per cent.

I do not think that the Minister understands what is happening to ordinary Canadians. You may have seen *The Journal* last night. On that program some middle-income families in Ajax, Ontario, were interviewed. I thought it was a very good use of television, especially since the Minister of Finance was obliged to sit and watch the direct impact of his Budget on the lives of ordinary Canadians.

• (1210)

One of the gentlemen interviewed in that program talked about his house that he had renovated and worked for. He said, "You know, I own only 25 per cent of my house, the bank owns the other three-quarters". He said, "I have no place to find these funds. I feel that I'm going behind". They all felt that they were going behind. The Minister of Finance when he was subsequently interviewed said, yes, he had empathy and sympathy for these people. He referred to the man with the house ownership problem, and with the big mortgage that absorbed, if you like, three-quarters of the equity value of his house, and he said, "Canada is in the same boat". He seized upon that example to draw a parallel between the circumstances of the country and the circumstances of the individual

who is burdened with a mortgage on his home and only has a 25 per cent equity interest. It is not the same thing.

Who does that gentleman we watched on television last night turn to to protect his investment, to pay off his debt? Who does he turn to? We know who the Government of Canada turns to. The Government of Canada is turning to that gentleman, to the taxpayers of Canada. The buck stops with him. He has nowhere to go. He can go to his employer and seek a raise, but if he is not successful I suggest he will go further and further into debt. The Government of Canada simply issues a writ asking us to contribute billions of dollars to its coffers. I suggest the buck is passed. It doesn't stop here, it stops there with those families in Ajax and with families like that right across this country.

Why did the Minister decide to take the easy way out? Why did he decide simply to clobber middle-income and lower-income Canadians? That is the unfair part of this Budget. Having decided to tax why did he tax in such an unfair manner? You may recall the Minister declared not too many months ago that this country suffered from an acute shortage of rich people. With this Minister and this Government there certainly will not be any increase in the number of rich people. In fact, we seem to be on our way to wiping out the middle class. He still is a supply-sider. You may recall last year I talked about the horse and sparrow economics of John Kenneth Galbraith. The theory that if you feed the horse enough that something will be left over for the sparrows. The Minister is not only practising supply side economics by maintaining the capital gains exemption, by reducing the surtax for upper-income Canadians he in fact is going to wipe out the sparrows. It is not even horse and sparrow economics, it is worse. He is still feeding the horse; the capital gains exemption is still there, and in addition to that he is hitting middle and lower-income Canadians.

Mr. Speaker, let me read you a few headlines which really say it all in terms of the fairness of this Budget:

> Ordinary earners hit hardest again.

From *The Globe and Mail:*

> When you are middle class, it is a struggle to stay there.

Next headline from *The Globe and Mail:*

> Individual taxpayers cannon fodder in three-pronged assault on deficit.

[*Translation*]

There was also this headline in *La Presse:*

> The 3 per cent surtax will hurt the individuals.

[*English*]

Another one, Mr. Speaker, again from *The Globe:*

> Middle-income earners will carry bulk of new load.

Then it says:

> Surtax less costly than at present for those at high end of the scale.

There you are, feeding the horse and attacking the sparrows. The next one:

> Happy investors keep exemption on capital gains.

Finally . . .

[*Translation*]

And I quote: "Wilson missed the mark", wrote Alain Dubuc in *La Presse*. So that is how the Budget is described. There is the clear message given by headlines in today's newspapers.

In conclusion, I would like to quote from Mr. Dubuc's comments: "After all those expectations, the Minister of Finance did a near *tour de force* by tabling a dumb and unimaginative Budget. The only positive note is that he just about brought the deficit under the $30 billion mark".

Clearly, Mr. Speaker, our Minister missed his shot.

[*English*]

I also said that the Budget was deceitful. Let me take you to page 20 of the budget speech.

[*Translation*]

—the Minister suggested yesterday, under the heading "Research and Development":

> A second priority is investment in knowledge.
>
> The crucial importance of knowledge to Canada's future requires a new partnership between the private and public sectors. The federal Government plays a major role in supporting university-based research and the development of highly qualified personnel in Canada. One channel for this support is through the operations of the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanities Research Council. The Government proposes to provide a secure funding base for these councils by adding $300 million over the balance of the decade.

[*English*]

In fact, one would have thought that this followed upon the grand declarations of our now Prime Minister in his book, *Where I Stand*, when he attacked the Liberal Government of the day for what he considered a lack of interest in research and development. I quote from page 41 of the book:

> If the percentage of GNP allocated to research and development were increased by 1 per cent we could create in Canada one million new jobs and $20 billion in additional sales of manufactured products.

Now, that was in the book *Where I Stand*. The next edition will be called "where I stood".

[*Translation*]

Because, clearly, our Prime Minister's feet (Mr. Mulroney) are made of clay.

[*English*]

That being said, one would have thought, as some journalist did, that the Government was really giving a boost to research and development in this country, $300 million. I turn here to *The Gazette* which says:

> Research Councils received $300-million boost.

Let me refer you to the five-year plan of only one of those councils referred to in the Minister's speech. Take this particular council, because when I was Minister of Science and Technology I had responsibility for the council, which is the

Natural Sciences and Engineering Research Council known under the acronym of NSERC. A five-year plan was presented to the Government, and during the period from 1984-85 to 1989-90 the plan requires $1.4 billion in increased funding in 1984-85 constant dollars.

The Government has offered NSERC the Medical Research Council and the Social Science and Humanities Council $300 million to be divided among them. This is supposed to be a great coup. This is supposed to be a boost in research and development.

In this report we find a number of statements which are important. I read from page 202 of the five-year plan of the council as follows:

● (1220)

The initiatives proposed by the second Five-Year Plan are based on the established, well-proven and highly-accepted programs of NSERC and represent an urgent investment opportunity for the federal Government. Given the key role they play in providing for the future of R&D in Canada, their rejection would be tantamount to a rejection of not only the national targets, but also of the economic activity that can only come from a more sophisticated and technologically oriented society. Surely that option of retreat is not a valid one even in today's environment of fiscal restraint.

My goodness, we have not only seen retreat, we have seen a virtual abandonment of this plan. The treatment this Council is receiving, I suggest, is shocking in the extreme. We know that even to provide for inflationary increases and stay even, NSERC alone would require $380 million over that period. But the Government offers $300 million to the three councils and pretends that this is a great step forward in stimulating research and development in Canada.

[*Translation*]

Frankly, Mr. Speaker, ever since this Government has come to power, identifying its priorities has been very difficult. When we look at the bailout of the two banks that went bankrupt—$2 billion—and compare that with the circumstances of those councils, in the area of research and development, truly, I understand absolutely nothing about the goals and directions the Government would like to pursue.

[*English*]

This Government, I suggest, is rooted in the economy of 20 years ago and does not understand that the kind of growth which is necessary to get the deficit under control comes from a heavier and greater commitment to research and development, technology and productivity.

This brings me to another one of my adjectives. I said the Budget was "shortsighted". It is indeed shortsighted for the reasons I have just listed in terms of research and development. If there is one place we do not want to cut, it is in that area. We have to improve the intellectual capital. That is where the future of Canada lies. This Budget is a direct assault on that objective.

Something else about which one could make a speech for days is the question of foreign aid—talk about shortsightedness. We who have studied the potential problems in this biosphere know that the greatest problem will not be East-West. That has to be controlled, and must be controlled, but lying there as a sleeping time bomb is the North-South. That is a problem which this country has a proud record in addressing. We know that unless the standards of living of the third world are raised, the population explosion itself will create demands upon this planet which we will not be able to support by the year 2050. I know that is long-term thinking and that this Government does not consider long-term thinking especially significant. This Government really does not think beyond the next election. That is readily apparent from certain aspects of this Budget. However, I say to you, Mr. Speaker, that we shall pay dearly not only as Canadians but as Members of the international community on this planet earth if we start to reject the responsibilities towards the Third World and the North-South dialogue which we have so readily accepted in the past. This Government, for short-term gain, has set about to cut into the Budget to the tune of $1.5 billion over the next five years.

In addition, I said that this is an unimaginative Budget. Monsieur Dubuc in *La Presse* makes that point. It does not really require genius, does it, to impose millions of dollars in taxes? I would have thought that any of us here, even without any economic knowledge whatsoever, would say: "If additional funds are required, why don't we increase sales taxes or personal income taxes?" That seems to be the obvious thing to do. That does not require any genius. It does not even require a Minister of Finance. But that is what we have and that is why the Budget is completely unimaginative. Stacked upon the taxes which were imposed last May, not only is it unimaginative, it is economically counter-productive.

The cuts talked about by the Government, for the most part, are not real. They are ghost cuts, as some commentators have described them, but the taxes are very real. We will pay the taxes but the cuts are theoretical numbers. For example, Mr. Speaker, if you went to the Government and said you were going to spend $6,000 on a round-the-world trip and then a day later you said you had decided to go to Florida and it will only cost you $1,500 and you have saved $4,500, the Government would say: "Yes, you have cut your Budget by $4,500". That is the kind of cuts we are talking about in most instances.

As I demonstrated at the outset, the Government has proved itself incapable of holding the line, let alone cutting into expenses. Our expenses are increasing at the rate of billions of dollars per year. They are moving from $112 billion to $116 billion, as I mentioned. But the taxes are real, and in imposing these taxes discretionary spending and necessary spending is being cut to the detriment of the pocket books of Canadians. Canadian men, women and children, if I can go back to my earlier analogy of Galbraith, are the "sparrows" who are suffering.

The Budget has to be inflationary. I said that in May of 1985. I know that some people have said that it has not been inflationary because inflation is still at 4.4 per cent. However, we know that the impact of a Budget is somewhere between eight months, 12 months and sometimes 15 months down the road. You may not be aware of this, Mr. Speaker, but inflation

in this country over the last three months is running at 5.6 per cent. If we were to project that forward, we would have an annual rate of 5.6 per cent.

Our neighbours to the south do use a forward projection for certain purposes. We do not. We always reduce the rate of inflation, or increase it, by past experience. The only true test is to look at what is happening now and what is happening now is that we have a 5.6 rate of inflation. I suggest to you, Mr. Speaker, that with the burden of taxes we are putting on consumers, the price of gasoline and the price of food is going to increase that rate of inflation, expecially when it is combined with the weak dollar delivered to us by this Government.

I mentioned the people from Ajax whom we saw on television. What will they and the workers of this country from coast-to-coast do when faced with these tax increases? Will they not try to pass the buck as well? Should they not be entitled to pass the buck? How will they pass the buck? The only means at their disposal is to ask for higher wages. Their only recourse is to increase wage demands. I would say that the workers have been very responsible since the six and five program was introduced by the Liberal Government back in 1982. But I say to you, Mr. Speaker, that when we impose taxes of this kind on goods which they require to maintain their standards of living, they will feel they are justified in asking for higher wages. That is how the inflationary spiral starts. That is how the CPI increases, which in turn is why interest rates can increase and are likely to increase.

If savers continue to demand a real rate of interest at the levels we have seen over the past year, how on earth are interest rates going to come down? How will they come down faced as we are with the incredible tax increases and inflationary impact in this Budget? If interest rates creep up or even stay at their present level, which is much too high in the circumstances—they went up to defend the dollar but may stay up now because of the Budget—the economy is likely to grow more slowly. There will be fewer jobs and, of course, there will be higher taxes. These matters are known to the Minister of Finance and to the Minister of State for Finance (Mrs. McDougall) who I am pleased to see here with us today. They know they are vulnerable and they know, of course, that their $29.5 billion deficit number is equally vulnerable.

The whole Budget proceeds on a number of assumptions. I am not going to attack the assumptions. I just want to raise certain questions with respect to them which I would like the Minister of Finance and the Minister of State for Finance to reflect upon. First, there is the assumption that it is inflationary, a point which I have already made. That is a serious matter. I continue to regard another round of inflation as public enemy No. 1. Nothing could throw our economy into a decline as quickly as indications that we will have more inflation—and this Budget is inflationary.

• (1230)

There are also other assumptions. For example, there is the assumption that oil prices over the next two years will be in the neighbourhood of $22.50 per barrel. We know that the spot price at present is much lower than that. It seems that the Minister of Finance and his colleagues must be praying that the price will rise to the neighbourhood of $22.50 per barrel. There is a rule of thumb in this respect with which Hon. Members may be familiar. That is to say, each one dollar reduction in the price of oil represents a loss of revenue to the federal Government of approximately $110 million. In fact, the Economic Council of Canada has indicated that if the price of oil is $19 a barrel—and it is much lower than that on the spot market now—there will be a loss of $500 million to the Treasury. That is one assumption, a terribly fragile one, with very little evidence which any of us can see to support it. The $29.5 billion deficit and everything which flows from it is predicated upon such an assumption.

Another assumption is that interest rates this year will be at 9.5 per cent and will fall off next year to something in the order of 8.7 per cent. That means that we will have to see a reduction in interest rates—let us hope that we will see such a reduction. I have raised a number of concerns with respect to pressures which the Government has placed on the system which may, indeed, make such a reduction impossible. The Minister of Finance, and I presume the Minister of State for Finance are praying for a fall in interest rates. Let us hope that their prayers will be answered. I must say that I am skeptical in that regard.

I cannot help but add one last cynical comment. In some respects this Budget strikes me as a pre-election Budget. The Government seems to be saying: "Let's really sock it to them in 1986. Let's make those taxpayers really pay and then let's have some softening around 1988 just before the next general election". The Government will probably broaden the sales tax or it will come forward with a VAT or a business transfer tax in the next Budget. There are indications of that in the Budget documents. The Government probably plans to remove the personal surtax.

My colleagues and I would like to give the Government some advice in this regard. The Canadian electorate is too smart for this type of gamesmanship. It is not prepared to pay to have its standard of living suffer just to meet the electoral timetable of the Government. We will remind Canadians constantly—that is if they need any reminding at all—of what the Government did to them in 1985 in terms of unfairness and in terms of the tax burden itself, and what the Government is planning for them in the years ahead. We will be here to remind them.

We have no confidence in the Government's fiscal management of the country. The Budget has been a profound disappointment.

[*Translation*]

As I said yesterday in the House, I was disappointed last year. In fact, I am even more disappointed today, because I think there is a lack of imagination in this Budget. It is very poorly planned, very poorly designed, and it is now putting an intolerable burden on the taxpayers of this country.

[*English*]

Therefore, I move, seconded by the Right Hon. Leader of the Opposition (Mr. Turner):

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

"this House condemns the Government for presenting a Budget that imposes outrageous and unfair tax increases for ordinary Canadians that deliberately widen the gap between them the rich and poor and between the "have" and "have-not" regions of this country."

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Paproski):** I will take the motion under advisement and call upon the next speaker from the New Democratic Party. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, it is a pleasure to have an opportunity to respond to this incredible Budget. I suspect the Minister of Finance (Mr. Wilson) is sitting, cringing in his seat, knowing that some reality will finally unfold in terms of what the Budget means to the average, ordinary Canadian family which has been bludgeoned by his Budget. It has been sugar-coated all right. There are all types of measures in the Budget which first give the appearance that it is a fair Budget. I have actually heard some individuals from the media—people whom I normally respect for their views—say that it is a fair budget. If anyone has read the Budget, then I cannot believe that they would say it is fair. They have probably merely scanned the booklet which sets out the Budget in brief and which highlights some of the sugar-coating.

When one looks carefully at the Budget one will see that the people of Canada have really been misled over the last number of years. On behalf of the New Democratic Party I hope to shed some light on what the Budget really does to the people of Canada.

In order to put the matter into context let us recognize that as we speak today about the Budget there are 4.5 million people in the country who are living below the poverty line. I refer to the poverty line as described and defined by the Government. As we speak there are 1.4 million jobless Canadians. There are hundreds of thousands of young people who are out of work and who are not in colleges or universities. They are jobless and are giving up in terms of ever having a full-time and meaningful job, because in the regions of the country in which they live there is simply no economic growth and expansion taking place. In those regions of the country where new jobs come up people with experience and training are wanted to fill them. Of course, to a large extent, that excludes the young people of our country.

The people of Canada have been taxed to the hilt. The New Democratic Party has just completed a tour of the country, an exercise which we called Tax Probe 86. In this probe we were asking people about the tax system and what they felt about it. The feelings expressed have been absolutely unanimous. It does not matter to whom one speaks or where one speaks to them. Everyone in the country says that the tax system is unduly complex, unfair and that it does not give the country good value for money. That feeling is unanimous.

Is there one thing in the Budget which indicates that the Government is serious about tax reform? No, there is nothing. As a matter of fact, if one were to look closely at the budget documents one would see that the tax system will be more complex than ever. It will be less fair than it has ever been. There is no mention of tax reform at a time when the Government says it needs more revenue. That is unconscionable. The fact that the Government failed to move on such an important issue at this point in time when the people of Canada would be behind the Government in terms of overhauling the tax system is a missed opportunity.

● (1240)

Let us take a look at the Budget. We have been here before. This is not the first time Canada has experienced difficulties. I would like to read two or three of what I think are appropriate quotes from the Budget. I encourage the Ministers present to reflect on the words of the Budget which are as follows:

Mr. Speaker, the general optimism prevailing throughout Canada has, during recent months, been so widely reflected and strongly emphasized in provincial legislative assemblies, annual reviews and financial statements that, in presenting this annual budget, little need be said beyond submitting official figures which, when analyzed and compared with the records of previous years, will show a steady and continuous reduction of . . . debt—

Without being unduly optimistic, the Government feels it is warranted in anticipating that, notwithstanding the reductions to be submitted in this budget, the revenues will meet all expenditure obligations and also provide for the redemption of the loan maturing in August next . . . For the purposes of eventually effecting a balanced budget, provision was made in the budget . . . for certain additional taxation. The major increase was made in the sales tax where the rates were increased fifty per cent over the then existing tax. There was also an increase in the stamp tax . . . Certain other taxes, generally classed as manufacturers taxes, were imposed, the articles affected being automobiles, confectionery, cigars, ale and beer and other beverages; . . . The national debt, however, cannot be ignored. The annual interest charges . . . are a direct and pressing charge on the revenues of this country.

It is a sound and helpful policy to plan to reduce this non-productive outlay and to do that the national debt itself must annually be reduced. The government is, therefore, again budgeting for debt reduction . . . the concern of all Canadians was . . . that the nation's purchasing power be substantially increased, that no man willing to work be out of employment, that Canadian goods become firmly established on the international trading markets and that Canadians, wherever they might be, would feel that the problems of each section were the mutual concern of all . . . Canadians today are prospering . . . Our basic and manufacturing industries are producing large quantities of goods for home consumption and also for the vast external trade outlets which have been developed—

As the years go by an increasing quantity of our domestic production must necessarily be marketed abroad. It is our desire to trade freely with any and all who are willing to trade with us . . . This fiscal record . . . has . . . strengthened confidence in our domestic credit markets, thus smoothing the way for the provinces and private enterprises. A healthy business expansion, the Government feels, is of the greatest importance to Canada.

In drafting the fiscal program for the coming fiscal year, the Government has sought to err on the side of caution.

What is interesting is that that was not this Budget, that was the Budget of March 1, 1929. That was the Budget that was introduced prior to the collapse of 1929. Later, of course, the R. B. Bennett Budget was introduced and the Government at the time said it had a great solution, it was going to raise taxes on everyone across the country to collect more revenue

and it was going to give some corporations some tax breaks and increase the sales tax. We know what happened in the 1930s as a result of that. Bennett buggies resulted. We have been here before. We have seen Conservative Budgets introduced during difficult times, and what happens? Do things get better? Do times get better?

**Mr. Rodriguez:** Tory times are tough times.

**Mr. Riis:** As my colleague has said, Tory times are tough times. We are about to experiment once again—

**Mr. Broadbent:** The dollar dropped three-quarters of a cent.

**Mr. Riis:** My leader has told me that the dollar dropped three-quarters of a cent today. Is that not interesting? That reminds us that the Government is gambling with the lives of Canadian families. The Minister has launched a Las Vegas style approach to economic development. He said that we are going to gamble and raise sales taxes one more time even though it has already been done twice. He knows it is a regressive tax. It is a tax that hits the poorer families harder than the richer families. As a matter of fact, the richer families probably do not even notice the sales tax. The Government is going to level a regressive sales tax and jack up the personal tax rate again by 3 per cent.

By taking a lot of money out of the pockets of families across the country, the Government believes that somehow all sorts of money will start rolling into the country. Businesses will then begin expanding operations to take advantage of this new-found optimism and purchasing power, but there is no more purchasing power. When the Government takes disposable income away from people they are not going to buy a new refrigerator, a new car or go for dinner. They are going to err on the side of caution. They are going to be very reluctant to purchase goods and services. Without consumers purchasing goods and services, businesses will not expand and will not hire more people. The economy will not grow. Yet that is the gamble the Minister of Finance is taking on the backs of Canadian families; if we cut those programs that service Canadian families, somehow or other the international corporate and investment community will have confidence in the Government's ability to manage the economy and will feel that the economy will grow.

The first indicator we have seen is that the dollar is falling the day after the Budget was brought down. That sends a very clear signal to us about what the international community thinks about this Budget.

I think this can be best summed up when we look at the fiscal plan itself. The fiscal plan lays out what the Government is going to collect in new taxes. Here is the story, the story that Canadians across the country will be recognizing in the days ahead as the real Budget information comes out.

The additional taxes that Canadians are going to be paying either through more personal tax or more sales tax amounts to an increase of $7 billion between 1986 and 1987. What about the corporate sector? Someone said the Budget was fair. We would then assume that corporate-sector taxes would be going up. However, they are going to go down. The taxes collected from corporations in the next year will go down and the personal taxes paid by Canadians will go up by $7 billion.

**Mr. Broadbent:** Tory justice.

**Mr. Riis:** It is a very, very sad day. However, this is misleading. When looking at particular aspects of the Budget, we see that $800 million will be allocated for the Canadian Jobs Strategy next year. That sounds interesting until we realize that this year it had $900 million in its budget. The Government is going to cut the funds for the Canadian Jobs Strategy. What does that mean for the regions of Canada? Job-creation funds might not be needed in many constituencies in the City of Toronto, but in the regions of Canada job-creation funds are an absolute necessity and the Government is cutting back on them.

Then there is a provision in the Budget for helping older workers, workers who are 55 and over and have lost their jobs. The Government is going to put $125 million into this program over the next four years. Again, that sounds like it would be a useful program. That amounts to about $30 million a year. However, we realize that presently the program receives $75 million a year. Again the Government is cutting programs to assist older workers who have lost their jobs.

There is a lot of sugar coating over this Budget, but when we start looking through it, we notice that there are some very disappointing aspects to it, particularly for the regions. The regional industrial expansion section of the Budget indicates that $2 billion will be cut over the next four years. How does that help the regions develop their economies? A $4-billion cut will cause serious damage.

Transportation will be cut by $3.6 billion. The employment part of the Budget will be cut by $1.8 billion. Agriculture is going to be cut by $502 million but there is a program introduced to help people get out of farming. The Government is cutting existing programs, but for those people who are having trouble it is helping them get out of the business. It is giving them an exit visa out of the farming community. That is what is in the Budget. The Government says that it has a program to help farmers who are in trouble. Approximately 50,000 farms across the country are experiencing serious financial difficulty, but they will only be helped if they are doing business with the Farm Credit Corporation, which amounts to about one in four troubled farmers. If a farmer is having trouble with the Royal Bank of Canada there is no help. If farmers have loans with chartered banks there is no assistance or possible support in the Budget. For those few farmers who are having difficulty in terms of repaying their debts or loans with the FCC, they will perhaps receive some support. It is a sugar-coating. I saw the little clips on television about assistance to farmers in trouble. They forgot to say that only one out of four farmers in trouble will possibly receive assistance.

● (1250)

There is a 3 per cent decrease in corporate taxes over the next three years, but this coming year there will be a 3 per cent increase in personal taxes. Earlier today my Leader held a press conference and pointed out an interesting shift over the last few years. Not many years ago when we looked at the revenues collected from corporations and from individuals, there was a 50-50 balance—50 per cent of the revenues coming in through taxation was from corporations and 50 per cent was from individual Canadian taxpayers. Over the years this has shifted in a very interesting direction. Now 81 per cent comes from the personal tax side and 19 per cent comes from the corporate side.

**Mr. Broadbent:** As a result of the Budget.

**Mr. Riis:** Especially as a result of the Budget. It has simply added to the same process; more and more on the backs of middle-income earners and less and less on the backs of the corporate sector.

As we all know average Canadians will be faced with a 3 per cent increase in their taxes as well as an increase in sales tax. What about upper-income earners? They receive a reduced tax as a result of the Budget. Their tax rate goes down. The situation is that upper-income earners and the corporate sector will have reduced tax rates as a result of the Budget and ordinary Canadian taxpayers will experience increases in their tax rates and in the sales tax.

People are asking about the real impact of this, how it can be measured and what it really means. It does not take much analysis to break it down in terms of what this Government has meant to Canadian families. If we look at the November 8, 1985 statement and tally up the costs as a result of it on the average Canadian family—and I am using for this example an average Canadian family of four with an income of $35,000 per year—we find that it resulted in $452 in increased costs.

If we look at the May 23, 1985 Budget, we find that the increased costs to that same family as a result of the modification to indexation, the cut in family allowance payments, the increased taxes on cigarettes, alcohol and gasoline and the sales tax increase, amounted to $512.50. Then we have the Budget of February 26, yesterday. When we add up the costs as a result of it the very conservative total, if I may use that term, comes to $340. If we add up the totals as a result of that economic statement and those Budgets, we find that the increase from the federal Government alone amounts to $1,304.50 for an average Canadian family of four. It is the largest tax grab in modern history, in recent times.

We have never seen anything like this before, when a Government has gone in and ripped out more than $1,000 from Canadian families in just 14 months. This means that for every family in Canada—whether it be in Port Alberni, Red Deer, Thunder Bay, Chicoutimi, Moncton or St. Catharines, it does not matter where—in excess of $1,000 or $1,300 will not be circulating in those communities time and time again during the year to support the local economies. It has been dragged out of those communities and down to Ottawa to be used for some highly questionable purposes.

What are those purposes? Let us look at how the tax system is used. We asked for a major overhaul of the tax system because we were convinced that the hidden spending which takes place through the shelters, loopholes and various tax expenditure programs comes to billions and billions of dollars each year, and they are never evaluated. We asked the Government to look at these tax expenditure programs and to evaluate them to see whether or not we are getting good value for the money. If we have a program which is designed to encourage the construction of low-income rental housing, is it doing that? Of course when we look at the program it never does that. Is the use of the tax system to encourage mining exploration the most effective way of accomplishing that? We have to ask these questions. Was there one mention of tax reform, tax overhaul or evaluating the value of those tax dollars in the Budget? Not a word, not a word.

Let us look at the incredible amount of money involved in the tax system. One of the favourite areas people mention is the amount of taxes known as deferred corporate taxes. It now approaches nearly $30 billion annually. Numbers of corporations do not pay; they simply defer their taxes year after year. Mr. Speaker, when you and I do not pay any income tax or make a mistake on our income tax return and owe money to the Government, we pay interest on it whether it is two weeks or two months.

**The Acting Speaker (Mr. Paproski):** Order, please. Under the rules the Hon. Member has 20 minutes plus 10 minutes for questions and comments. If he would like to wind down, we could go into the 10-minute question and comment period. Otherwise I would require unanimous consent for the Hon. Member to carry on.

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** Is there unanimous consent?

**Mr. McKenzie:** He is making no contribution, so there should be no difference.

**Some Hon. Members:** Sit down!

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member to finish his comments and then we will go into the 10-minute period of questions and comments.

**Mr. Riis:** Mr. Speaker, I will wrap up my comments. I appreciate the usual progressive voice from Winnipeg over there.

**Mr. McKenzie:** Thank you.

**Mr. Riis:** Just before the Budget was brought down, the New Democratic Party wanted to offer the Minister of Finance a whole set of suggestions about things he might do to help ordinary Canadians. We suggested that there should be an overhaul of the tax system and that a number of tax

programs should be eliminated immediately. At the top of the list was the $500,000 capital gains tax exemption, which means that a person who makes money from playing the stock market in Hong Kong or selling real estate in Arizona does not have to pay any income tax. At the same time the rates are being increased for ordinary Canadians. We suggested a number of tax measures which could have been eliminated and could have saved the Government about $3.5 billion. We suggested a number of recommendations to improve the tax system, for example, that the taxes on farm fuels and the like should be eliminated. We also looked at the result of our youth task force, the NDP task force on jobs and the report entitled "Canada Unlimited", which contained a number of recommendations on how the Government could take positive steps that could result in economic growth and expansion. We feel that the best way to collect revenue is not by taxing people more and more, but by taking steps to develop a strong and healthy economy.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** If we have a strong and healthy economy, then we have people who are not necessarily receiving UIC and welfare payments. They are paying more taxes in terms of personal taxes and sales tax. As well, successful businesses are paying corporate taxes and the Government is collecting excise taxes. A healthy economy results in revenues coming in to the Government for useful social programs, and if necessary part of it could be used to reduce the deficit. We would like to see the Government accumulate more revenue, and we have suggested a host of ways of doing it.

• (1300)

The Secretary of State for External Affairs (Mr. Clark) last September suggested at the UN that Canada would approach 0.7 of 1 per cent GNP by 1990, but this has now been abandoned as a result of the $1.5 billion cut in development assistance. The Government says that maybe we will get to 0.6 per cent by 1995. We say that is not good enough. It is completely inappropriate in terms of the role that Canada plays in the international community, completely inappropriate.

My colleagues will have much more to say about our concerns with the Budget in the specific areas they represent as spokespersons for our Party.

I move, seconded by the Hon. Member for Kenora-Rainy River (Mr. Parry):

That the amendment be amended by changing the period at the end of the last sentence to a comma and by adding immediately thereafter the following words:

"and this House further condemns the Government for its brutal, uncaring and unfair tax increases on average income families while at the same time lowering taxes for upper income families and the corporate sector, and for its refusal to undertake an overhaul of the income tax system to bring about tax fairness and to give Canadians a tax system that they can understand."

**The Acting Speaker (Mr. Paproski):** Before having questions or comments, I would like to say that the motion presented by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) and seconded by the Right Hon. Leader of the Opposition (Mr. Turner) is in order. We will now proceed to questions or comments.

**Ms. Mitchell:** Mr. Speaker, I would like to congratulate my colleague on his very fine challenge to the Minister of Finance (Mr. Wilson) and the Government in putting forward the impact this Budget will have on Canadians.

Has the Hon. Member any views on the Budget's impact on women? I did not see anything that mentioned equality for women. Women are already far behind in the workforce. We have cuts in employment training programs which will have a disproportionate effect on women. There is absolutely nothing in the Budget that refers to child care. There is a desperate need for action in this area within the next year. There are cut-backs in health and welfare programs which will have a dramatic disproportionate effect on women as well as cuts in transfer payments. The Minister, supposedly responsible for women in a crummy kind of advocate because he did not have a thing included in the Budget applying to women in a positive way. The Minister was at the Nairobi conference. He is sitting there. He has allowed development programs which are desperately needed by women and children around the world to be cut back. This Budget is hurting women in Canada and women around the world. I know my hon. friend has comments to make on that.

**Mr. Riis:** Mr. Speaker, my colleague has raised a very important issue. In all of the Budget documents presented there is virtually not a single mention of programs and initiatives that will assist women. There is virtually nothing in the Budget documents that will assist families. There are whole lists that will cause more hardship on families, more hardship on women and children in Canada. That is why I said at the outset that it is a very uncaring and callous Budget. It indicates a Government that does not care about the people of Canada. Perhaps it does not understand Canadians and the economic and social suffering that is going on.

In response to my hon. colleague, in all of the Budget documents there is virtually nothing that addresses the plight faced by women in Canada.

**Mr. Clark (Brandon-Souris):** Mr. Speaker, I have some comments and some questions for the Hon. Member. I want to address myself particularly to the New Democratic Party's critic for finance on the subject of agriculture. I could not help but wish that the Party's critic for agriculture was speaking rather than the critic for finance, because I suspect the critic for agriculture is better informed.

It seems to me that the Hon. Member for Kamloops-Shuswap (Mr. Riis) needs to bear in mind certain things when he looks at the Budget. First, can the Member recall and if so could he indicate which Budget in the previous history of this Parliament addressed the problems of agriculture in more detail, more specifically and with more urgency than this one?

Is the New Democratic Party opposed, as I understand it, to the rural transition program? The Hon. Member had nothing but criticism toward that program. I will be surprised if that is

true because the Member was supporting the Canadian Job Strategy Program which discriminates against farmers and does not permit farmers to participate in it. Now for the first time there is a program that will be of assistance to those farmers who wish to benefit from it. The Member is denying the right of those farmers to participate. The Member's statements are discriminatory against farmers. I am sure the critic for his Party will apologize.

**Mr. Benjamin:** Humbug!

**Mr. Clark (Brandon-Souris):** Mr. Speaker, with respect to the commodity based mortgage program, about which the Hon. Member for Kamloops-Shuswap was so critical, could he tell me what percentage of the farmers who are in difficulty today are FCC customers? Would the Member not agree that this program is of immense value to them as far as their capacity to pay is concerned. Where else would the Member find a program of a similar nature and effectiveness in this country?

Finally, why in the Province of Manitoba, which is the only province today governed by the New Democratic Party—which may not be governing for much longer—is it that the MACC program designed to reduce interest rates for its customers is limited to its own customers? Why did the Province of Manitoba not come to the assistance of Canadian farmers who are customers of the banks?

**Mr. Gustafson:** Like Saskatchewan did.

**Mr. Riis:** Mr. Speaker, I think I can summarize it best by saying that the Government of Manitoba is more interested in finding ways and means of getting people into farming as opposed to this Government's efforts to get people out of the farming business. The document is an admission of failure. It is an admission that the Government has nothing else but to offer ways and means of getting out of farming. That is what the transition program is all about. The Member knows that.

There are many things that our agricultural critic has offered time and time again to support and develop the agricultural sector.

I would be embarrassed if I were that Hon. Member standing up and justifying what is in this Budget for the agricultural community of Canada when you have 50,000 farms in serious financial difficulty. Is that addressed in this Budget? No, it is not, Mr. Speaker. Are farmers supported in this Budget? No, they are not. Their taxes will go up. Sales tax goes up and now there are excise taxes and so on. I give the Member credit for having the courage to stand up and attempt to say that there is something in this Budget for farmers.

**Mr. Clark (Brandon-Souris):** I have a supplementary question, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** I will give the Hon. Member a short supplementary and then recognize the Hon. Member for Churchill (Mr. Murphy).

**Mr. Clark (Brandon-Souris):** Mr. Speaker, I asked the Member a question. Let me repeat it. What percentage of those farmers deemed to be in financial difficulty today are FCC customers and eligible for this program? It is a very specific question and it can be answered in very simple, non-rhetorical terms.

**An Hon. Member:** He doesn't know.

**Mr. Riis:** Mr. Speaker, 50,000 farms are in difficulty and are identified as having serious debt problems, about one quarter are participating with loans from the Farm Credit Corporation so let me toss the question back to the Hon. Member.

• (1310)

There is nothing in the Budget which will help farmers who have loans with any of the chartered banks. They must be exclusively with Farm Credit. In a sense, it discriminates against all farmers who do business with anyone other than the Farm Credit Corporation. It is highly discriminatory, Mr. Speaker.

**Mr. Murphy:** I will keep my question short and say more on the Budget later. Is there not a real danger in the Government's plan that what will happen to farmers will be the equivalent of what happened to people who registered under the AHOP program of the previous Liberal Government? At the end of that program people under it found out that their mortgages had gone up so much that they ended up walking away from their homes. Is this not a built-in AHOP, too? Will we not have farmers walking away from their homes and farms five years from now?

**Mr. Riis:** Mr. Speaker, we know how successful the AHOP program was in terms of housing and what happened to the people who had to walk away from their homes. We are seeing basically the same thing now with agriculture. Having no other programs for dealing with the situation, let us make it easy for people to get out of the business.

On page 26 of *Canada's Economic Prospects* it is indicated, by the Government's own figures and admission, that next year the GNP increase will be down, consumer expenditures will be down, residential investment will be down, business non-residential investment will be down, business machinery and equipment investment will be down, and business non-residential construction investment will be down. By the Government's own statistics, some of the critical indicators of our economy will be down next year as a result of the Budget. I give credit to the Minister of Finance for being honest and admitting that the GNP, investment, and consumer spending will be less as a result of the Budget. For that honesty, I thank him.

**The Acting Speaker (Mr. Paproski):** I have looked at the amendment proposed by the Hon. Member for Kamloops-Shuswap (Mr. Riis) and I declare it to be in order. Therefore, the debate will be on the amendment to the amendment.

**Mr. Deans:** Mr. Speaker, I rise on the point of order, with some aggravation. I had very carefully worked out an agreement with the two other House Leaders that my colleague, the Member for Kamloops-Shuswap (Mr. Riis), would be given the opportunity to speak for up to 40 minutes. I do not quite understand why the Conservative Party decided to ignore that agreement, but I want to assure you, Sir, that there will be no further agreements in this House on anything unless I can count on the support of all of the Members of the agreements that we make.

**The Acting Speaker (Mr. Paproski):** Order, please. The Chair was not aware of any agreement that was made. I tried to extend the question and comment period in order to give the Hon. Member as much time as possible. The Chair is not privy to negotiations that are going on.

**Mr. Deans:** I am not blaming the Chair.

**The Acting Speaker (Mr. Paproski):** I think the Hon. Member had a little more than 40 minutes, but I appreciate what the Hon. Member for Hamilton Mountain (Mr. Deans) has just said. I feel that we have done as much as possible at this time. I would like to recognize the Hon. Minister of Consumer and Corporate Affairs (Mr. Côté).

[*Translation*]

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I consider it an honour to speak in the House today on the important legislation tabled yesterday, and I am referring to the Budget of my hon. colleague the Minister of Finance (Mr. Wilson).

Mr. Speaker, you will remember that during the last election campaign, our party was in favour of returning to sound management principles in public administration, a change that was absolutely essential because of the incredible growth of the federal deficit up to that time. When a country the size of ours gets to the point where it has a national debt of $200 billion, it is hardly exaggerating to talk about a disaster situation. Now I am sorry for the Members opposite, but they are mainly responsible for this state of affairs.

Mr. Speaker, to support my claim need I mention that for the current financial year, servicing the public debt alone will cost the incredible sum of nearly $26 billion? This is more than a thousand times the population of Canada. In a veritable frenzy of spending, the previous administration ended up spending the equivalent of 26 per cent of our Gross National Product. When a Government manages to spend more than one-quarter of what the country produces, I think that alone should be enough to muzzle our hon. friends opposite or at least make them blush with shame.

The result of more than twenty years of Liberal government boils down to this: During that period, the cumulative debt rose from $17 to $223 billion. This means it became fourteen times as big, and in 1985, it added up to $22,000 per Canadian family. Today, every Canadian family of four has to spend more than $4,200 per year on interest payments alone on the national debt. This means that every week, that same family has to spend more than $80 on this item. It means that every day, nearly $12 per family goes to repaying the interest on the profiligate spending of our hon. friends opposite. The situation became untenable, and Canadians gave us a mandate to put the country back on the road to common sense. Consequently, we opted for the implementation of three specific principles. First, restoring fiscal responsibility; second, increasing the effectiveness of public management, and third, providing maximum encouragement for private initiative.

As my hon. colleague the Minister of Finance pointed out yesterday, we have applied these principles very strictly, and we are already getting concrete results. The national debt is regressing, and will certainly continue to do so. The objective of our administration is still to eliminate wasteful expenditures and streamline Government operations. When someone is up to his neck in debt, common sense dictates belt tightening and, if at all possible, selling certain assets to accelerate repayments. That, Mr. Speaker, is exactly what we are doing.

One of our first moves in the fall of 1984 was to set up the Ministerial Task Force on Program Review responsible for recommending specific measures to reduce administrative overlapping, rationalize operations and, we believe, make significant savings. As the Minister of Finance pointed out, the detailed findings of the task force will be made public on March 11. In the current fiscal year this initiative has already made it possible to save more than $530 million. With that in mind, Mr. Speaker, we have decided to privatize certain Crown corporations. The Government has already sold most of its assets in the Canada Development Corporation, as it did in the case of the Northern Transportation Company and de Havilland. A number of other Crown corporations will also be sold to private interests in the coming months.

With a view to recouping a larger share of costs to service users, the Government of Canada has revised its rate schedules for various goods and services such as fares on federal ferry boats and inspection fees. For instance, Mr. Speaker, at the Department of Consumer and Corporate Affairs, we have substantially increased the charges for our metrological inspections.

One of the most important aspects of this program of cost recovery for services provided certainly involves the Canada Post Corporation. As underlined by my colleague, the Minister of Finance (Mr. Wilson), the Canada Post Corporation has made substantial efforts in the last few years to reduce its costs and increase its productivity. We have only to recall, for instance, Mr. Speaker, that in 1985-86, its operating losses amounted to approximately $347 million while they will be approximately $243 million this year.

However, Mr. Speaker, these efforts are not enough to meet our objective of increasing the efficiency of the Government machine, and especially the Canada Post Corporation. I have

therefore asked the Chairman of the Corporation to submit to me as soon as possible a new operational plan providing for elimination of the operational deficit of the Canada Post Corporation by the end of the 1987-88 fiscal year, as requested by the Minister of Finance.

Obviously, the objective of a better postal service for Canadians remains an absolute priority, even in this context of financial self-sufficiency. Indeed, I shall have other opportunities is to come back to this issue in the coming weeks.

Beyond past and future savings, however, the budget brought down yesterday by the Minister of Finance proposes to keep at the same level as last year expenditures for statutory programs, which will represent in real terms a 4 per cent reduction.

Not only will the cost of these programs be limited to the level of last year, but, within its comprehensive cost reduction and public management improvement strategy, the Government will also apply a 2 per cent general reduction of all departmental budgets. This reduction will represent savings of over $500 million and will affect expenditures such as those related to capital costs, operations and maintenance, travel, advertising, and so on. Whole programs have been eliminated in this effort to provide stricter management of Government activities.

Here are just a few, Mr. Speaker, the Canadian Home Insulation Program, the Petroleum Incentives Program, the Petroleum Compensation Program, the Katimavik Program, the VIA Rail subsidies and, finally, the heavy water plants in Cape Breton.

Needless to say that it would be impossible to improve the productivity of the Government administration without controlling the Public Service. As we have already announced, the authorized number of person-years will be reduced by 2 percent next year, and another percent in each of the next four years, so that by 1990 the Public Service will have decreased by 15,000 person-years.

Together, Mr. Speaker, these various measures will mean a reduction of $6 billion in Government spending as compared to what was originally forecasted. For the whole period from 1986 to 1990-91, these measures will represent savings of nearly $80 billion.

• (1320)

[*English*]

The Minister of Finance (Mr. Wilson) also announced a number of new measures aimed at assisting low-income Canadians. First, he talked about the Child Tax Credit. Members will recall that the May, 1985 Budget provided for an increase in the Child Tax Credit to $384 per child in the taxation year. We are not, however, stopping here. The Child Tax Credit will be further increased to $454 per child in 1986 to $489 in 1987, and to $524 in the 1988 taxation year.

As part of the efforts of this Government to ensure that the federal benefits program reach those directly in need, and to do away with the negative social impact of the tax rebate discount, and as I have announced it during the debate on amendment of the Tax Rebating Discounting Act, a system of advance or prepayment of the Child Tax Credit will be introduced for 1986 and subsequent years. As announced by the Minister of Finance this prepayment will amount to $300 per child, or about two-thirds of the maximum payment for recipients who had family incomes of $15,000 or less in 1985. Claimants will receive this payment automatically in November, 1986, rather than be forced to wait until the filing of their tax return in early 1987. Since this prepayment will be based on 1985 tax returns there will be no additional administrative burden imposed upon claimants. This will benefit about one million Canadian families.

Too often low-income Canadians, and expecially Child Tax Credit recipients, have been encouraged to use discounting services because they did not have their rightful benefit in hand at the moment they needed it. This system of prepayments will ensure that this money goes directly to those who need it most, rather than going to tax discounters.

Second, the Government is introducing a new refundable sales tax credit of $50 per adult and $25 per child for families whose income is below $15,000. More than four million Canadian families will receive this credit. This is clearly a fundamental innovation to the income tax system that will resolve in significant benefits to low-income Canadians, many of whom are elderly.

Third, the disability deduction available to 185,000 disabled Canadians will be increased by $250 in 1986. The total deduction will now be worth $2,860 for 1986.

Fourth, a special training program for Canadians or social assistance will be established. The federal Government will commit up to $100 million per year for the next three years. Matching funds will be provided also by provincial Governments. This new program will help train Canadians on welfare, enabling them to find meaningful employment. The Government's commitment to social justice is clear and ongoing. Yesterday's Budget continues this effort.

**The Acting Speaker (Mr. Paproski):** It being 1.28 p.m., I do now leave the Chair until 2 p.m.

At 1.28 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S.O. 21

[*English*]

## REGIONAL ECONOMIC DEVELOPMENT

LEVEL OF GOVERNMENT EXPENDITURES

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, last night we saw clear evidence of the lack of commitment of the Government of Canada with regard to regional economic development. I say that with great sadness. When the facts are placed before all Members of Parliament, they will see that the Government has no commitment and has abandoned the poor regions of the country in a startling way.

The Budget Papers show very clearly that the percentage of change in the economic and regional development envelope is absolutely staggering. In 1985-86 the reduction in expenditures in that envelope will be 15.4 per cent. In 1986-87 it will be 11.1 per cent, and in 1987-88 it will be 17.7 per cent. That makes for a 38 per cent reduction in expenditures in the regional economic development envelope which will affect—

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

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## EXTERNAL AID

REDUCTION IN COMMITMENT

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, yesterday the Minister of Finance (Mr. Wilson) said that our economic performance during the past 18 months has been much better than anyone predicted. If this is so, why have Conservative commitments to development assistance been slashed? In the 1984 election the Conservatives promised to allocate 0.7 per cent of our GNP to world development by 1990. This commitment was then reduced in October to 0.6 per cent. Yesterday the Government cut it back to 0.5 per cent.

These cuts not only mean broken campaign promises—we are used to that—but they also mean a broken moral commitment of the Canadian people to the needy people of our world. In the name of humanity, the Government must restore its original commitment to 0.7 per cent of GNP for official development assistance by 1990.

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## REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON—FORTHCOMING ANNOUNCEMENT

**Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso):** Mr. Speaker, yesterday our Government demonstrated to Canadians an unprecedented commitment to economic renewal. A key part of that commitment is deficit reduction, not for the sake of reducing the deficit but because the deficit remains the single largest barrier to full employment.



As we take control of the deficit, we see the creation of hundreds of thousands of jobs. A job remains the best social protection for ordinary Canadians. As well, a lower deficit will make more money available to expand benefits and services to needy Canadians.

For the first time in more than a decade we see the deficit declining. Tomorrow the Minister of Regional Industrial Expansion (Mr. Stevens) and I will be announcing jobs for ordinary Canadians who live in my riding. These jobs will result from the first new private sector investment of this kind in more than 20 years in my region. I invite all Hon. Members of the Opposition to join with me in congratulating the Minister. Many families I represent will be given job opportunities and, therefore, their rightful place in Canada. Surely that is what it is all about—

**Mr. Speaker:** Order, please.

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## BANKS AND BANKING

PROPOSED ESTABLISHMENT OF INTERNATIONAL BANKING CENTRE IN VANCOUVER

**Mrs. Mary Collins (Capilano):** Mr. Speaker, today in Capilano the crocuses are blooming and the people are jubilant, as are Canadians across the land, because they finally have a Government with enough guts to reduce the deficit, and looking ahead at the next five years we see the dramatic impact these measures will have. We will be a nation which will be $100 billion less in debt than it would have been. This is financial restraint with a human face.

There are so many good things to say, but I will add only one. We in British Columbia are particularly pleased with the commitment of the Government to facilitate the establishment of an international banking centre in Vancouver. This will provide the opportunity for Vancouver to fulfil its destiny not only as the jewell of the Pacific but as the new business, financial, trade, and service centre for the Pacific Rim. Yes, as in Capilano, Canadians right across the country are jubilant with yesterday's news.

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● (1405)

## ENVIRONMENT CANADA

DEPARTMENTAL SPOKESPERSONS—MINISTER'S POSITION

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, this week the Minister of the Environment (Mr. McMillan) defended his move to censor his officials on the basis that it is very important that officials speak within their area of expertise and competence.

Last November two officials of Environment Canada gave their professional assessment of environmental issues. In one case one of the most respected hydrogeologists in Canada

suggested that, should the underground salt caverns leak into the St. Clair River, it would be an environmental nightmare. When a hydrogeologist speaks of underground water resources, he is entirely within his or her area of expertise and competence. The official was reprimanded by the Minister, who later referred to the situation as "awesome".

In a second case one of Canada's leading experts on toxic chemicals, an employee of Environment Canada, spoke of the degree of toxic chemical contamination to which we as a society are subjected. The Minister disowned this official as well. The Royal Society released shortly thereafter a report which called the Great Lakes the most contaminated body of water in North America—

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

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## FINANCE

### CRITICISM OF TAX INCREASES

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, yesterday's Budget struck at the prosperity of ordinary Canadians. Obsessed with deficit reduction to slow the growth of the national debt, the Minister of Finance (Mr. Wilson) chose to reduce expenditures and increase taxes for Canadians, especially middle-income Canadians. He had a choice. He chose not tax reform which would raise much needed revenues while improving tax fairness, but increases of income, sales, and excise taxes which already burden individuals.

Among Canadians most disappointed by these decisions are the Citizens for Public Justice who recently put forward an imaginative package of spending and tax proposals which would create over 250,000 new jobs and reduce unemployment by some 2 per cent.

Yesterday the Minister of Finance chose to ignore all of this sound and progressive advice. The tax system has been made even more unfair than it was already, and unemployment may not fall at all.

I expect many members of Citizens for Public Justice voted for Conservatives in 1984. I doubt they'll do that again.

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## THE ECONOMY

### BUDGET MEASURES TO REDUCE DEFICIT

**Mr. Murray Dorin (Edmonton West):** Mr. Speaker, the 1986 Budget of the Minister of Finance (Mr. Wilson) continues on a course set out in the November, 1984, economic statement and reinforced in the May, 1985, Budget. The deficit will be reduced from $33.8 billion this fiscal year to $29.8 billion next year. This will restore confidence in the economy and allow interest rates to come down. A 1 per cent reduction in interest rates saves $500 per year on a $50,000 mortgage—far more than the approximately 50 cents per day that Canadians are being asked to pay.

Overall, the Minister of Finance has made a concentrated attack on the deficit with a balanced attempt to spread the burden. Those who receive the benefits of Government transfers and programs will be asked to receive a little less. Those who pay will be asked to pay a little more.

The Minister has demonstrated that he can achieve what he sets out to do. The results speak for themselves. More than 580,000 jobs have been created. The critics were proven wrong last time and they will be proven wrong again.

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## AGRICULTURE

### GOVERNMENT INITIATIVES TO ASSIST FARMERS

**Mr. Ken James (Sarnia-Lambton):** Mr. Speaker, as the owner of a family farm, I, plus other farmers in my riding of Sarnia-Lambton, want to express our enthusiasm and appreciation to the Minister of Finance (Mr. Wilson) and the Conservative Government.

The understanding and concern of this administration have been clearly demonstrated by its ongoing commitment to the agricultural sector. The initiatives brought forward by the Government, not just in the present Budget but ever since our election in September of 1984, have accomplished more on behalf of farmers than those failed attempts of the Liberal-Socialist alliance in all their years in power.

We have kept our promises. When we made commitments we followed through on them. This is a Government of action, not just idle talk. This is a Government of substance, not just image.

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[*Translation*]

## THE BUDGET

### CONSEQUENCES FOR ORDINARY CITIZENS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Yesterday, Mr. Speaker, the Tory Government launched an attack against ordinary Canadians. The Minister of Finance (Mr. Wilson) brought down his Budget and Bang! on the Canadian taxpayers with a 3 per cent surcharge on income tax and a 1 per cent increase on the sales tax.

**Some Hon. Members:** Bang!

**Mr. Malépart:** Bang! on smokers, Mr. Speaker.

**Some Hon. Members:** Bang!

**Mr. Malépart:** Bang! on those who drink wine, Mr. Speaker.

**Some Hon. Members:** Bang!

**Mr. Malépart:** Unfortunately, Michael's corporate friends were spared. Once again, the ordinary Canadian—

[*English*]

**Mr. Speaker:** Order, please. The Hon. Member may want to continue his statement and he might be allowed to finish it.

• (1410)

[*Translation*]

**Mr. Malépart:** Mr. Speaker, this Government which pretended that it was protecting the ordinary Canadian has now decided that the head of a family with a wife and two children and earning $18,000 is rich and is not entitled to a sales tax credit. Mr. Speaker, this is shocking and they will have to back down on that issue.

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[*English*]

## MEMBERS OF PARLIAMENT

### TRIBUTE TO HON. JEAN CHRÉTIEN, FORMER MEMBER FOR SAINT-MAURICE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to say a few words about a former Member of Parliament. I refer to Jean Chrétien, the former Hon. Member for Saint-Maurice. I was unable to make such remarks this morning, so I would like to join with the leaders of other Parties in saying a few words now.

[*Translation*]

Today, Jean Chrétien may be leaving the political scene, but certainly not the Canadian scene. I am sure he will continue to influence the Canadian society in his inimitable fashion.

In all the portfolios he has held, whether that of Justice, Indian Affairs and Northern Development, Finance, National Revenue, or Energy, Mines and Resources, Jean Chrétien demonstrated the same serious commitment. Obviously, I was not always in agreement with him. But nobody could doubt his impassioned dedication. He was both true Quebecer and a true Canadian.

I wish him the best of luck in the future.

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## THE BUDGET

### OPPOSITION'S CRITICISMS

**Mr. Marcel R. Tremblay (Québec East):** Mr. Speaker, judging by the sterile comments voiced by the Opposition until now, one will realize that they have nothing to say. This would explain the level of their criticism which is inconsistent, unfounded, and worthless. They are truly disarmed, Mr. Speaker.

*S.O. 21*

Under the Liberals, we were saddled with huge tax increases while the inflation rate was kept above the 12 per cent level, and that led to disastrous losses for the Canadian taxpayers.

The assumption is that the additional measures which Canadians will have to live with in order to make up for past wastefulness provide greater fairness and justice to citizens generally than under the previous Government. That, Mr. Speaker, is sound management, and we will carry on with the mandate entrusted by the people and with our role as trustees for the welfare and to the benefit of all groups in our society.

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## THE BUDGET

### REASONS FOR CUTS

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, February 26, 1986, will be seen as a historical and happy day for all Canadians because they had a chance yesterday to see that this Government's financial commitments have been upheld not a single one of our forecasts was overrun.

The actual deficit for 1985-86 will be $33.8 billion—our forecast was for a $33.8 billion deficit.

Our expenditures will not even reach the estimated level of $105 billion. For the first time in decades, there has been a reduction in absolute terms in program expenditures.

As against what the Opposition is suggesting, reducing our expenditures and the deficit will benefit the average Canadian, because he would have had to foot the bill had we not made such cuts.

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[*English*]

## THE ECONOMY

### SUPPORT FOR BUDGET MEASURES

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, yesterday Parliament and the nation were presented with a gift. With the policies outlined by the Minister of Finance (Mr. Wilson) we shall be able to pass on to our children and grandchildren the gift of a nation restored to financial health.

There is no greater gift than that of a future, and a future is just what the Government has offered Canadians. Gone are the days of "fly now and pay later". The Government has brought financial sanity back to our nation and thrown aside the irresponsible policies of spend, spend, spend.

Yes, the Government has presented the nation, in an open and forthright manner, with a game plan for economic renewal. It has plotted the course and it has led the way. History will commend the Minister of Finance for this Budget. Future generations will thank the Government for this precious gift that has been given to them.

*Oral Questions*

## EMPLOYMENT

CRITICISM OF BUDGET MEASURES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, we have seen with this Budget that the Conservative Party has no heart for the old or for the young. Not only has the Government cut almost $30 million from the Labour Adjustment Program but it has refused, despite repeated pleas from all sides of the House, to bring back some kind of fairness to the unemployment insurance scheme.

The Government has cut off older workers. It has cut off younger workers. One in six young people in Canada today is without a job, and yet there was not one single word in the Budget about a whole lost generation. What we saw were cuts in the employment programs for young people, cuts of $100 million in the last Budget and $100 million in this Budget. There were cuts for the older workers, but at the same time the Government has enough money in its pocket to give tax rebates to the corporations. That is the true face of the Conservative Party. The old, the young, and the middle-class do not have a place in the "Big Blue Machine".

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• (1415)

# ORAL QUESTION PERIOD

[*English*]

## THE BUDGET

TAX INCREASES—CAPITAL GAINS TAX EXEMPTION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, yesterday afternoon in the House the Minister of Finance, on orders from Wall Street, raised the misery index of ordinary Canadians by imposing the second massive tax increase in nine months. Why did he continue to do this in such an unfair way? Why, if he was to impose such a burden upon the average Canadian family, did he not revoke the $500,000 exemption over a lifetime for those wealthy enough to achieve a capital gain?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, possibly the Hon. Member has not noticed that 580,000 jobs have been created over the past 15 months.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** One of the reasons for that capital gains exemption is to encourage small business and other investors to invest in Canadian companies so that they will create jobs. That is clearly evident by the number of mutual fund sales which have been made to small investors who want to take advantage of that, to help create jobs and to help the country to grow. That is what the small business community is saying to me as well. That is why we did not make any change in the $500,000 exemption.

[*Translation*]

DIVISION OF FISCAL BURDEN

**Right Hon. John N. Turner (Leader of the Opposition):** Yesterday, Mr. Speaker, the Minister imposed again on the Canadian people a burden which was not equitably distributed. Why did he insist on imposing an unfair burden on middle-income families in Canada?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me be quite upfront here. We have a major problem in the mounting debt of the country, a debt which has been growing at 20 per cent and 25 per cent per annum for the last 10 years. We felt that it was important that that problem be faced head on and that all Canadians had to be part of that battle—70 per cent of it would be fought through spending reductions and 30 per cent through tax increases. Part of those tax increases are closing off tax expenditures which are no longer effective. However, in the balance of 30 per cent, that is a broad tax increase, all Canadians who are taxpayers will have to be a part of the battle against this major problem.

SALES TAX INCREASE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, that 70-30 ratio of which the Minister speaks has no application to yesterday's Budget. The reverse was true. Most of the effort to control the deficit was done by way of a tax increase. It was the third successive increase in the sales tax since September, 1984, each one at a billion dollars a crack. Why did the Minister choose this most regressive style of taxation to try to cover his problem?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I will make two points on that. The first sales tax increase was announced by the previous Liberal Minister of Finance who did not have the guts to put it in on time. He delayed it long past when he thought an election would come.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The other point is that there is a refundable sales tax credit which is of benefit to low-income Canadians. This is a new and very progressive innovation, an innovation upon which we want to build in the future. I would hope that the Leader of the Opposition would be supporting us in that direction.

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## FINANCE

EXCHANGE VALUE OF DOLLAR

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, in presenting his Budget yesterday the Minister of Finance said: "The buck stops here". Obviously Wall Street was not listening, because the buck went downward. It has lost a cent

and a quarter since yesterday. How can the Minister of Finance believe that the Canadian population will have confidence in him when his own friends do not believe in his Budget?

● (1420)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if I may, let me quote from *The Globe and Mail* this morning:

Finance Minister Michael Wilson continues to move in the right direction with more energy that he did last spring. His commitment to spending cuts is more credible, his pursuit of higher revenues more politically sound. Yesterday's federal Budget is better—

It is a good budget.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** That is a Tory columnist.

**Mr. Speaker:** Order, please.

[*Translation*]

GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, the Canadian dollar which was trading at 71.94 cents is now trading at 70.67 cents—

[*English*]

**Mr. Speaker:** Order. Just a question, please.

[*Translation*]

**Mr. Garneau:** Could the Minister of Finance tell us what he intends to do in order to correct this deplorable situation resulting from his Budget of yesterday?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me make one comment on what the Hon. Member has referred to.

**Mr. Deans:** Why don't you answer?

**Mr. Wilson (Etobicoke Centre):** I would encourage him not to draw judgments based on three or four hours' action in the market-place. It takes a while for the markets to analyse a document of this order of magnitude. For that reason it is more important to see how this happens over the next little while.

**An Hon. Member:** That is what you said about the banks last year.

**Mr. Wilson (Etobicoke Centre):** Let me quote something further:

The Canadian dollar is likely to stabilize and perhaps even rise against its U.S. counterpart.

That is what Peter Rester, vice-president of the Searson Brothers Investment Bank of New York, has said.

**Some Hon. Members:** Hear, hear!

*Oral Questions*

IMPACT OF BUDGET ON TAXPAYERS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Minister of Finance. The Minister and other members of the Government claim in part they were elected to take Government off the backs of Canadians.

Last night, with another increase in the tax burden, we now have a total of some $1,300 in tax increases for the average family, the largest increase in modern history.

What does the Minister say to the man who was on television last night who claimed that, instead of getting off the backs of Canadians, the Government is crawling all over everybody?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, first, I would outline the magnitude of the problem. I would tell him that a 20 per cent to 25 per cent rate of growth in the debt of Canada must be stopped and that all Canadians must be a part of that.

I would then say that if we are able to get this deficit down, interest rates will come down, making it easier for him to renew his mortgage, something about which the Hon. Member himself has shown some concern recently. It will also relieve the burden of debt on his children and his grandchildren, and relieve his children and grandchildren of paying far, far larger taxes if this problem is not brought to order.

**Mr. Speaker:** Order, please.

EFFECT ON HIGH-INCOME GROUPS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister also knows that the average Canadian is interested in some fairness.

Will the Minister admit to the House that, as a result of his Budget last night, a taxpayer in the $40,000 a year bracket with two dependants, a year from now will actually have a tax increase, while a $100,000 a year person with two dependants will get a tax cut of some $800! Is this the Conservative view of justice?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me point out that in *The Fiscal Plan* it says in 1987-88 the net personal income tax change will be $460 and the corporate income tax change will be an increase of $805 in 1987-1988. There is good balance here between the changes in tax rates.

**Mr. Orlikow:** Why didn't you answer the question?

FAIRNESS CONCEPT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister knows that within two years corporation taxes will actually be going down and the share paid by individuals will go up by $7 billion. That, for us, is not justice.

I ask the Minister to deal with the second question that I asked. Will he admit that while the $100,000 a year guy will have an $800 tax reduction in two years, the average person

will have a tax increase? Is that his concept of fairness? Answer that question.

● (1425)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is well known for his agility in twisting figures.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** It's out of your tables.

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member will tell me what base he is using, I will be able to show him that he is wrong in the statement that he has made.

**Mr. Broadbent:** I'll show you.

**Some Hon. Members:** Hear, hear!

REQUEST THAT REVISED FORECASTS BE TABLED

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister must be at least inwardly devastated by the widespread negative reaction to his Budget. The assumptions the Minister made with respect to interest rates of 9.5 per cent and oil pricing of $22.50 this year simply are not believable. In order to recover some credibility, would the Minister table revised realistic assumptions at least with respect to those two items, as soon as possible?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not going to revise those statements. I have made comments publicly since the Budget which support the projections we have made. I could go into those in some detail but, Mr. Speaker, you have asked us to respond briefly to questions. If the Hon. Member would like to come to see me after, I can set out very clearly the basis on which those assumptions are made and why they are very realistic assumptions.

INTEREST RATE FORECAST

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I have done a few simple calculations myself on interest. Would the Minister stand in his place and tell us that he honestly and sincerely believes that a 9.5 per cent interest rate is a realistic assumption upon which to base public expenditures in the coming year?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I can. Right now interest rates on four-year bonds are at about nine and five-eights per cent. That, together with the 11.5 per cent rate on Treasury Bills, indicates that this is a short-term aberration. We will get interest rates down below those rates in a short period of time.

I will also remind the Hon. Member that the fiscal year has not yet started. It does not start until April 1, and we have 12 months after that during which there will be an average interest rate of 9.5 per cent. Interest rates in the United States are also expected to go down during the same period. All of those reasons support that 9.5 per cent projection.

REVENUE FROM DIRECT TAXES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. speaker, my question is also for the Minister of Finance. Would he confirm that in his own fiscal plan he points out that direct taxes on persons between this year and next year will increase $5.5 billion while direct taxes on corporations will actually decrease by $75 million? Will he simply confirm that?

**Mr. Broadbent:** It's your table.

**Hon. Michael Wilson (Minister of Finance):** I just read out some tables, Mr. Speaker. In 1986-87 personal income taxes will go up $160 million and corporate income tax will go up $380 million. In 1987-88 it will be $460 million against $805 million. That is quite a change.

*FISCAL PLAN* STATISTICS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, on page 99 of *The Fiscal Plan* it is indicated that between 1986-87 and 1987-88—

**Mr. Speaker:** Order, please. This is a preamble. Is there just a question?

**Mr. Riis:** Will the Minister confirm that personal taxes will go up $5.5 billion and direct taxes on corporations will decrease by $75 million?

**Mr. Rossi:** You wrote it.

**Mr. Rodriguez:** Is it a misprint, Mike?

**Mr. Broadbent:** Is that the French edition or the English?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, what I indicated to the Hon. Member—

**Mr. Deans:** Will you confirm or not?

**Mr. Wilson (Etobicoke Centre):** He has read out the figures there, but the tax changes—

**Mr. Rodriguez:** Thank you.

**Mr. Deans:** Thank you, Michael.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, those reflect—

**Mr. Deans:** Well done, Michael.

**Mr. Speaker:** Order, please.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, he is looking at a table which indicates—

**Mr. Deans:** What the hell do you think he is going to look at?

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member will let me continue, I will give him an answer. The Hon. Member is looking at a table which indicates what total revenues will be over this five-year period. However, the changes, as a result of this Budget and the May Budget, are on page 42 which shows that net personal changes will be $160 million against a $380 million increase for corporations.

**Some Hon. Members:** Order!

**Mr. Wilson (Etobicoke Centre):** In 1987—

**Mr. Speaker:** I must interrupt; this is too long.

**Some Hon. Members:** Hear, hear!

• (1430)

EFFECT OF BUDGET ON MIDDLE-INCOME TAXPAYERS

**Miss Aideen Nicholson (Trinity):** My question is also for the Minister of Finance. Although the Minister says he expects to save more through expenditure cuts than through tax increases, that is not what the estimates show. Two-thirds of Government savings this year will be from tax hikes loaded onto taxpayers in this Budget and the last. Why is the Government telling middle-income Canadians to pay their fair share when clearly they are paying the lion's share?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have made it absolutely clear. When we have to face the problem of the magnitude that we faced on September 4, 1984, it cannot be done in one Budget. We have had three different documents, the November statement, the May Budget, and this Budget.

**Mr. Deans:** You should read the one you presented first.

**Mr. Wilson (Etobicoke Centre):** The changes have to be judged as a package and that package clearly is set out in *The Fiscal Plan* showing that 70 per cent—

**Mr. Riis:** Make the poor pay.

**Mr. Wilson (Etobicoke Centre):** —of the changes is in expenditure reductions, 30 per cent is in tax changes, and part of that 30 per cent is in removing some of the tax expenditures which we viewed as no longer fair and which benefit high-income earners.

GOVERNMENT POLICY

**Miss Aideen Nicholson (Trinity):** If the Minister really wants to release the creative spirit of individuals from the heavy hand of Government, as he says, why does he not take his hand out of their pockets and let individual Canadians boost the economy by spending more of their money as they see fit?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I listen carefully to the self-righteous questions of the Hon. Member saying to me I should not have my hand in their pockets when it was the previous Government ran up this huge deficit that we had to deal with. Let's look at what we are doing and spending. If the Hon. Member would let me finish—

**Mr. Speaker:** Order, please.

**Ms. Copps:** Don't be so self-righteous.

**Mr. Wilson (Etobicoke Centre):** Total spending in 1984-85 increased by 13 per cent. Total spending under this administration for the next three years will increase at 3.2 per cent.

**Ms. Copps:** What about last year?

**Mr. Wilson (Etobicoke Centre):** Non-statutory spending has been stopped dead in its tracks.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** It will decline at a rate of 2.7 per cent on average over the next—

**Mr. Speaker:** Order, please. The Budget Speech was yesterday.

[*Translation*]

EFFECT OF TAXES ON INDIVIDUALS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Minister of Finance. Since he is asking us to consider the impact of all the fiscal measures implemented since 1984, is he now prepared to recognize that the impact of these measures will be that, in 1987, the tax burden of individuals will rise to $5.25 billion, while the tax burden of corporations will be reduced? Is it fair that the taxes for individuals should increase to $5.25 billion, while those for corporations are reduced?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think that is an identical question that was previously put by the Member from Kamloops-Shuswap. I will repeat my answer. On page 42 of *The Fiscal Plan* net corporate tax changes are up $380 million as a result of actions taken in the Budget, against $160 million in personal tax changes. Next year it is $460 per person as against $805 for corporations. That shows a clear balance here. The answer still stands on the difference between the table that the Hon. Member referred to and the one from which I just quoted.

PERSONAL AND CORPORATE TAXES

**Mr. Mike Cassidy (Ottawa Centre):** The Minister's answer is he doesn't like the figures on page 9 in light of his *Fiscal Plan* so he has chosen to take another instead. If all Canadians

are to contribute in bringing down the deficit, corporations should contribute, rather than having their taxes cut while taxes on individuals go up by $5 billion.

**Hon. Michael Wilson (Minister of Finance):** That is exactly the same question, Mr. Speaker. But I will try again for the Hon. Member. The chart on page 90 or 92 of the book shows what the total revenues will be of taxes for individuals and corporations. The chart on page 42 shows the changes that are being made as a result of this Budget, and that is the fundamental difference between those two pages.

**Mr. Broadbent:** What's the net effect, Michael, the net effect?

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, I would like to ask the Hon. Member—

**Mr. Speaker:** Order, please. Perhaps I could just ask all Hon. Members to let questions and answers please be heard. The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

* * *

## LABOUR CONDITIONS

### FORECAST OF UNEMPLOYMENT RATE

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, I would like to direct my question to the Minister of Finance. In his Budget why is he ready to accept a 9 per cent unemployment rate at the end of 1987, a full three years after the recession, when in 1981, the year before the recession, the rate was 7.5 per cent? From 1965 to 1980 it was 5.6 per cent. In these circumstances how can he justify accepting 9 per cent in 1987? Why hasn't he made it a priority to bring the rates down to at least 7.5 per cent by that year like Liberals had it before the recession?

**Some Hon. Members:** Oh, oh!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, a soft ball like that is too easy; I have got to hit it out of the ball park. The unemployment rate in 1983, I believe it was, or it may have been '82, was 12.7 per cent.

**Mr. Allmand:** That was a recession.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member says that was a result of the recession. That was a recession that was engineered by the Budget of 1981.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. Order, please.

**An Hon. Member:** It was not a home run; it was a strike out.

### YOUTH UNEMPLOYMENT RATE

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, the Government has now redefined full employment as 9 per cent, and is willing to live with that in 1987, a full three years after the recession. If the Government has such a commitment to do something about employment, why hasn't the Government said one word in the Budget about the 15.9 per cent youth unemployed, 700,000 people whom Senators of all Parties have called a lost generation? There is not one word in the Budget and you are not doing a damn thing about it.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we are doing a damn thing about it. We created 580,000 jobs.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Nowhere in that Budget does it say that I accept 9 per cent, or 9.7 per cent, or 9.6 per cent as a rate with which I am happy. That figure is an economic projection; it is a projection that we are bound and determined to do better. To demonstrate how well we are doing, you read the other part in the Budget which says that this country has created more jobs in Canada than all of the western European countries which have 16 times the population of Canada. We have created more jobs than all those countries.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please.

* * *

• (1440)

## THE BUDGET

### SALES TAX INCREASE

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is directed to the Minister of Finance. When the Minister was in opposition he repeatedly criticized the Liberals whenever they increased the sales tax. As Minister of Finance he has increased the sales tax not once, not twice, but three times. Will the Minister explain why he is continuing the policy of increasing this fair—

**Some Hon. Members:** Oh, oh!

**Mr. de Jong:** —unfair and harmful tax?

**Mr. Clark (Yellowhead):** There is that old NDP ambivalence.

**An Hon. Member:** You got it right the first time.

**Hon. Michael Wilson (Minister of Finance):** I believe, Mr. Speaker, when the Hon. Member referred to the word "fair", what he was referring to was the refundable sales tax credit—which is of benefit to low-income Canadians—to offset the

impact of the sales tax, and I thank the Hon. Member very much for his support.

**Mr. de Jong:** The Minister's notion of fairness and unfairness certainly has us all baffled.

EFFECT ON TAXPAYERS

**Mr. Simon de Jong (Regina East):** Is the Minister of Finance not afraid that the unfairness of his Budget will trigger a tax revolt among the Canadian taxpayers?

**Hon. Michael Wilson (Minister of Finance):** No, Mr. Speaker. The simple answer is that I do not believe that is so.

**Mr. de Jong:** You don't think they have had enough?

**Mr. Wilson (Etobicoke Centre):** I think Canadians understand the magnitude of the problem we are facing as a country. They have also seen very clearly what we are doing with our own Government spending here in Ottawa. As I said before, discretionary spending, the non-statutory spending has been stopped dead in its tracks. It will decline during this year, next year, and the year after, relative to the last year before we took office. That demonstrates to Canadians that we are getting our House in order here in Ottawa. We are asking them to do a little bit by accepting that sales tax—

**Mr. Speaker:** Order, please.

**Mr. Wilson (Etobicoke Centre):** —in order to help get the problem under control.

EFFECT ON LOW-INCOME FAMILIES

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, last year the Government's Budget hit at our grandparents. This year it is hitting at our families. I would like to ask the Minister of Finance this question. Do you really believe—

**Mr. Clark (Yellowhead):** Order.

**Mr. Frith:** —that this is a fair Budget?

**Some Hon. Members:** Order.

**Mr. Frith:** Does the Minister really believe that this is a fair Budget when you are asking—

**Mr. Clark (Yellowhead):** Order.

**Mr. Frith:** —four million Canadian families who live below the poverty line to share in deficit reduction to the tune of an increase in their taxes of $225 and an additional $300 in sales tax?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sure the Hon. Member has been talking to the same people I have spoken to this morning. I am also sure that he would like me to relate those comments which say that what we are doing on the refundable sales tax credit is good social policy; what we are doing on advancing the payment of the Child Tax Credit is good social policy; what we are doing in directing $100 million to those people on welfare to help them get back into the job force is good social policy; and what we are doing on a program for older worker adjustment, to help those Canadians who have lost their jobs get back into the workforce, is good social policy. All of these things together demonstrate clearly that this Government is very sensitive to the needs of those people, those lower-income Canadians and those Canadians who are out of a job.

SOCIAL POLICY INQUIRY

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, does the Minister really believe it is good social policy to ask families earning $20,000 a year to pay an additional $225 more this year in income tax plus an additional $300 more in sales tax? Is that good social policy?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the figures the Hon. Member uses are wrong. They are wrong, wrong, wrong. What I would point out to the Hon. Member is that the items which are referred in my first answer to him are good social policy and there is not one person in the Liberal Party—if they look into their own heart and soul—who will not say to himself or herself: "You are on the right track, Mike".

EFFECT ON SASKATCHEWAN FAMILIES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my question is directed to the Minister of Finance.

**Mr. Guilbault (Saint-Jacques):** Kneel down.

**Mr. Nystrom:** For ordinary Canadians, yesterday's Budget meant taxes, taxes, and taxes. Is the Minister of Finance aware that the average Saskatchewan family have had their taxes increased by $1,340 since the election of the Conservative Party in September of 1984? Is he aware of that?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member refers to families in Saskatchewan. I think that those families in Saskatchewan are very pleased with the initiatives we have put forward—

**Mr. Broadbent:** You said that about the pensioners last year.

**Mr. Wilson (Etobicoke Centre):** —for Saskatchewan farmers. I believe those families in Saskatchewan are also very pleased with what we have done in support of those farmers in Saskatchewan who were suffering from the drought last summer. I suggest the Hon. Member speak to those families in Saskatchewan and just find out where they are coming from.

**Mr. Broadbent:** He will; don't worry, Mike.

**Mr. Wilson (Etobicoke Centre):** I believe they will be pretty supportive.

**Mr. Nystrom:** Those families in Saskatchewan know that Tory times are tough times.

**An Hon. Member:** Right on.

TREATMENT OF THE WEALTHY

**Mr. Lorne Nystrom (Yorkton-Melville):** Does the Minister of Finance think it is fair that the average Saskatchewan family should pay $1,304 dollars more in Conservative taxes since September, 1984 just because the wealthy people are not paying their fair share? Is that fair?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member neglects—not deliberately, I am sure—to remind people that we have reduced the dividend tax credit from which investors benefit, that we have eliminated the scientific research tax credit and income splitting, and have eliminated the use of tax shelters to finance yachts and things like that.

**Mr. Nystrom:** We don't have yachts, Mike.

**Mr. Rodriguez:** What about capital gains?

**Mr. Wilson (Etobicoke Centre):** We have eliminated the carve-outs which were of benefit to the oil and gas industry. All of these measures demonstrate that this Government has brought in more tax reform and cleaned up the Tax Act left to us by the previous Government, in a much more—

**Mr. Rodriguez:** Horse feathers.

**Mr. Wilson (Etobicoke Centre):** —forthright way than—

**Mr. Speaker:** Order. These answers are long.

PUBLIC ACCOUNTS DEFICIT

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, my question is directed as well to the Minister of Finance. The deficit about which the Minister spoke yesterday on Public Accounts was $29.5 million, after doing some strange changes with respect to the Public Accounts. The National Accounts deficit is only $23.2 billion. Why did the Minister not use the National Account deficit figures when speaking yesterday, particularly in view of the fact that it is the National Accounts we compare when we are comparing one country's deficit to another country's deficit?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member has a very valid question.

**An Hon. Member:** Have you got a valid answer?

**Mr. Wilson (Etobicoke Centre):** We have used the Public Accounts figures because those are the ones which have been used over the years and those are the ones with which people are most familiar. But the National Accounts figure and the cash requirement figure are the two calculations which are most comparable, as an example, to the United States definition of a deficit. The cash requirement—that is the money we have to borrow every year—will be down to $11 billion by 1990-91 on very conservative economic projections. We could even have a balanced Budget, with a little better performance in the economy.

[*Translation*]

FAMILY INCOME STANDARDS

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, he announced a refundable tax credit in connection with sales tax. Could the Minister tell us on the basis of what tenet of social justice he decided that, from now on, a family with a $16,000 income is a rich family, while a family with an income of $15,000 or less is a poor family?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, as the Hon. Member, I believe, would acknowledge, this is a major progressive innovation in tax policy and I am sure he is quite supportive of the direction in which we are going. He would probably say that he would like to see us go further and we may well go further. But this is an experiment. We are trying to get this tax credit into practice so that we can see whether in future years we can expand on this as a means of providing some offset to the burden of sales tax on low-income earners.

[*Translation*]

REQUEST FOR CLARIFICATION OF TAX CREDIT

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** Mr. Speaker, I have a supplementary question for the same Minister. Does he realize that in his May 23rd Budget, he reduced the maximum income for admissibility to the tax credit from $26,000 to $23,000, and that he is now reducing it further from $23,000 to $15,000? Why did he not use the same figures as for the child tax credit? Why create three classes of poor people within the Canadian society?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is using apples and oranges for comparisons here. I am sure he knows that.

**An Hon. Member:** He wouldn't know that.

**Mr. Guilbault (Saint-Jacques):** Be honest, now.

● (1450)

**Mr. Wilson (Etobicoke Centre):** Possibly the Hon. Member does not know that.

What I would say to him is that this is an initiative upon which we want to build.

**Mr. Malépart:** *Des pauvres, ce sont des pauvres; des riches ce sont des riches!*

**Mr. Wilson (Etobicoke Centre):** If the Hon. Member would keep his mouth more tightly closed, he might be able to hear an answer.

What we are saying is that this is a start. This is an initiative upon which we want to build in future years. Once we get some experience with it I think we will be able to expand it, as I indicated in my previous answer.

EFFECT OF BUDGET ON ONTARIO FAMILIES

**Mr. Neil Young (Beaches):** Mr. Speaker, my question is for the Minister of Finance. Does he not realize that in Ontario the average family has had an additional tax increase of some $1,304,50 imposed on it since his Government was elected?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am sorry. I missed the question.

**Mr. Young:** Does the Minister not realize that the average family in Ontario has had an increase in additional taxes of some $1,304.50 since his Government was elected?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not going to hide behind the fact that we have had tax increases. I have been right upfront with that. I have said that we have had tax increases. The reason for that is because we have to beat this deficit problem.

I should also point out that during this same period an individual will save $576 annually on his one-year mortgage, and on a three-year mortgage it will be about $1,164. These are savings. There is a balance here. As we get the deficit down, we will be able to spread the benefits of it through lower interest rates into every nook and cranny of the country. Every Canadian will benefit.

CORPORATE TAX LEVELS

**Mr. Neil Young (Beaches):** Mr. Speaker, my supplementary question also is for the Minister of Finance. What I want to know from the Minister is why taxes on average Canadians are increasing while taxes on corporations are decreasing?

**Mr. Hnatyshyn:** They are not!

**Mr. Deans:** They are.

**Mr. Young:** Is that fair?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think this is the fourth time—look to page 42.

**Mr. Deans:** Look to page 99.

**Mr. Hnatyshyn:** Page 44 comes before page 99. We got you there.

**Mr. Broadbent:** That's very good, Ray.

**Mr. Rodriguez:** You should have written the Budget.

* * *

## SCIENCE AND TECHNOLOGY

INCREASED FUNDING

**Mr. Bill Tupper (Nepean-Carleton):** Mr. Speaker, my question through you is for the Minister of State for Science and Technology. For some time I have been concerned about the level of funding for the three granting councils, in particular NSERC. In yesterday's Budget some $300 million was set aside for the granting councils. Can the Minister tell the House if the level of funding will be adequate for NSERC to provide that flow of trained scientists and engineers for us to build a technological society?

**Hon. Frank Oberle (Minister of State for Science and Technology):** Mr. Speaker, it is my intention, together with my colleagues, the Secretary of State and the Minister of National Health and Welfare, to announce tomorrow the details of the significant increases for the funding councils, which will amount to $1 billion over five years. Indeed, it is expected that we will meet the expectations of the science community to build on Canada's future for the 21st century.

**Some Hon. Members:** Hear, hear!

* * *

## REGIONAL ECONOMIC DEVELOPMENT

EFFECT OF BUDGET

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is for the Minister of Finance. I remind the Minister that equality of opportunity is of paramount concern to a great many Canadians. Will the Minister explain the fairness of the substantial reductions which have been made in the economic and regional development envelope when the poorer regions of the country in Atlantic Canada and in British Columbia are crying out for additional assistance from the national Government here in Ottawa?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, one of the things upon which I have commented on a number of occasions is that if we can get interest rates down, the effect of lower interest rates will affect every part of the country. John Bulloch and Michael McCracken have both indicated their expectation that there will be significant reductions in interest rates—2 percentage points, 5 percentage points.

The Hon. Member is also very much aware of the important initiative in the Budget to help the Atlantic region in terms of creating jobs. The $1 billion Atlantic Enterprise Program, which the Minister of Regional Industrial Expansion is announcing today in the Atlantic provinces, will be of great

benefit to people throughout the Atlantic community, as well as the Gaspé region.

PROVISIONS AFFECTING ATLANTIC CANADA

**Mr. Dave Dingwall (Cape Breton-East Richmond):** Mr. Speaker, I am glad the Minister has mentioned the $1 billion fund because this Government has reduced its commitment to regional and economic development in that envelope by $6 billion—

**Mr. Speaker:** Just a question, please.

**Mr. Dingwall:** Where is the fairness to the poorer regions of the country? The Minister is slashing Atlantic Canadians and the people of western Canada by a substantial amount. Where is the fairness?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, again the Hon. Member is dead wrong.

**Mr. Dingwall:** It's right here in your book, *The Fiscal Plan*, at page 31, a 38 per cent reduction.

**Mr. Deans:** I think someone should have given lessons on the book.

**Mr. Speaker:** Order, please. The Hon. Minister may want to complete his answer.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, I would be very happy to give an answer if the Hon. Member would care to listen.

We have cut spending in the economic and regional development envelope; but we have done it in a very selective way.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** We have cut spending in those areas of the country which can afford to take cuts. We have cut spending in the off oil program, CHIP, and the insulation program. We have cut spending in those programs which have not proven themselves to be effective. However, we have been very careful not to cut spending in those parts of the country which can least afford it, which is why we have not cut spending—

**Mr. Speaker:** Order, please.

**Mr. Dingwall:** Supplementary question, Mr. Speaker.

**Mr. Speaker:** The Hon. Member for Vancouver East.

UNEMPLOYMENT IN BRITISH COLUMBIA—BUDGET MEASURES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question for the Minister of Finance concerns British Columbia. Does the Minister realize that unemployment remains very high in British Columbia and that his Budget has not provided any special assistance in this regard to British Columbians? Does he also not realize that families who face unemployment and who may lose their jobs tomorrow simply cannot afford an extra $1,300 in taxes which his Government is imposing on them?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, 51,000 jobs have been created in British Columbia since 1984. That is a pretty good record.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** In addition to that, the Minister of Regional Industrial Expansion signed a very generous Economic Regional Development Agreement with the Province of British Columbia. We recently entered into an agreement with the mining company Cominco to support employment in that part of the Province of British Columbia. Those are three clear initiatives which indicate our support for the Province of British Columbia.

TAXES PAID BY AVERAGE FAMILY

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, is it fair that an average Canadian family, many of which are headed by women these days—women who are working on low wages—has to pay over $1,300 in extra taxes while wealthy Canadians are not paying their fair share?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, again I think we have some imaginative use of numbers here. What is very important to remember, and the Hon. Member should recall my last answer to the Hon. Member from Nova Scotia, is that if we cut spending more it will require fewer taxes. However, if we cut spending more it will probably affect those parts of British Columbia about which she is concerned. This is why we have a balance here. This is why we have put 70 per cent in savings while keeping 30 per cent for tax increases in order that all Canadians can participate.

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## HUMAN RIGHTS

GERMAN DEMOCRATIC REPUBLIC—DISCUSSION OF ABUSES

**Mr. Benno Friesen (Surrey-White Rock-North Delta):** Mr. Speaker, my question is for the Secretary of State for External Affairs. Press reports indicate that the Government is negotiating with the German Democratic Republic which wants to open an embassy here in Ottawa. In view of the abysmal human rights record of that country and the fact that it is not living up to the Helsinki Accord, and that just a year ago citizens of—

• (1500)

**Mr. Speaker:** Order, please. I think it is time for a question.

**Mr. Friesen:** I would like to ask the Minister if he would use this opportunity to negotiate with that country so that it may improve its human rights record and provide for better delivery on the Helsinki Accord.

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we are discussing actively with the authorities of East Germany a number of particular cases of abuses of human rights, some of which the Hon. Member himself has been involved in very helpfully. We intend to continue to do that. We also intend to continue to discuss with them a possible reciprocal arrangement regarding embassies.

* * *

## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I would like to ask the Government House Leader what business he proposes for the coming week.

**Hon. Ray Hnatyshyn (President of the Privy Council):** Mr. Speaker, I have already advised the Opposition House Leaders of a slight change in the projected order of business that I had announced last week. Tomorrow, rather than carry on with the budget debate, we will proceed to second reading of the borrowing authority Bill that was introduced by the Minister of Finance (Mr. Wilson) last night. We will return on Monday to the Budget debate and carry that on to its conclusion.

I should also point out that there have been discussions with the House Leaders and I think it is agreeable that there is an extraordinary circumstance which we are all happy to accommodate. On Monday, there will be, by unanimous consent and by order of the House, a disposition to adjourn the House after Question Period and suspend the sitting of the House until 4.30 p.m. to allow Hon. Members to attend the memorial service for our late colleague, the Hon. T. C. Douglas. This time will be lost to the debate but it will be counted as a full day in the debate on the Budget.

**Mr. Deans:** Mr. Speaker, I would like to extend the thanks of our Party to the Government for extending that opportunity and courtesy.

**Mr. Speaker:** The House should know that we now have, in effect, a motion put by unanimous consent that the House suspend the sitting at the end of Question Period on Monday until 4.30 p.m., and I think there is unanimous consent for its introduction and adoption.

**Some Hon. Members:** Agreed.

**Mr. Speaker:** So ordered.

Motion agreed to.



## GOVERNMENT ORDERS

[*English*]

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the Motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006); and the amendment to the amendment of Mr. Riis (p. 11009).

**Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East):** Mr. Speaker, any examination of the Budget presented last night must be considered jointly with the Budget presented in May, 1985. When the two Budgets are considered together, it is pretty clear that the Government has made a massive attack on the taxpayers and consumers of Canada.

There have been massive tax increases but no tax reform. There has been an ouright attack on wage earners and salaried employees. There has been no repeal of the $500,000 capital gains tax exemption. As I have said, there has been outright gouging through taxation of Canadian taxpayers and consumers.

Let us look briefly at what Canadians have in store for them. As a result of last night's Budget, taxes have been increased by $1.9 billion. If we project those increases through to 1990-91, they amount to $3.42 billion. What is interesting is the inequity between the amounts raised by those tax increases on individuals and the amounts raised by taxation on corporations and businesses. Of the $1.9 billion that the Budget will raise through taxation, $1.5 billion will be levied on individuals and only $380 million on corporations.

**The Acting Speaker (Mr. Paproski):** Order, please. If there are people who would like to have conversations, would they please go behind the curtains?

**Mr. Allmand:** If we look at the figures in the Budget, we will see that the impact of the massive taxation falls on individuals and does not fall on corporations and businesses. As a matter of fact, over the next three years, corporate taxes will decline and taxes on individuals will increase.

I simply referred just a moment ago to the increases in taxes as a result of last night's Budget, but if those are put together with the increases in taxes imposed by the Budget of last May, the total increase in taxes for 1986-87, the next fiscal year, will be $6.2 billion, by 1990-91, it will be $13 billion, $13 billion taken out of the pockets of Canadians through taxation as a result of the two Budgets presented since the Conservatives came to power.

These are massive increases in taxation for individuals. Some say that they are the greatest increases in 15 years. The tax reductions are for the benefit of corporations and very little is done for individuals.

As well, I must remind the House that the measures introduced in the Budget of May 1985 are still in effect. There is

still a Bill going through Parliament designed to reduce the indexation on family allowances. That Bill is presently in the Senate. It was pushed through this House by means of closure. There is still legislation that provides for the deindexation of personal taxation and cut-backs on unemployment insurance for Canadians taking early retirement. The Government is not only massively raising taxes but also cutting back on Government programs and in many cases on Government programs which are useful to needy Canadians.

For example, as was referred to during Question Period by my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), there has been a cut of $9.1 billion from the economic and regional development envelope, a cut amounting to 38 per cent over three years, a cut which will affect very severely the regions with very high unemployment which are facing difficult economic times. There are not only increases in taxation but very important and callous expenditure cuts. It is amazing that the Conservative Party bragged about those cuts as if it were a great achievement to take away benefits needed by Canadians to meet their daily needs of life.

The Canadian Jobs Strategy Program is being cut back by $100 million in 1987-88. There are employment programs in the Budget for older workers and welfare recipients, but those programs are vague for the time being and are being delayed. The Budget indicates that they will have to be worked out in due course with the provinces and the private sector. We do not really know the details of those programs, and in any case they do not come into effect right away. On the other hand, the taxes announced last night are certain and immediate. They come into effect as soon as possible.

With respect to the cuts, the blue book of Estimates which we just received today will reveal more. We will know what other spending programs will be cut back. However, the cutting of these programs, many of which had a humanitarian purpose, is nothing of which to be proud. Many of these programs provided essential services to needy Canadians and now those Canadians will have to do without those services and they will get to know about that as they begin to live with the situation of those programs no longer existing.

● (1510)

It is also clear that the cutting of the regional development programs and so on will lead to a situation where the gulf between the rich and the poor will become greater, where the rich will become richer and the poor will become poorer. A recent article in *The Toronto Star* indicated that welfare cases in Metropolitan Toronto were up by 48 per cent. It indicated that the number of people on general welfare in Metropolitan Toronto went up 48 per cent in the last four years, at a time when the Government was claiming that there had been a decline in unemployment. In fact, the number of working poor is increasing at a time when those people in the upper or richer brackets are becoming even richer and are escaping many of the tax measures that are being imposed upon those who earn income from salaries and wages. One could argue that not only are these measures to cut back on Government programs and to impose heavy taxes on salaried and wage-earning Canadians cruel in themselves, but they are against the provisions of the new Constitution. Section 36 of the Constitution, one of the outstanding sections, is a very concise declaration of Liberal policy and philosophy. It indicates that without altering the legislative authority of Parliament or the provincial legislatures, or the rights of any of them in respect of the exercise of their legislative authority, Parliament and the legislatures, together with the Government of Canada, are committed to promoting equal opportunities for the well-being of Canada, furthering economic development to reduce disparity and opportunity, and providing essential public services of reasonable quality to all Canadians. We have a commitment in the Constitution by the Governments of Canada to narrow the gulf between the rich and the poor, not only on an individual basis, but on a regional basis—central Canada *vis-à-vis* the Atlantic area, the south of our country *vis-à-vis* the north of our country. There is a commitment in the Constitution to do that. The Government is cutting programs without paying any real attention to whether or not the programs are necessary. That is how it is being done. Priority has not been given to the programs themselves but simply to cutting back.

This imposition of taxes is contrary, if not to the letter of Article 36 of the Constitution, at least to the spirit of it. The gulf is getting larger all the time, yet the Government persists with a program which it believes will bring good to the country. The Government's models in all this are Margaret Thatcher in Great Britain and Ronald Reagan in the United States. It is interesting to read an editorial which appeared in the New York *International Herald Tribune* and was written in London, England. It dealt with the growing criticism against the Thatcher Government for doing the very thing which our Government is doing in the Budget. It read in part:

> Mrs. Thatcher's rivals from the liberal wing of the Conservative Party now say to her that enough is enough, and that the unemployed should be put to work to build needed housing and public works. They say that industry should be backed by government, just as it is in France, West Germany, and Japan; that "not everything can be left to market forces"—
>
> The critics are calling for a restoration of that measure of social spending and of government intervention in the economy that is both traditional Conservative Party policy and exists in one form or another in all Western European countries.

It is true that it has been a tradition of Conservative Parties, of Liberal Parties and of Social Democratic Parties to try to bring back some balance between the rich and the poor. Since the Second World War, Governments in western democracies have played the role of redistributing wealth in their countries. It has only been in the last few years, under the Governments of Reagan in the United States and of Thatcher in England, that there has been an abandonment of that principle of Government. As was pointed out in the editorial, it was even a policy of Conservative Parties at one time. The tide is turning in Britain. They have seen the result of that type of policy—a widened gulf between the rich and the poor, and a two-tiered society in which there is turmoil and in which there are soccer and race riots in the great northern cities of Britain because not enough attention is being paid to the humanitarian side, to social problems or to political problems. The total concentra-

tion has been on the bottom line, on what is profitable and on what is and is not a deficit. That is not enough in the long run. As a matter of fact it is even poor economic policy because these conditions undermine economic well-being.

At the present time there are 4.5 million people living below the poverty line in Canada. There were several measures in the Budget of last May and the one of last night which are contrary to long-standing traditions in western democracies of dealing with broad-based social and economic problems. The Government, with these two Budgets, is abandoning its traditional role of equalizer between the rich and the poor to ensure that the wealth of the country is distributed more fairly.

Let me concentrate for a few minutes on the problem of unemployment. It was very interesting during Question Period today when I asked questions of the Minister of Finance (Mr. Wilson). It was mentioned in the Budget that they expected to have a 9 per cent unemployment rate at the end of 1987, which is a full three years after the turn around in the recession. The recession not only hit Canada; it hit the whole western world. A full three years later the Minister is still willing to accept a 9 per cent unemployment rate. In a supplementary answer he said that he did not accept it, but there was no other target in the Budget. The only target mentioned in that document was the 9 per cent. I pointed out to him that in 1981, the year before the recession, the average rate of unemployment in Canada was 7.5 per cent. In the period from 1965 to 1980, it was 5.6 per cent. It jumped in one year, from 1981 to 1982, to 11.9 per cent.

**Mr. Andre:** Who was in Government?

**Mr. Allmand:** The Liberals were in government. The Conservatives were in Government in Britain under the same circumstances, and it jumped to 13 per cent and is still 13 per cent. The Government ignores the fact that the recession is over and it is still willing to live with a rate of unemployment which is much higher than it was in pre-recession times. It is putting its head in the sand and is ignoring the feelings of the people of the country. When we read the editorials and the polls on this subject, it is evident that the Canadian public is not impressed with the repeated claims about the 580,000 jobs. Perhaps it is because there are so many new Members in the House that many of them do not know anything about what happened before September, 1984. The Conservatives boast that these 580,000 jobs in 17 months, from September, 1984 to January, 1986, is some kind of a record. That is false. In the 17 month-period from August, 1978 to January, 1980, 597,000 new jobs were created, and 631,000 new jobs were created in the 17-month period from September, 1972 to January, 1974 in a smaller labour market.

**Mr. McKnight:** What recession are you talking about?

**Mr. Allmand:** That was a period of expansion, and it should be a period of expansion right now. Here we have a Government in a post-recession period yet willing to live with a 9 per cent unemployment rate and doing nothing about it. As a matter of fact there are only two measures in the Budget that will do anything very specific about unemployment. One has to deal with older workers and that for the moment is very vague. The program will not come into efect until God knows when, for many months, if not years, because there is no target. The Government says it has to be developed with the provinces and with the private sector. There is also a program to help find employment for people on welfare, but that also is vague. It has to be negotiated and is sometime in the future.

● (1520)

Ministers get up one after the other and boast about their great performance. But what is the reaction of the Canadian public? Another Gallup poll published today showed that over 55 per cent of Canadians have little faith in the Government's jobless tactics. In a poll published on January 13, 1986, 50 per cent say that unemployment is still the major concern.

The editorial I read into the record the other day came from the St. John's evening *Telegram* for February 8, 1986. Its headline read, "Nothing to Cheer about when there are still 1.25 Million Canadians Unemployed Three Years after the Recession and we have a Government that is still Happy with its Record in Employment". I have an editorial that expresses the situation very well. It is from *The New York Times* on the situation in the United States where the unemployment rate is down to 6.6 per cent. It reads, in part:

> Still, Too Few Have Jobs.
>
> Each month the White House trumpets another increase in the number of Americans with jobs.—Even 6.6 per cent is high unemployment, especially so in a strong economy.—For unemployment to endure at such high levels is bad news.

The same thing applies in Canada, Mr. Speaker. This Budget is a massive gouging of Canadian taxpayers and consumers through taxation and cuts in Government programs. It is a Budget which, I believe, will not stimulate prosperity but will retard the recovery because it is taking too much out of the economy at a time when we want to expand. It is a Budget which has given no priority whatever to unemployment. There is nothing for youth unemployment, nothing for those who are on long-term unemployment, and nothing for women. It is a Budget that is a very regressive economic document that has very little to say about it in micro or macro economic terms. I believe that once Canadians have had an opportunity to read it and to feel its impact, the standing of the Government will fall even faster than it did after the last Budget.

By repeating misleading figures over and over, as the old saying goes, you can fool some of the people some of the time but a lot of them are going to find out sooner or later what the real situation is. Then you will face the reality of the anger and frustration of those Canadians who are not getting a fair deal and cannot find the jobs they deserve.

**The Acting Speaker (Mr. Paproski):** Are there any questions or comments? Debate. The Hon. Member for Thunder Bay-Nipigon.

*The Budget—Mr. Epp (Thunder Bay-Nipigon)*

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, I have under the Standing Orders of the House 20 minutes to address the subject this afternoon. I regret that because there is a great deal to be said on this Budget. The people of Canada and my constituents in Thunder Bay-Nipigon certainly expect us to speak to the Budget and to express their indignation and outrage at what the Government plans to do to them.

There are only 70 of us in the Opposition, and since this morning only 69. I would think Canadians from coast to coast would wish that there were many more of us in the Opposition to speak honestly to the situation facing us and make quite clear how much the Minister of Finance (Mr. Wilson) has misjudged his targets in deciding how to deal with economic situations and what kinds of taxes and spending plans to arrive at.

Last night at eleven o'clock I had a call from a constituent. I was busy looking through some of the pre-Budget speculation in the press. He wanted to underscore his reaction against the Budget, against the taxing proposals it included, and to encourage me to be very clear about his reaction and the reaction of many people in Thunder Bay-Nipigon at what the Government presumes to do.

I assured him that I would have the opportunity this afternoon and, given the Budget which the Government has laid on us, I appreciate the opportunity to say something about its shortcomings.

I think it is worth taking a moment to consider our situation. The Minister of Finance has done that from his own limited perspectives. Of course, the Government has done a good deal to emphasize the good things that happened in 1985. I think we can say that the Government and the Canadian people were lucky in 1985. Interest rates fell. The existence of a new Government gave many people hope. As a result of those factors, a good deal of them coming from outside the country, things improved.

I remember being shocked about a year ago to have a Conservative back-bencher tell me that the Government's budget plans were tied into hopes that Canada would be able to ride toward recovery on the coat-tails of the Americans. If we could only tie into the American recovery, we would be in luck. In 1985, we got a certain measure of that luck but there is no assurance in 1986 that we will get the same thing. There is every possibility that interest rates will not decline. Certainly real interest rates, the difference between the inflation rate and the going interest rates, are very, very high. There is concern about what will happen to the dollar.

Actions of the Government, particularly focusing on deficits have done a good deal to bring uncertainty into the money markets. The stupid statement of the Prime Minister (Mr. Mulroney) last September, for example, that Canada was bankrupt was one of those irresponsible statements that would sooner or later come home to roost. Unfortunately, when it does, it does so for all Canadians.

The uncertainty in the energy markets is surely designed to make 1986 as perilous a year on an international basis as well as in Canada as we have had for a long time. All of that brings into question the proposition of the Minister of Finance that we will have a 3.7 per cent growth rate in Canada. If we are that lucky, we will see a decline in unemployment of 0.2 per cent which, given a growing labour force, could mean no decline at all in the number of people who are unemployed.

That is the situation that we face in 1986. What could the Government have done about these circumstances? What would have ensured that this would be a Budget for prosperity rather than a prescription for continued depression in the outlying regions of the country and depression in southern Ontario where the recovery of 1985 was the most obvious? What is there to ensure that my constituents in Thunder Bay-Nipigon, who have been very responsive to the arguments that the country desperately needs tax reform, will do better, that they will live better and that more business will be done in the shops and the stores in Thunder Bay if there is an improvement in the fairness and a decline in the unfairness of the present tax system? What hope do we have out of the Budget given to us yesterday afternoon?

I do not think there is any hope at all in those terms. One of the uncertain factors for 1986 is the increasing weight of taxation on individual Canadians and on families. The increasing weight of taxation includes particularly very sharp increases in sales taxes which are borne by all Canadians. The Government has been half-way compassionate enough to recognize that sales taxes bear heavily on everyone, no matter what their income level, and so there is a refund of some of the sales tax in this credit proposal, which is one of the two bright spots in the Budget. The other is some small changes in tax expenditures. In that we see recognition of how serious the effect of the Budget will be on people all across the country.

• (1530)

The weight of taxation is a fundamental problem which faces the Canadian economy. I want to say something about that while emphasizing that the Government's need for revenue, which is obvious to everyone, is the challenge which the Minister of Finance chose to address, but in a most misguided way. If we needed revenue, why, in God's name and in the name of Canadian prosperity, did the Minister of Finance not consider that great range of tax breaks, which he knows is out there, which he has tried to estimate but many of which he has been unable to estimate?

Why did he not come to grips with more than the inventory credit and the investment tax credit provisions which, between them, are expected to bring in $380 million while the 3 per cent surtax on personal income tax alone is expected to bring in $560 million? That is a measure of how half-hearted, tentative, and almost nonexistent the response of the Minister of Finance is to the enormous revenue challenges that face him and to the incredible unfairness of the Canadian tax system.

There is a need for revenue. Why was there not a consideration of the other tax expenditures? There was no shortage of discussion of them. Speculation in the press focused on these. I could point out various instances to which others pointed.

Some of them, of course, would bear on individuals. Far more of them would bear on the activities of corporations. As John Bulloch, President of the Canadian Federation of Independent Business, recognizes so well, the areas that encourage large companies to spend money on capital equipment should be dealt with, because they are designed to reduce employment. When economic activity is slow there is no investment of this sort taking place anyway. Therefore, to provide breaks to companies is a short-sighted thing to do.

The Minister of Finance blew the opportunities in these areas. I would like to put two of them together in a way which may perhaps be somewhat novel. Lottery earnings are not taxable in this country. It is estimated that if lottery prizes were taxed it might produce $500 million to $600 million for the Government. It is possible that it would bring in even more money than the 3 per cent surtax on personal incomes does now. There was no such proposal.

However, insurance awards remain taxable. When making decisions on liability insurance claims judges will have to make adjustments for tax losses in order to ensure that someone who has won a suit resulting from an injury receives a decent income. Judges will have to drive the amounts up into the billion dollar range. Surely one could have considered making insurance awards of this sort, which are rare enough in this country, nontaxable, while at the same time taxing lottery prizes where blind luck is involved. In the process every Canadian would have benefited. It may have been possible to avoid a 3 per cent surtax on personal incomes, and it would surely have been possible to introduce some stability into the insurance market which has been incredibly difficult over the last weeks. There is an example of some novel thinking which should have been brought to bear in drafting this Budget. There was nothing of the sort, of course.

This Budget is a continuation of the principles of budget-making which go back to the early 1970s. This is in fact a Lib-Con Budget. It is the kind of Budget that Liberal Finance Ministers have brought forward quite a number of times, including the restraint. It is perhaps more severe on the taxation side. My Conservative colleagues would surely throw the petroleum and gas revenue tax at me as an instance of a similar kind of Liberal Budget, just to underscore the point that there is not much to choose from between Liberals and Conservatives when they are Ministers of Finance.

What is the consequence of the taxation systems that we have had over the past 13 or 14 years? One of the consequences which the Minister of Finance is obsessed by is a national debt that is nearing $225 billion. If the Auditor General is right that the tax expenditures are running at anywhere from $30 billion to $50 billion a year now, the larger part of that being to the advantage of corporate enterprise, then the Canadian people bear a national debt burden of over $200 billion, which matches the amount of money that has been put into the pockets of large corporations, managers, shareholders, and so on, over the last dozen years.

What is the consequence of that? In the current budget year the Government is hoping for budgetary revenue of over $70 billion. Of that, $37 billion will come from personal income tax. If the interest on the national debt next year is $27 billion, then three-quarters of what all Canadians pay in taxes will go toward interest on the national debt. If successive Liberal and Conservative Governments have financed corporate enterprise with our money to the tune of $225 billion, and that represents an interest loan next year of $27 billion, then three-quarters of the money that all of us will be paying to the Government of Canada is going to go to those who hold the Government's financial instruments. We are going to be loaded down with more and more tax and are going to be paying more and more of our hard-earned money to the Government of Canada for transfer to those who have had the money over the last dozen years to buy the Government's financial instruments.

That is what Lib-Con Budgets have done. The Canadian people have been conned in the most incredible way. Big enterprises in the country have been enriched in the most astounding way. All of us, as individuals, pay the shot to the financial institutions that hold such large portions of these instruments. If they are not financial institutions, they are surely prosperous Canadians who have the money to invest in these. They get some of it back if they pay taxes and also hold these. That is the result of a dozen years or more of budgeting.

• (1540)

Did we see any recognition of that on the part of the Minister of Finance? Did we see any recognition that this country is in desperate need of real tax reform in which the tax expenditures are dealt with? All of those that do not generate employment in this country are done away with so that the mind, and spirit-sapping impact of unemployment would be ended for the Canadian people. Did we see any of that? No, we did not. We saw our Minister of Finance remain obsessed with a national debt, whose total he does not consider in terms of how it was built up and who is quite prepared to continue to burden individual Canadians with this kind of taxation. On these facts ordinary Canadians are not going to support the Conservative Party. If I had my way they would not allow Liberals to con them into thinking that the Liberal Party will do any better, because its record over the years is responsible for much of this.

The Minister of Finance has done his part to add to the complexity of a tax system that everyone knows is almost incomprehensible. I had a Government back-bencher telling me just yesterday after the Budget Speech that my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), is absolutely on the right track, maybe not so much on fairness as on simplifying the tax system. The Minister of Finance does not plan to do that.

Colleagues from the Conservative Party, do you really expect the people of Canada to support you when you pull off that kind of stunt? There is a tax revolt building in this country. I discovered in the election campaign of 1984 that that is a tax revolt that we New Democrats can lead. I am going to do my part to see to it that the people of Canada know exactly how you, as well as the Liberals, are transferring

their hard-earned money into the wealth of those who control the large enterprises, the seven families and groups that dominate so much of our economy. I want them to know that that is what Liberals and Conservatives do to them. Once they appreciate those things, there is going to be a political revolution in this country that will surprise you and be enormously gratifying to me and to my constituents in Thunder Bay-Nipigon who desperately want to lead good and prosperous lives to find the employment that the Government promised them. The Conservatives are not going to do that. In fact, the Minister of Finance has suggested that he wants to get the balance of program expenditures back to the early 1960s. He is too much of an economist and has been absent from here so that he does not remember what the early 1960s were. A lot of Canadians have not forgotten the Diefenbaker depression. If he wants to take us back to that time, the only good thought I can utter is that he might try to take us back to the more balanced tax situation of those days, a good deal closer to fairness between the corporate and the individual. For the 1.3 million Canadians who continue to look for work and are told by the Minister of Finance that if the growth rate is really terrific this year at 3.7 per cent we may see a 0.2 per cent decline in unemployment, this could mean, as happened in January when it dropped to under 10 per cent, that there were actually more people looking for work in January than there had been before because the labour force continues to grow.

The Canadian people expected a lot better. The Minister of Finance, when he was in the Opposition, spoke at various places against the Finance Minister of the time, Allan MacEachen. I have a copy of his speech to the Canadian Club here. He quoted a businessman at the time saying to him, "What could the Government do for the value of the dollar?" He hesitated for a moment and then said, "Mr. MacEachen could rise from his seat in the House and say, 'I quit'." I think that that is a fair thing to say to a Minister of Finance who has been an incredibly naive man and politically insensitive. If Michael Wilson would like to rise in his place in the House and say, "I quit" then the country would stand a better chance of becoming the prosperous place that my constituents and people from coast to coast want it to be.

**Mr. Thacker:** Mr. Speaker, I have just a comment and three points I would like my hon. friend to respond to. He was attacking the sale tax increase and, in fairness, he did acknowledge that there was the sale tax credit, which will help lower income Canadians, and I thank him for that acknowledgement. He went on to make quite an attack on the corporate tax system. I would like his comment on this, because a corporation is nothing more than a legal fiction. Any taxes imposed on that corporation are simply passed through on the price of their goods to the consumers. To increase the corporate tax has always seemed to me personally to be a regressive tax very much like the sales tax. If a corporation is building widgets it is going to pass that through, because if it does not pass it through it is going to go out of business.

There is quite a strong argument that corporate taxes should be seen in the same light as sales taxes as compared to the progressive income tax that is levied on people so that the people with more wealth pay more than those with less wealth. I would like his comment on that.

With respect to lotteries, it has long been thought that if you make an investment for a business you deduct the cost of interest on the money against the earnings. If we are going to tax the earnings of lotteries then surely the Government would have to permit a deduction of the tickets purchased, which leads you to the position that if you sell 14 million tickets at $1 and $14 million are deducted from income tax, in order for somebody to win $5 million—because the rest of that money, the difference between the pay-out and the number of tickets sold, goes usually into charitable goods—will we not be in a net loss position? I would appreciate his comment on that.

The last point is with respect to tax expenditures. I wonder if he would be kind enough to acknowledge that it was the present Minister of Finance who, in 1984, for the first time since the former Conservative Minister of Finance in 1979, filed a statement listing all the tax expenditures? So that it has really been only a year since we have had a general public debate to find out how large those expenditures are in terms of our personal deductions, our spousal deductions, our child deductions, and, true, all of the benefits that go through to corporations. Surely as part of that national debate he would recognize that one year is not an unduly long time. The Minister has already attacked about nine of those tax expenditures, and I am sure we can expect more in the future. Will he acknowledge that that was a wise policy move to publish that document?

**Mr. Epp (Thunder Bay-Nipigon):** I thank my colleague for those questions. As far as the taxation of corporations is concerned, I know there has been a prevailing tendency for some time to argue the proposition that he suggests, that corporations should not be taxed; we should just tax the ultimate recipients of the gains, if you will. The fact of the matter is that you can talk about legal fictions or whatever, what counts in the courts is the existence of the corporation as a legal person. It does not take any perception at all, in examining corporations at work, to realize that they are, in fact, most active and constructive, dynamic, acquisitive, legal personalities. The Hon. Member refers to the fact that corporations use a good deal of this profit. Perhaps I should refer to the fact that in using these retained earnings for investment purposes corporations are doing some odd things, at least in economic theory. One would think that if there were anything like free competition prevailing then these profits would be competed away. What we see instead is corporations that have substantial retained earnings and are able to use them to invest. This fact leads me to think that having these legal persons in the country not by any means distributing anything like all of the earnings that they take in justifies our saying that if they are going to use them for investment purposes they should share some of those earnings with the people of Canada. This is in order to reduce the weight of taxation on individuals so that those individuals would have larger incomes which they could take off to supermarkets and shopping

centres to buy products these companies produce which would keep them in business. These people who make this particular argument for the corporation seem to forget completely that they are in the business of making money. The way to make money is to have business grow, and the only way to have business grow is to have people with more money to spend. That means sharing in the burden of taxation, so that that particular argument follows.

Perhaps in an analogous way I can suggest that I would not be in favour of giving people a credit for the purchase of lottery tickets. But when one makes this windfall gain, I think the people of Canada have a right to share in it in the same way the people of Canada expect to share in capital gains of all sorts, and they are mostly outraged at the $500,000 capital gains tax holiday which the Minister of Finance offered in the Budget of last spring.

● (1550)

As far as the tax expenditures to which the Hon. Member referred are concerned, if he will check I think he will find that it was in August, 1985 that the Minister published the statement on various tax expenditures. So it is even less in that sense than the time he suggested. The fact that the Minister did not use the opportunity in the February Budget to do anything more significant than a couple of measures which will bring in some $380 million when tax expenditures run from $30 billion to $50 billion, suggests to me that the Minister of Finance has blown an opportunity. He talked tough, but instead of being tough with the people with whom he should have been tough, that is, the corporations, he socked it to individual Canadians.

[*Translation*]

**Mr. Blackburn (Jonquière):** Mr. Speaker, I would like to comment on what was said by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). Mr. Speaker, I think it is a sad reflection on the Hon. Member that he is trying to frighten Canadians and predicting all kinds of gloom and doom for 1986. Unlike the Hon. Member, I think the Minister of Finance (Mr. Wilson) brought down a very realistic and very responsible Budget yesterday evening. And why do we have a realistic Budget. Mr. Speaker? Because we also have to deal with what happened previously.

The cumulative deficit had reached $200 billion when we came to power on September 4, 1984, and if we had continued the previous Government's policies, twenty years from now the deficit would have been one trillion dollars, and for the taxpayer, $1 trillion with a 10 per cent interest rate would mean that twenty years from now, the cost of servicing the debt would be almost as high as the sum total of the Budget. Yesterday evening, being realistic meant realizing that we are in a difficult financial situation, and, Mr. Speaker, this is the first Minister of Finance in twenty years who has attained his objective. He told Canadians we had to bring down the deficit. And he talked about cutting $4 billion off the deficit. Well, we went from 38.2 to 33.8 billion this year, which I think this is a vast improvement, and we are now talking about cutting another four billion off the deficit to bring it down to 29.2 billion. That is less than $30 billion, and I think that shows the Government's message is a serious one.

I also said this was a responsible Budget. Mr. Speaker, what is the most important source of jobs in this country? Small business. There are 700,000 small businesses in this country. The Government has great confidence in this sector, and that is why the tax rate on small business income will be reduced from 15 per cent to 13 per cent, to help small businesses generate new investment in the economy and create additional jobs. I believe that our performance in our first year is good enough to warrant the trust of Canadians. We created 580,000 jobs in fifteen months, more than in all sixteen European countries combined. I think that is a good performance. We must persevere and continue along the same path, and that was the message the Minister of Finance gave us yesterday.

I also think we considered another important aspect which is to help those Canadians who are most in need, and I am referring to two measures more specifically, including the $300 prepayment of the tax credit to families whose income is less than $15,000. Furthermore, in connection with the one per cent increase the sales tax, the Government will provide a refundable sales tax credit of $50 per adult and $25 per child, and I think that is important. We have considered the plight of the neediest and poorest in our society, and I think that is what responsible Government means. Mr. Speaker, I wish my hon. friend would remember this in his comments.

[*English*]

**The Acting Speaker (Mr. Paproski):** Would the Hon. Member care to reply?

**Mr. Epp (Thunder Bay-Nipigon):** Yes, Mr. Speaker. I will be very brief, as I should be. The Hon. Member makes the same kind of speech he and his colleagues will be making all over the country, I do not doubt. The situation is a very serious one and the Minister of Finance has focused wrongly in trying to come to grips with it. Rhetoric may work. But if this year turns out to be as difficult as anticipated, then the Canadian people will surely become all the more unhappy. It is a matter of how one sees these things, not a matter of piling up rhetoric to suggest how well things are going to turn out.

**The Acting Speaker (Mr. Paproski):** The period for questions and comments has now terminated. Debate.

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, I am deeply honoured to speak in this debate. Budget debates have been part of the parliamentary tradition since 1773 and none has had more importance in the parliamentary year than the budget debate. This is especially so in terms of this budget debate in Canada in the year 1986. There has been no debate in the history of this Parliament, and in the history of this country, more significant for our national future than the debate on our Budget and the policies it represents. These

policies are vital to Canada's future. Because of these policies the future can be worthy of our past.

A few weeks ago in the riding of Scarborough West, in one of our public schools, I spoke to a class. One of the children asked me what I would choose if I could choose anything I wanted the Government to do. I answered that I would teach Canadians to be proud of Canada. We have so much of which to be proud as a people. No twenty-five million people in the world have done what we have done as a people. We have a population equal to that of the State of California, yet we have taken the second largest country in the world, with one of the most challenging environments, and have made it into one of the major industrial countries in the world. We have such a distinguished history of which to be proud, yet so very few years ago that one would only need one hand to count them, Canadians were wondering if they had a future. They wondered if the future of their country would be in any way like the past of which they were so proud. The answer to their concerns, and the reason why Canadians are no longer worried about their future, is the success of the economic policies which have been put into place by the Government since its election in the fall of 1984.

This Budget is not to be considered on its own. It should be seen as part of an economic plan which began with the Economic Statement of November 1984. It was continued in the Budget in the spring of 1985 and has now taken a significant step further in the Budget of February, 1986.

I would like to review ways in which those economic policies have guaranteed to the people of Canada that we can anticipate a future which will be worthy of the past of which we are so proud. First, our policies have been aimed at reducing the deficit. This has been a major challenge. Indeed, it is a challenge which has concerned the world, which in turn has given its judgement on the Canadian dollar, and that was in large part because of the concern with the deficit, and with good reason. In the year 1975, the deficit represented $87 per capita. In the last year of the Liberal Government, it represented $1,469 per man, woman and child. That is the Liberal record. The Liberals themselves knew what was wrong. They talked reduction. They talked as if they believed they should reduce the deficit. The Minister of Finance in 1980, the Hon. Allan MacEachen, said in his budget address: "We must slow down the growth of public debt charges". Three years later, the Minister of Finance, the Hon. Marc Lalonde, made a stab at it when he said: "We must manage the deficit now to ensure it will come down as quickly as possible". Year after year the Liberal talked reduction, but we have done it. The Liberals had debt charges which in 1975 represented $3,025,000,000. That was the total charges for servicing the public debt in 1975. By the end of the Liberals' term in office, those charges had risen to $22,500,000,000. No wonder people are worried about this country having a future on which they can rely. It is no wonder people are concerned that their country, which was so affluent, prosperous and strong is going down the pipe. They can now be assured that the future is something in which they can have confidence, for, at last, reducing the deficit is not something about which a Government talks but something about which a Government does.

• (1600)

Second, our policies as a Government have been aimed at restraining Government expenditures. That is also something in which our Liberal predecessors believed. The present Leader of the Opposition (Mr. Turner), when he was Minister of Finance in 1975, said that no measure is more important than the control of public expenditures. It was with good reason that he said that, for public expenditures had escalated beyond belief. At the most intensive time of World War II, public expenditures by the Government of Canada totalled $5.5 billion. A generation later, in 1967-68, they had doubled to about $11 billion. And what are they now? I wish it were possible to say that we are reducing expenditures to such an extent that we are getting back to those days when they represented a much smaller part of the Gross National Product. However, we must take heart when we consider that the Estimates submitted by the President of the Treasury Board (Mr. de Cotret) this very day show that we have almost zero growth in the expenditures of the country for the second year in a row, while other costs in our society are growing steadily. There is still growth with respect to the cost of living to the tune of 4 per cent. But the cost of Government is not keeping pace with that. Why would the country not have renewed confidence in the future when it sees that at last through its Government its people are gaining some control on Government spending?

Third, our policies stand for reshaping Government and reducing deficits. We are restraining expenditures and reshaping Government. As the Minister of Finance said in his impressive address last night, we need not more Government, we need more effective Government. I draw to the attention of Members of the House and to the attention of the public three specific ways in which we can do this. For example, the Government is introducing a merit criterion for increasing the salaries of executives. That is a new thought. When did this country's civil service ever have itself challenged by the prospect of showing merit as the standard for gaining a salary increase? When did we last replace seniority, longevity and survival with something called merit? That is a reshaping of Government.

We were also told that within two years Canada Post will be challenged to pay its way. That is a staggering thought. However, it is not a staggering thought south of the border where the United States Post Office not only pays its way without subsidy but actually shows a profit.

We were also told in the budget address that other Crown corporations will be sold and that further steps will be taken to get the Government out of the private sector. One of the most significant ways in which we are reshaping Government is by getting Government off the backs of the people. I draw the attention of the House to one way in which that has been done and on which we should focus attention. I refer to the reform of the Registered Retirement Savings Plan regulations. Plan-

holders will now gain a freedom of which they should never have been deprived. At last, RRSP holders will be treated as adults who have the right to decide how they will spend their own money. No longer will a person cease to be treated as an adult when he reaches the age of 71 and is required by legislation to collapse his RRSP. He can now have a registered retirement investment fund, to which he had been entitled for many years, but will not have the freedom to withdraw from that fund whatever amount he chooses. His retirement years can be shaped by his own choices. There will be a minimum withdrawal required by legislation, but no maximum imposed. Retirees will now be free again, free to live their own lives by making their own choices and by spending their own money. That is an example of what I mean when I say that our policies are reshaping Government itself.

Fourth, we are renewing the economy. Once again, because of our economic policies, Canada is big league. We have had an economic growth rate equal to that of Japan—twice the growth rate of the United States, greater than the growth rate of all the major countries of western Europe. That's big league, especially because the stress has been on generating that growth through the private sector. The expansion has come about for one simple reason, that is, investors again believe in the country. They believe that we have a Government in which they can have confidence. We see this in the way in which month after month the leading economic indicators are up, all of them pointing to the way in which the economy is being renewed. We have heard so much said about the need to help this part of the population and that part of the population. The most important way we can help people is by renewing the economy and giving the people an economy in whose prosperity they can share. We are doing that.

This brings me to the next way in which our policies are benefiting Canadians, namely, restoring employment. Hon. Members are familiar with the macro figure of 580,000 jobs which have been created since our Government took office. We are familiar with the way in which the unemployment rate has fallen to 9.8 per cent, the lowest rate in five years. However, I want to focus the attention of Hon. Members on the way in which the Budget is targeting certain groups of our population and offering them particular assistance in restoring employment. In this regard I refer specifically to young people, women who want to re-enter the labour market and older men who find themselves out of work after years of working for a company or an organization which has suddenly closed down or been taken over. I am thinking of the job strategy programs. I am thinking of the program for older worker adjustment. Each of these programs offers hope and assurance to people who wondered if their futures were not behind them. We are not treating people as statistics. We are treating them as people with feelings and aspirations, people who have a right to dignity and a right to believe that they have years ahead in which they can provide for themselves, live independently and have the dignity of daily work. We believe in that. We are offering it and succeeding in it, as the statistics indicate.

As well, our economic policies have aimed at reforming the tax system. The Budget continues the reform measures which were heralded in the 1984 Economic Statement, continued in the Budget of 1985, and which have now been taken a step further in the Budget of 1986. I refer to the reduction of tax avoidance policies, so many of them added by the previous Government. There is the introduction of the minimum tax, a new tax introduced into the fiscal system of the country. There is the removal of several corporate and personal tax breaks which did not contribute to the fairness of the taxation system. I would say that I looked upon these particular reforms as only a first step toward what I believe this country profoundly needs, and needs critically. It needs a more fundamental re-examination and restructuring of the income tax system. The problem with trying particular reforms of the income tax system, worthy and necessary as the effort is in this interim period, is that the structure of the income tax system itself is wrong. No particular changes to it will get at the basic need, which is to start over again with a healthy tax structure which will provide adequate revenues for Government services, equitable distribution of the tax burden and a tax method which will not work against the incentives to expand our production as a people.

• (1610)

I speak here not on behalf of the Government or of my Party but I express only the opinion of a private Member of the House. I hope that the time is not distant when we could have appointed a task force which could address itself particularly and wholly to a fundamental examination and reform of the Income Tax Act, reform that will aim at removing the dominance and monopoly of personal income tax as the main source of financial supply for the Government. I believe that will not only be a measure of social justice but equally it will contribute to the expansion of our productivity as a country.

In those ways, I draw to the attention of the House and the public that this Budget is to be judged in terms of economic policies which, since the fall of 1984, have achieved this objectives which the Government set for itself during the election. We were elected to reduce the deficit, and we are doing it. We were elected to restrain expenditures, and we are doing it. We were elected to reshape Government, and we are doing it. We were elected to renew the economy, and we are doing it. We were elected to restore employment, and we are doing it. We were elected to reform the tax system, and we are doing it. These are the reasons for which we can look forward to the future with the confidence we were denied in the years 1981, 1982, 1983 and 1984 until the election.

The historian Arnold Toynbee once analysed the history of mankind by pointing out that great civilizations have resulted from a combination of challenge on the one hand and response on the other. The people of Canada were faced with a challenge in 1984. They responded by electing a Government able to make a response equal to the fiscal challenge, which has been described in words no more accurate and eloquent than those of the Premier of Ontario, the Hon. David Peterson, who has said that the federal Government inherited a mess. That

was the challenge and the Canadian people and the Government addressed themselves to it.

Once to every man and nation comes the moment to decide. In 1984, the people in Canada had that moment and they decided. The success of these economic policies has shown the wisdom of that decision for we are now able to face the challenge and combine it with what is now the assurance of opportunity.

**Mr. McKenzie:** Mr. Speaker, I would like to congratulate my colleague on his excellent address. I would like to give an example of how Government policies could work. In 1972, when the Right Hon. Member for Vancouver Quadra (Mr. Turner) was the Minister of Finance, there were 544,000 people out of work. When he left office, 732,000 Canadians were unemployed. We can see that his record as a Minister of Finance was an absolute disgrace. Since the election, under our Minister of Finance (Mr. Wilson), 580,000 new jobs have been created including 129,000 in January. We have turned this record around.

I would like to discuss a disgraceful statement that was made by the President of the Federation of Labour in Alberta. He has been telling the people of Alberta to stay on welfare or UIC and not to take any jobs. In Canada today, there are more than ever job openings and opportunities right across the country, except for a few pockets. There are "help wanted" signs all over the place. Newspapers carry special supplements for "help wanted" ads.

This gentleman to which I refer, Mr. Werlin, has said that no one should take a $4-an-hour job in Alberta. However, the business people have said that many of those jobs are full-time and would pay a junior trainee with no advanced education about $6 per hour or $950 per month. I do not think it is so bad for someone to start with. In fact that people are starting out by making $4, $6 or $8 an hour does not mean they are going to stay at that wage the rest of their lives. If they are ambitious, they will advance.

I would ask my hon. friend what he thinks should be done about the statements of this labour leader. I have passed this information on to the Forget Commission. I want the commission to examine this information to find out why there are so many job openings and yet we still have a high unemployment rate.

**Mr. Stackhouse:** Mr. Speaker, I think there are two aspects to the question which my hon. friend raises. The first is the possibility some suggest—and in reporting this I do not concur necessarily with the opinion expressed—that the entitlements through unemployment insurances and other Government programs are too great to encourage people to take jobs that are paying a minimum rate. The other possibility is that there are many, many people in society who need to be able to move, not necessarily from one place to another, though that may be part of the answer, but move from one skill to another, from one occupation to another.

If I may quote the economist John Kenneth Galbraith, he has said that historically, mobility has been the solution to poverty. We are seeing this today, not simply in geographic terms or moving from a high unemployment area to a low unemployment area, but in more sociological and economic terms, with the need to move from skills and occupations that are no longer in demand to those that are in a new demand. That has been the thrust of this Government to a very large degree, particularly in the recently introduced Canadian Jobs Strategy Program and the other programs for older workers to which I had referred.

I have profound confidence that through retraining, educational opportunities and other means, we are going to give people a chance to move from a set of circumstances in which there may be no viable future to another set in which there is promise. They are facing a challenge and this Government is giving them an opportunity.

[*Translation*]

**Mr. Côté (Lac-Saint-Jean):** Mr. Speaker, we have just heard two speeches made by Members of different parties, one by the Hon. Member for Scarborough West (Mr. Stackhouse), the other by the socialist Member for Thunder Bay-Nipigon (Mr. Epp). Both Members listened to the same Budget speech, but their observations this afternoon were altogether different.

The Hon. Member for Thunder Bay-Nipigon said a moment ago that yesterday after the Budget speech Canadians lost every hope for the future. He said that a Budget such as the one introduced yesterday will reduce employment in this country, but when the Budget was introduced last year his leader stated that 55,000 jobs would be lost. Well, the results are in and, one year later, we have 580,000 new jobs and this economic performance of last year has been matched only by Japan. Now, if this is not good news, if this is not encouraging results, I wonder what socialists expect in terms of encouraging results.

They claim they speak on behalf of ordinary Canadians. He said earlier that ordinary Canadians would not vote for a Conservative Party. Mr. Speaker, only ordinary Canadians voted for Conservative candidates in the last election because there are only 30 extraodinary Canadians in this country—the 30 socialists Members on the other side of the House. Mr. Speaker, those Members are here only to save their jobs. They are not here to promote the well-being of Canadians. They keep talking about ordinary Canadians, and that is getting to be a hackneyed expression!

If the Budget's $27 billion in interests are not paid by ordinary Canadians, I wonder who does.

Mr. Speaker, those $27 billion are paid to the banks, to rich people. Those are $27 billion which ordinary Canadians—as the socialists call them—cannot have for social programs, for job creation projects, for anything, period. Mr. Speaker, those $27 billion flow from their pockets right into those of wealthier people.

Mr. Speaker, no-one can possibly be more blind than somebody who does not want to see, and the socialists will always be blind because they simply do not want to see or hear anything.

Mr. Speaker, Canadians generally are satisfied with the Budget because they are pleased with the direction taken by the Government and the Minister of Finance. And that is hope—

**Mr. Rossi:** On a point of order, Mr. Speaker.

• (1620)

[*English*]

**The Acting Speaker (Mr. Paproski):** Order, please.

[*Translation*]

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

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

**Mr. Rossi:** Mr. Speaker, you allowed two groups from the Government side to speak, but when the Member of the Opposition rose to take part in this debate . . . This is not a question or a comment, but a speech he is making.

[*English*]

**The Acting Speaker (Mr. Paproski):** Order, please. I have not recognized the Hon. Member yet.

**Mr. McKnight:** You knew that his question would not be any good.

**The Acting Speaker (Mr. Paproski):** Could we have some order for a moment, please, so that I know what is happening here. I should like to bring to the attention of the Hon. Member for Lac-Saint-Jean (Mr. Côté) that at this point he cannot comment upon the speech of a Member other than that of the Hon. Member for Scarborough West (Mr. Stackhouse).

**Mr. Rossi:** The 10 minutes are over.

**The Acting Speaker (Mr. Paproski):** He had two minutes in which to speak, and I was hoping—

**Mr. Rossi:** The 10 minutes are over.

**The Acting Speaker (Mr. Paproski):** Order, please. The Chair does not wish to get into a debate with the Hon. Member. The Hon. Member for Lac-Saint-Jean has made his statement, but I bring it to his attention that when he puts a question or makes a comment he should do so on the speech of the Hon. Member who spoke immediately before him, not that of another Member.

The period provided for questions and comments has now terminated. Before recognizing the Hon. Member for Sudbury (Mr. Frith) on debate—

**Mr. Orlikow:** On a point of order—

**Mr. Rossi:** I have a point of order.



[*Translation*]

**The Acting Speaker (Mr. Paproski):** —just a minute, please.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** Order, please! It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Honourable Member for Beaches (Mr. Young)—Canada Mortgage and Housing Corporation—Proposed rental increases. (b) Request for referral to Ontario Rent Review Board; the Honourable Member for Papineau (Mr. Ouellet)—Transport—Possible closing of Marine Industries rail division—Government position. (b) Request for clarification of Via Rail requirements; the Honourable Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—Salary increases—Government position. (b) Request that privatization cost benefit studies be tabled.

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## GOVERNMENT ORDERS

[*Translation*]

### THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (Saint-Henri-Westmount); and the amendment to the amendment of Mr. Riis.

**Mr. Rossi:** I rise on a point of order, Mr. Speaker. I should like to bring your attention to the fact that following the speech made by the Hon. Member for Scarborough West (Mr. Stackhouse) during the ten minute period reserved for questions and comments, you allowed remarks which, with deference were debatable. Hon. Members from the Opposition had no time to grill the Hon. Member for Scarborough West about his speech.

[*English*]

**The Acting Speaker (Mr. Paproski):** I appreciate the Hon. Member's comments. I did not see anyone in the Opposition rising to question him, therefore I did not recognize anyone on

that side. I see the Hon. Member for Sudbury rising on debate, but I will recognize the Hon. Member for Winnipeg North (Mr. Orlikow) on a point of order.

**Mr. Orlikow:** Mr. Speaker, I rise on a point of order, and I am not happy to do so. The fact is that after the Hon. Member for Scarborough West (Mr. Stackhouse) sat down, both the Hon. Member for Sudbury (Mr. Frith) and I rose. It seems to me that the purpose of the period for questions and comments is really for opposition Members to raise questions with the Hon. Member who just spoke, and so we should have been recognized.

**The Acting Speaker (Mr. Paproski):** The Hon. Member has been here a long time. He realizes that I would never neglect the Opposition. I would never neglect the Hon. Member for Winnipeg North or the Hon. Member for Sudbury. It was my understanding that they were rising to speak on debate, and I will now recognize the Hon. Member for Sudbury.

**Mr. Stackhouse:** Mr. Speaker, I want to speak on the point of order raised by the Hon. Member for Winnipeg North (Mr. Orlikow). I go on record as opposing his interpretation of the purpose of the period for questions and comments. As I understand it, each of us is equally a Member of Parliament. That has been stressed in the reform measures which have been adopted. We should not impinge upon the rights and freedoms of any Member of the House, regardless of his or her Party, to participate in debate. I would be very happy to face the Opposition at any time; in fact, I would prefer it.

**Mr. Rossi:** Mr. Speaker, that is not a point of order. It is debate.

**The Acting Speaker (Mr. Paproski):** Order, please. The problem has been resolved. I appreciate what the Hon. Member for Bourassa (Mr. Rossi) is saying. As I said previously, the Chair was looking at the Hon. Member for Winnipeg North and at the Hon. Member for Sudbury and thought that they were seeking the floor on debate. I know they will be speaking very shortly, as will the Hon. Member for Kenora-Rainy River (Mr. Parry). I think we have resolved the problem. The Hon. Member for Lac-Saint-Jean appreciates what has happened, so it will not happen again. Therefore we will resume debate, and the Hon. Member for Sudbury has the floor.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, I just want to begin my discussion this afternoon by referring to one point which was made by the Hon. Member for Scarborough West (Mr. Stackhouse). He feels that budget time provides the people of Canada with the opportunity to judge the performance of their Government. I remind him that not only is judgment being made on a daily basis about the conduct of the Government, but the judgment of the people of Canada is given once every four years or five years at the end of the Government's mandate.

I personally find it galling that the Hon. Member indicated that he was in favour of tax reform. He said that it would remove the yoke of Government from the backs of individual Canadians and allow private enterprise to fly free again. He stood in his place and defended the Budget. I hope he stays for some cross-examination, but in the meantime I point out to him the document which was tabled yesterday entitled *The Fiscal Plan.* Page 100 of the document indicates that in 1984, 9 per cent of the Gross National Product was taken up in direct taxes from individuals and that 2.8 per cent was taken up from corporations. I hope the Hon. Member will answer me in about 18 minutes with regard to how he could defend the Government's Budget which increases the percentage of the Gross National Product taken directly from persons under taxation from 9 per cent in 1984 to 10.5 per cent in 1987. In the same period of time, the corporate sector of the economy will be paying even less in taxes. Perhaps he could answer my concern about that. I would be delighted to debate the issue of fairness with him.

The point I want to make today is that the Government will be judged not only on the basis of this Budget but on the basis of the previous one. There is a tendency on the part of Hon. Members opposite to demand that we focus only on the immediate Budget before us. However, I submit that the two Budgets—the Budget of May 23, 1985 and the one of February 26, 1986—are interlinked. A great deal of thought has been put into that interlinkage. The Hon. Member from Prince Edward Island clearly indicated that. I suspect that the two Budgets are the beginning of a plan in which there will be another phase of sales tax increases over the next three years to four years and in which there will be the introduction of a value-added tax to the income tax system. I suspect that some of the social programs introduced in the Budget will be the forerunners of programs which will supposedly protect the poor in society from some of the regressive nature of the tax proposals in the Budget. The fairness issue will be one of the ways in which the Canadian public judges the Government. It is also going to be judged in the way it has handled the regions. On both of those counts the Government will fail.

• (1630)

First, let me talk about the issue of fairness. On May 23, the Opposition indicated to you, Mr. Speaker, our concern about the fiscal intent of the May 23 Budget. We indicated that for the first time in Canadian history, by direct Government taxation, fiscal policy, there will be a widening of the gap between the rich and the poor in our society. Nothing has made us change our minds. What is astounding is that after the debate on the fiscal implications on middle and low-income Canadians that began on May 24, 1985 and ended with the budgetary votes in December, one would have thought the Government had learned its lesson as a result of the debate that took place then.

In addition to the effects of the Budget of May 23, 1985, the gap between rich and poor will widen and be compounded and aggravated by the Budget put forward yesterday. On pages 99 and 100 of *The Fiscal Plan* the Government will increase taxes this year. The percentage increase on persons from 1984-85 to 1985-86 will be an astounding 17 per cent.

That 17 per cent increase in one year is being done in the same year that corporation taxes will be increased by a measly 2 per cent. Yet the Hon. Member for Scarborough West has the gall to tell me he is in favour of a restructuring of the income tax system. He should be in favour of a restructuring of the income tax system, and it should be a restructuring that would allow the Canadian middle class to have less of the burden of taxation than exists today. From the time the Government took office, there has been a consistent fiscal and social policy to widen the gap between the haves and the have-nots.

Let me put this into perspective so the Member for Scarborough West can understand the point I am making. In 1986, a family earning $100,000 a year paid $35,236 in tax. Under the budget proposals tabled yesterday and combined with the Budget of 1985, that family earning $100,000 will pay $34,450 in tax by the year 1988. That family's tax load will decrease by $1,000 over the next three years. However, a family earning $20,000 a year will find its tax bill increased from $1,388 to $1,409 in the same period of time. I question the perverse social logic that would lead a Government to bring in budget legislation that will widen the gap between the haves and the have-nots, between the rich and the poor in our society.

Let us look at the fairness of the taxation changes introduced yesterday. There will be a further increase of 1 percent in the federal sales tax. You have heard it said, Mr. Speaker—it has not been argued in Question Period in questions put to the Finance Minister—that every 1 per cent increase in the federal sales tax results in a further $1 billion being taken out of the economy.

Since September 17, 1984, when the Conservative Government took office, there have been three successive 1 per cent increases in federal sales tax. Three billion dollars has been taken out of the hands of consumers as a result of the federal sales tax changes.

I mentioned earlier that the Government would prefer us to view this Budget in isolation. There is good reason for that, but first I will give the Government credit in the area of social programs. The Government introduced a refundable sales tax credit in this Budget that will give $50 per adult and $25 per child for those with incomes below $15,000.

**Mr. Orlikow:** Less than $1 a day.

**Mr. Frith:** Can you imagine, Mr. Speaker, that the Conservative Government's definition of a median family income is $15,000 a year? In other words, a family with four children earning $18,100 in 1986 will not get one penny of relief from the federal sales tax. That is the 1 per cent federal sales tax that has been introduced in this Budget. The Government would like us to forget about the sale tax increases in the May 23, 1985 Budget and in the November Economic Statement of 1984.

Let us look at the effect of the Budget in 1985 and 1986 on a family of four with one wage earner earning $20,000 a year. As a result of those two Budgets, that family's income tax will go up by $225 and the wage earner will pay an additional $300 in sales tax. The Government's social policy is wrong. It has widened the gap between the poor and the rich. It is wrong to expect 4 million Canadian families, who live below the poverty line with $20,000 a year in family income, to share in the burden of deficit reduction, especially at a time in which we are introducing budgetary measures that will lessen the corporate sector's share.

That, Mr. Speaker, is what the Canadian people will judge three or four years from now when we have the next federal election. I am sure Canadians will speak loudly.

In 1950, federal personal income tax amounted to 23.4 per cent of federal tax revenue and, incredibly, corporate income tax at that time was 28.7 per cent. Over the intervening 25 to 30 years, the share of federal tax revenue derived from corporate income tax has decreased to an estimated 17.2 per cent. As I have indicated, by purpose and by budgetary design the amount of dollars expected from the corporate sector over the next three or four years will be further reduced to its lowest point in history as a percentage of the Gross National Product. That is the kind of social fiscal policy the Conservative Government believes in.

Let us look at some reactions to the Budget of last evening. I am told that the business community was mixed in its judgment on this Budget, but there were several business organizations that were laudatory about the Government's Budget. No wonder, Mr. Speaker. If I were in the private sector in business and found the Government bringing in a Budget that would decrease my tax rates, I would be rather complimentary about the Budget as well.

Who speaks for middle class Canadians and who speaks for the poor, who are being ravaged as a direct result of the fiscal policy of the Government? It is not the individual back-benchers of the Conservative Party. I have yet to see Ministers on the front bench defend the social policy being instituted by the Minister of Finance.

What other kind of reaction should we judge this Budget by? In the last 24 hours the business community, the money markets, have reacted in a very negative way. As of one hour ago, the Canadian dollar has fallen to 70.65 cents U.S. Yesterday, 24 hours ago, when the Minister of Finance just began his speech on the Budget, the dollar stood at 71.68 cents U.S. The dollar has fallen a full percentage point in the space of 24 hours. That is a shocking indictment and should be of some cause for worry for the Government front benches. The money markets are reacting very rapidly.

On the issue of the way in which the Government is handling its commitments to the regions, not only have we witnessed the Conservative Government, which over two successive Budgets has ravaged the middle and low-income Canadians, but we have witnessed its abandonment of its commitments to the regions of the country. Let me be specific: Atlantic Canada, in terms of the unemployment rate and in terms of the number of dollars being allocated under the Department of Regional and Industrial Expansion; northern Ontario, northern Quebec, Sudbury and parts of western Canada. These regions have not been part of the economic

recovery, and the Government has abandoned them. That is the way in which Canadians will judge the Government. Governments are judged on their commitments. In this case I do not take anything away from the Conservative Party. I take nothing away from the fact that we have had an economic recovery in the last 18 months. That recovery has been worldwide, but I will not get into that kind of philosophical argument. I will give the Government credit where it is due. The unemployment rate is down. It is still unacceptably high, but it is down.

● (1640)

However, I appeal to the Government not to abandon the regions of the country which expect the central Government to give them a share of the economic pie of the country. That is what is wrong. The Government has asked that the economic recovery take place only by use of the private sector. It has indicated that there is no role for the Government to play in the economic recovery in terms of public sector involvement. That is wrong.

The International Nickel Company or Falconbridge cannot be expected to be the full engine of growth for economic recovery. MacMillan Bloedel cannot be the sole engine of recovery for the forestry sector in British Columbia. The private sector cannot do all the economic recovery work in Atlantic Canada. The national Government must play a moderating role to ensure that Atlantic Canadians and people from Sudbury have a piece of the economic pie. You cannot simply hive them off and tell them to find a job somewhere in Toronto. Is a 43-year old miner who finds himself unemployed with a young family and a high school education going to be retrained in high tech to find employment in the metropolis of Toronto? The answer is no, and you are wrong if you expect the private sector to play that role.

Every time direct economic programs which abandon commitment to the regions are brought in it facilitates the urbanization of population and abandons the principles that the country was built on 118 years ago. Those are facts which should be borne in mind when discussing the Government's Budget of last evening.

There is another area in which the Government is wrong. It takes great pride in saying that the budget deficit is now below $30 billion. Well, whoopee, Mr. Speaker. Since the Government took office on September 17, 1984, the federal deficit has increased by 23 per cent. Can that be blamed completely on the previous Liberal Government? The answer is no. The Government inherited a budget deficit of $32 billion and it increased it. Now the Government expects Canadians to applaud its efforts to get the deficit below $30 billion.

How was the reduction achieved? Was it achieved through expenditure cuts? The Government is trying to convince the Canadian public that it has done a masterful job on reducing expenditures. Since the Conservatives took office on September 17, 1984, expenditurs have gone up by $7.2 billion. The Government has achieved a projected budgetary deficit in 1986 of below $30 billion by foisting the largest tax increase on middle-income Canadians in Canadian history. That is the bottom line.

The Government is asking middle-income Canadians, who last year paid $38 billion in personal income taxes, to increase that by $16 billion in one year. These are the figures used by the Finance Minister. At the same time as the Government is asking middle-income Canadians to suffer such a massive tax increase, it is letting corporations get away with paying less and less tax. To me, that is the problem with the Government's Budget. The Government is going to fail in the key area where Canadians will judge the fairness of this Budget because it has placed the whole burden of deficit reduction on the backs of middle and low-income Canadians. It is letting the private sector, free enterprise, and the corporate sector get away scot-free.

Every social policy reform group in the country indicated to the Minister of Finance in December what they felt was wrong with the last Budget and what they felt the next Budget should do to help the poor and middle-income Canadians. They asked for tax relief for low-income Canadians. In this Budget there are tax increases for everyone who has a family income above $18,000 a year. So much for listening to the Canadian public. They indicated that they wanted a tax system which would give personal income tax less of a role and give the corporate sector its fair share of the tax burden. We got the complete opposite in the fiscal policy of the Government. There will be more taxes on middle and low-income Canadians and less taxes on the corporate sector. That is the net effect of the Government's policy.

The social policy reform groups asked the Government to review its decision with regard to the $500,000 lifetime capital gains tax exemption. There is no suggestion in the Budget of even reviewing that. This is the same Government that said it could not find enough money to shield fully low and middle-income Canadians from the devastation of a federal sales tax which everyone in the House agrees is regressive. The level at which low-income Canadians are going to be protected is set at $15,000 a year. The Government cannot find any money from them, but it can afford to give $500,000 worth of capital gains tax free. That is going to be the indictment of the Government that has failed to live up to its commitment of fairness to the Canadian public who will judge it in three years.

**Mr. Orlikow:** Mr. Speaker, it was interesting to hear the Member of Sudbury (Mr. Frith) remind us that in 1950 corporate and personal income taxes brought approximately equal amounts to the Canadian Treasury. I remind the Hon. Member that for 30 of the 36 years since 1950, Liberal Governments were in office and gave tremendous tax concessions to the corporations.

**Some Hon. Members:** Hear, hear!

**Mr. Orlikow:** Mr. Speaker, the Citizens for Public Justice, an independent Christian public advocacy organization which has received the support of virtually every major church organization for some of the proposals it has made in the last

few days, has proposed that the Government change the tax system in the following way:

> $2.1 billion would be raised by reducing tax exemptions for corporations, thus yielding 20 per cent more in corporate income taxes;
>
> $1.1 billion would be raised through a special surtax of 7 per cent on the after-tax profits of Canada's 500 leading companies;
>
> $2.9 billion would be raised by eliminating tax exemptions which mainly benefit wealthy Canadians, such as the $500,000 capital gains tax exemption and the expanded tax exemptions for Registered Retirement Plan contributions;

Could the Member for Sudbury support those kinds of proposals? If he can, where was he when the Liberals were in Government?

**Mr. Frith:** Mr. Speaker, I mentioned earlier that a Government is judged on its fairness, on how it treats the less advantaged, the poor, and the elderly in society. The Member conveniently used the figures from 1950 to 1984. I take responsibility because I was a member of the Government of the day and, for a very short period of time, a member of the Cabinet. The answer to that is simple. During the intervening 30 years, Canada had the fastest growing population in the western industrialized countries. We had a tremendous job of ensuring that the young people, the less advantaged, and those coming into the workforce, had an equal opportunity to share in the economic pie. As a result of the tremendous pressure on the system the Government was forced to give away certain concessions to corporations in order for them to have accellerated capital depreciations so that equipment and machinery could be brought on and job placements for the young could be made. Not once in those 30 years was there a deliberate social or tax policy to widen the gap between the rich and the poor. The Liberal Party always stood for the poor and the oppressed and every one of the social and fiscal policies introduced during those 30 years went towards making sure the gap narrowed between the rich and the poor in our society. That is what is diametrically wrong with this Budget brought down by the Conservatives. It is the first time in living memory that a Government, by deliberate taxation policy, is going to widen the gap between rich and poor. I will stand by the Liberal record any day of the week.

● (1650)

[*Translation*]

**Mr. Hamelin:** Mr. Speaker, I am not not a great tax specialist or an expert in taxation and I am relying on simple common sense, but in Charlevoix, common sense tells us that you are rich when you do not have any debt, and I believe that the best way to reduce the gap between the rich and the poor in Canada would be to pay our debts. I did say our debts because their debts have effectively become ours, and we have received a mandate to pay their debts, which are now our debts, to bring about a better distribution of our collective wealth among all Canadians. On the other hand, my learned colleague the tax expert said that a 1 per cent increase of the sales tax would take away $1 billion from the Canadian economy. I would like to ask him this: How much has it cost us to have a debt of $200 billion, which is what he left us, and a deficit of $30 billion, which is what we have this year after bringing down to $33.8 billion what, under his Government, was a deficit of $38 billion? How much does this take away from the Canadian economy? Is this not much more painful than the tax increases which we have had to impose? Naturally, the Opposition must criticize, and I think that the Hon. Member does it quite well, but criticizing is not simply saying anything you like. I believe that we have to pay our debts. The Hon. Member also spoke about outlying regions. I represent such a region myself. Do you think that the Government likes having to take $30 billion from the pockets of Canadians? Do you think that we are inhuman? Very often, the Opposition considers that the world is divided into the wealthy, who are insensitive and cruel, and the poor, who work with their hands to pay for the bare necessities of life. Do you think that we are too insensitive to understand the development needs of our regions? I ask this question with the common sense of the people of Charleboix. In the near future, will being wealthy not mean being able to pay our debts, or rather your debts?

**Mr. Frith:** Mr. Speaker, the answer to that question is this: Why did you, the Government, decide to reduce the deficit on the backs of middle income Canadians and poor families? Why did you choose to do this? You had a choice in the Budget and you decided to reduce the deficit on the backs of poor and middle income families, but not on the backs of small businesses or big corporations. You attack only the poor. You will therefore have a problem in explaining your choice to your constituents next week-end.

**An Hon. Member:** Well put!

[*English*]

**Mr. Speaker:** Questions and comments are now terminated. Debate.

**Mrs. Mary Collins (Capilano):** Mr. Speaker, it is certainly a privilege for me to enter into the first full day of debate and to be able to express the views from the point of view of a British Columbia Member on the Government side. I would like to use my time today to talk a little bit about the B.C. perspective and some of the tremendous opportunities which this Budget provides for us in British Columbia. I would like to start first by looking at it within the context of what we have heard from the Canadian public and how we have listened and how we have responded.

I find this Budget indicates a Government that, first of all, is firm but is also fair. It shows also a Government that is consistent, but a Government that cares. Those are themes which are indicative of the kind of Progressive Conservative Government that we have in this House. As I went through my riding over the past six months and talked to groups of all kinds from low-cost housing, the business community and the native Indian community, one issue that came up consistently was, "What are you going to do about this deficit that you have inherited?" Most people recognize that it was not this

Government's fault, that it was the accumulation of years and years of wanton spending, of not considering the real needs of Canadians and their desire to have a Government that was concise and had a streamlined operation.

Because of the situation we were in they were not quite sure what we could do about it. They were not sure if we were prepared to do anything. People would say, "Are you really going to tackle the deficit? Can you do it without hurting people?" They were saying, "You have got to do it". People were speaking from two points of view. First, people from the business community were saying that the impact of the present load of debt that this country is carrying is having an adverse impact in terms of the international investment community. You will not be able to attract those dollars unless you show that you are a Government that is determined to turn the ship around.

I was hearing it from ordinary Canadians who were saying, "What is this debt going to mean to my children or my grandchildren? If it carries on the way it is at astronomical rates, my kids are not going to have any future. They are not going to be able to pay for old age pensions and I am probably not going to have any kind of retirement."

I am so pleased today to be able to tell my constituents and all Canadians that they have a Government that has guts, that is determined to make those changes and is turning the ship around. It is not easy, but with our performance to date and the Budget we put forward, substantial progress has been made.

Let me just draw your attention to some of the facts. We know that this year we had projected a budget deficit of $33.8 billion. A lot of people said, "Ah, you're not going to be able to meet that target. A number of things have happened, it is going to be higher than that". The Minister of Finance (Mr. Wilson) has said, and it was not easy, that with a lot of hard work, and it was not easy, we are going to be able to achieve that objective. We are going to be able to say, "Canadians, you can believe our word. What we say is what we do". That is a very important and strong signal to Canadians.

We have also said in this Budgete for the first time that in the coming year we will reduce that deficit to $29.8 billion on the old accounting system, $29.5 billion on the new accounting system and $23.5 billion on national accounts. It depends which way you want to look at it. No matter how you look at it, that is good news, that is a substantial decrease.

Then you have to look at the forecast, because this Budget should not be viewed in isolation, it is taken together with the November, 1984 Economic Statement, the Budget of last year, today's Budget, and the projections we have put forward, and what we see are really happy news. We see a decrease in that debt down to $22 billion by 1990-91. In terms of Gross National Product, the deficit will fall from what it was last year, 7.7 per cent in 1984-85, down to 3.7 per cent in 1990-91. That means this nation will be $100 billion less in debt than it would have been had the Government not taken the measures it did in the past 18 months. I think it is a remarkable and extraordinary process which no previous Government could ever have achieved.

• (1700)

The Minister of Finance (Mr. Wilson) said that as well as looking at the debt, we should look at what our financial requirements are, because that is a very important indicator which is looked at very closely by the international community. The news here is even better. Because of the expenditure controls we have put in place and because of the increased revenues from new taxation measures, our financial requirements will fall from $30 billion in 1984-85 to a projected $11 billion in 1990-91. In terms of Gross National Product, that means a fall of from 7.1 per cent this past year to 1.7 per cent in 1990-91. In five years, following on our course of action, we will only have to borrow $11 billion or 1.7 per cent of the GNP. Just think of how that is going to free up opportunities.

I say, therefore, that this Budget is the first step in terms of trying to attain fiscal stability that we have seen in our country for over 20 years. Of course, it also puts to bed all those nay sayers, those doomers and gloomers, who said yesterday: "Oh, geez. The Budget is not going to create any jobs. We are going to lose all those jobs". Some Hon. Members said that last year, but we know now that it is not true. In the past 18 months there have been 580,000 more jobs created, while we have reduced the Budget and curtailed Government expenditures. I am pleased that 51,000 of those jobs are in my own Province of British Columbia.

How have we been able to achieve some of these tremendous objectives? As the Minister of Finance said yesterday, we have started by getting our own House in order. It started right here in Ottawa. We are all prepared to give up $1,000 this year and that is only fair. But we have done so much more. I find that many people have the perception that there is tremendous fat and waste in Government. I think particularly of British Columbia. That province is so far away, but suddenly there are all those billions and billions of dollars just done away with. People might think that there would not be any impact anywhere, but after one has been around here for a while, one realizes that that is not quite the case. Every program has a group which is affected positively by it. If we are going to do away with programs, we have to be quite sure we know what we are doing away with, and we have to do it carefully and humanely or we may institute more pain and grief. So our approach has been one of sound fiscal management.

The Minister of Finance has announced a decrease of 15,000 jobs in the Public Service by the end of the decade. He is eliminating programs which no longer serve a useful public policy purpose. I think of the PIP grants, the CHIP grants and other programs. We have reduced certain subsidies to VIA where they are no longer required. We are selling off Crown corporations which no longer play a vital role in our public policy. Of course, this year, we are announcing another 2 per cent reduction on all Government expenditures, which will mean $500 million out of the discretionary area and an additional $300 million in the reserves. These efforts will bring

Government spending down from 26 per cent of the Gross National Product in 1984-85 to 21 per cent by 1990-91.

As we all know, Government spending grew at an annual rate of about 13.4 per cent over the past decade. That is far higher than inflation. Inflation was running at an average of around 8.8 per cent. Government spending was just galloping and consuming more and more of our dollars. This year that has been stopped. We have the motors in reverse. Government spending has been brought down to 3.2 per cent in the coming year. In fact, in the discretionary area, as we have heard already this morning from the President of the Treasury Board (Mr. de Cotret), it has been basically stopped entirely at a minimal .2 per cent.

What the President of the Treasury Board announced this morning was one of the most exciting prospects. He said we are going to award productivity. There will be new programs to reward people who have new ideas, who work hard and who are productive. In British Columbia, my industries have had a tough time over the last little while, the forest industry and the mining industry. But they did not give up. They became more productive and now have one of the highest rates of productivity. I think we can do that, too. There is a tremendous challenge out there and I know the President of the Treasury Board is going to work hard in that respect.

This Budget also does some other things. It shows that we are targeting our spending more effectively. We are identifying our priorities and we are building on our strengths. We have identified, I believe, some very important areas about which I, in particular, am concerned. The field of research and development, from the perspective of British Columbia, is terribly important. We have all heard, of course, from the funding councils, NSERC, the Medical Science Council and the Social Sciences Humanities Council, which are putting in place five-year programs. There will be $300 million more for those councils.

There has also been a new and extremely innovative idea which will bring together the business sector, these councils and the universities. We will match dollar for dollar up to $700 million over the next five years with a potential increase of $1 billion for those funding councils, and most of it goes directly into the universities. I am not sure that many people realize the tremendous boost that this is going to give to our research and development activities in our universities. In the Budget last year we introduced our new scientific research program where there are certain deductions. I can see that if we put that together with our new program, it will provide tremendous opportunities for companies in my riding which are involved in R and D to work together with the universities. We will have meaningful, exciting research and development opportunities.

I was really pleased to see the focus on the Atlantic Provinces, because they need it. It is a tremendous program. I am pleased as well at the new steps in agriculture. That is not a major factor in my riding, but in the Province of British Columbia it is. The new commodity bonds will certainly be important there. I was pleased as well to see the social programs, targeted programs to help those most in need.

**Mr. Cassidy:** What social programs?

**Ms. Mitchell:** There's no child care. How do you like the day care? What about the day care?

**Mrs. Collins:** So many people in the House have brought up the question about programs for older workers. I believe my colleague from Scarborough has brought the subject up a number of times.

**Mr. Cassidy:** What about the older workers?

**Ms. Mitchell:** What about child care?

**The Acting Speaker (Mr. Paproski):** Order, please. There will be a question and comment period, if you would let the Hon. Member speak. Thank you.

**Mr. Cassidy:** We are anticipating, Mr. Speaker.

**Ms. Mitchell:** What about child care? Be honest. Is there anything there for child care?

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Capilano (Mrs. Collins) has the floor.

**Mrs. Collins:** We are providing $125 million for an adjustment program for older workers for an adjustment program. We are also providing another program, which I believe my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), will find it difficult to argue with, given her interest in women's issues.

**Ms. Mitchell:** Child care?

**Mrs. Collins:** Not that program. It is the program to increase the opportunities for those on social assistance to find employment. We are targeting special funds for that group. That is $100 million over three years. Just think of the individuals who are going to be helped by that and the tremendous opportunities which will arise for them.

**Ms. Mitchell:** They need child care in order to get into jobs.

**Mrs. Collins:** The refundable sales tax credit for lower income families and, of course, the pre-payment of some of the child tax credits are also very positive features. There is the increase in the deduction for disabled people. There are 185,000 disabled people in this country who will certainly benefit from that. They know the commitment of this Government to the disabled community.

We know, and the figures show, that small business creates the largest number of jobs. We also know that women are creating most of the small businesses, or at least a large number.

**Ms. Mitchell:** That's right.

**Mrs. Collins:** So we have special measures to help them because we want to encourage them to get established and start those businesses. The reduction in the tax rate, which will come into effect next year, from 15 per cent to 13 per cent; the reduction of the tax rate with respect to manufacturing income from 10 per cent to 8 per cent; and the cancellation of the 12.5 per cent dividend distribution tax, are all measures which are really going to encourage people to start businesses and to expand them. Of course, the improvement of the small business loan, almost doubling at up to $2.5 billion, will make accessible millions of dollars to the small business community. As Hon. Members know, last night John Bulloch said that for small business we are very bullish.

• (1710)

I would now like to tell Hon. Members about some of the reactions to the Budget expressed by people in the West. As reported in *The Province* of Vancouver, British Columbians are very pleased. The newspaper stated that Ottawa has finally become serious about getting expenditures and revenues in line. The article to which I refer states that the Budget is a credible attempt at financial restraint, but financial restraint with a human face. I think that is an important message. We want to get our house in order. It shows that we want to undertake financial restraint and do things more efficiently but that we will not slash programs that will really hurt people.

I would now like to refer to some of the issues which are of particular excitement to people in the West. I mentioned earlier in the House today one issue about which I am very pleased, that is, the fact that Vancouver has been designated as an international banking centre. We have been looking for a measure of this type for some time. I am glad that my colleagues from Montreal will have the same opportunity in this respect. However, we in Vancouver look to the Pacific, where there are tremendous possibilities in trade. We will be able to develop our whole financial relationship in the Pacific which will give a real leg-up to people in Vancouver in terms of creating excitement and opportunities.

The area of science and technology is a tremendously positive area for British Columbia. In my province we are trying to develop our skills and bring adaptive technology to the province.

There are all sorts of other measures in the Budget about which we are extremely pleased. When one goes through the document quickly one is apt to overlook some of the items which are there. I almost missed the item about the $33 million film program. British Columbia is becoming the home of a burgeoning film industry. This $33 million fund will help Canadian film with cultural content. I particularly liked the caveat which states that film-makers will have to show where the films are actually made and will actually have to identify the place name. That is great because we want Capilano identified in such films. We are certainly open and ready for the film business. It will be profitable for British Columbia.

I would now like to refer to a couple of other areas about which I have received representations. One is with respect to flow-through shares, and the concern that investors in flow-through shares have a continuing liability. I am pleased to see that the Minister of Finance has made a change with respect to that provision so that investors will no longer have a continuing liability. At the sametime, he closed a loophole, which is only fair. The investors will now only receive a credit up to the amount of money that they have actually invested.

I would now like to talk about the sales tax exemption for tourist literature. That is something for which the tourist industry in British Columbia has been asking for some time. I refer to tourist literature which is prepared and available through chambers of commerce and communities which will now be exempt from sales tax. This a positive step. It is a little thing, but these little things all add up.

I have had a great many letters with respect to Registered Retirement Savings Plans. I am sure that my colleagues have also received many letters from people who are retiring and who want more flexibility with respect to how they deal with their retirement years. The Government has said that it will provide new options for those people in using their RRSPs.

Finally, I would like to deal with the treatment of Canadian dividends and reducing them to one-third. I do not think that will have a dampening effect on the country. However, in responding to some real concerns which I have heard with respect to the minimum tax, Canadian dividends will only be taxed on their actual amount as opposed to the grossed-up amount. In this way there will not be a disincentive to invest in Canadian corporations. That is an important move, and I applaud the Minister of Finance for taking it.

There is so much to talk about. What the whole matter comes down to is that the Budget shows that we are in control. It shows that we are planning and that we are going to stick with our plan. It is a plan that will bring about results. It is working. It shows we are consistent and comprehensive. We have a plan which started back in November and we are following it through with projections. We can show people where it will lead them. I realize that there is some pain involved for everyone, but that is part of what it is all about. In the end we will see a much healthier and dynamic economy.

We have balance because we are reinforcing priorities and strengths. Yet, as I said before, this is restraint with a human face. We are successful, and the record speaks for itself. I hardly need to say more. We have reduced the deficit. We did what we said we would do. We have created jobs. We have a record of success which will carry on for decades to come.

As has been said before, the cumulative effect of all these measures will result in $100 million less indebtedness over the next five years. We have shown leadership. We have listened and acted decisively. That is what the people have asked us to do. We know what has to be done. As the Minister of Finance mentioned yesterday, we have more to do in the future in terms of corporate and personal tax reform.

There are a great many challenges that lie ahead of us. We have provided a framework which will enable Canadians to be confident in the Government. It will be a Government to which they can look with confidence. Our children and our grandchildren will inherit a country which is fiscally and humanly well managed.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Paproski):** Are there questions or comments? The Hon. Member for Vancouver East (Ms. Mitchell).

**Ms. Mitchell:** Mr. Speaker, I congratulate the Hon. Member for Capilano (Mrs. Collins), my colleague from British Columbia. I recognize her enthusiasm and her excellent speaking qualities. I do not think she will mind if, in friendship, I remind her that it is not too surprising that she is so enthusiastic since she comes from a riding which I believe is the wealthiest in Canada. I know there are many wealthy people in her riding who will be pleased with the Budget. Because I know the Hon. Member is sincerely interested in Canadian women and because she shares my concern that they have more equal opportunities, I would like to appeal to her. Even though the Hon. Member comes from a wealthy riding I know she has a sympathy for those who are not as fortunate.

What I would like to ask the Hon. Member has to do with child care. Since she is a parent she will know how important it is for women to get into the workforce. We know that over 50 per cent of workers in the workforce are from two-parent families in which the mother is working. There has also been a great increase in the number of women who are single parents and who are either working and need child care or who would like to work but cannot. The Hon. Member referred to a program which is targeted to women on welfare. It would be a wonderful thing if they could receive training which is related to them in terms of pre-employment training and the like in order to get into the workforce. However, they cannot do that unless there is a relevant, flexible and affordable child care program available to them.

The Hon. Member also knows that we have a child care task force. The need is there. We all know that it is desperate. The statistics show that there has been a change in Canadian families. Is the Hon. Member not disappointed that there was not something in the way of child care in the Budget? This is something that would pay for itself, since these women could get off a life of welfare and into the workforce. What would the Hon. Member like to see in this area?

**Mrs. Collins:** Mr. Speaker, I would like to thank my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), for her question. I know her deep commitment to these issues. I did not expect that the Budget would deal with the issue of child care. I say this because of the all-Party committee which has been set up to look into the issue, a committee on which the Hon. Member sits. I know that the committee will be travelling across the country and examining issues. It will be considering how the matter can be dealt with most effectively. It will be working with the provinces since they bear the greatest responsibility for the delivery of services in this area. I know that the committee will come up with proposals and ideas with respect to the most effective way the federal Government can be involved in helping to support families in a variety of ways. I am looking forward to the report of that committee. As the Minister said on *Canada A.M.* this morning, this is something with which he hopes to deal in the next Budget.

I appreciate this opportunity to respond generally since the Hon. Member raised the issue of the impact of the Budget on women earlier today. Of course, women account for 50 per cent of the population. They are affected by all the different aspects of the Budget. However, there are some important aspects in the Budget for women. I have already mentioned the refund of the child tax credit, which will help many women in their financial circumstances. Of course, there is the refundable sales tax credit for the lower income families, many of which are headed by women. It will be of particular help to them. As the Hon. Member already mentioned, there is a program designed to help those on social assistance find employment. Again, many of those on social assistance may be single mothers who want to get back into the workforce.

• (1720)

In my own riding, I visited very recently a job re-entry program that was set up under the Canadian Jobs Strategy Program and I met with the women. About half of the women were on social assistance and the other half were interested in going into small businesses and wanted to develop the kinds of skills they had not developed before. I was overhwelmed by the tremendous enthusiasm in that program. The women are learning from each other. It has provided them with a real chance. This Budget will enable more programs like that and will increase emphasis on small business—

**Ms. Mitchell:** They won't, they're cutting back $100 million.

**Mrs. Collins:** No, because there is that special $100 million program for those on social assistance as well. With the emphasis on small business, many of these women who are looking for opportunities, who are trying to get loans and are not quite sure of the financial situation, will be encouraged to go into small businesses and create jobs.

In fact, when I attended the class to which I just referred, I said that the half of the class that wanted to start small businesses should hire the other half who wanted to get jobs in the clerical or office area. Then the whole class would have full employment. Perhaps that will work out well.

I see this Budget as being very positive for women and as a growing recognition of the real commitment this Government has to concerns of women across the country.

**Mr. Hicks:** Mr. Speaker, I would also like to congratulate my colleague on her outstanding address. I know she is very enthused about the Budget that was presented yesterday.

I would like to comment on two or three things. First, I must allude to the reference made to the proposal for international banking centres in Vancouver and Montreal. Naturally, being from Metropolitan Toronto, I was extremely surprised because I assumed that an international banking centre would come to Toronto and perhaps even to the City of Scarborough which happens to be the seventh largest city in Canada. However, in the wisdom of the Budget, these proposals were recommended for Vancouver and Montreal, and I heartily applaud that. I am sure they will work out extremely well.

We have heard from previous speakers about reaction across Canada. I would like to cite some comments that were made to my colleague from Scarborough. Today he received one phone call regarding the Budget. That phone call was from a lady and a gentleman who had voted Liberal all their lives. They had voted Liberal in the last election and they said to my friend: "Congratulations, you have done what no other Government has had the intestinal fortitude to do, you are taking firm, decisive steps to reduce the deficit. You have our vote from now on". That is the type of reaction that is coming from across Canada.

In addition, I am sure my colleague might like to comment further on some of the measures that were taken to which she did not refer. For instance, the expenditure on all Government programs being held at 1984-85 levels means a decrease of 4 per cent. The non-statutory programs are to decline by $500 million in the next year, but no reference was made to that. I have to ask my hon. colleague why this is so.

In closing I point out that the impact of expenditure reductions and continued tight management that this Budget has put forward to Canadians will reduce Canada's debt by $78 billion by the end of the next decade. I wonder if my hon. colleague would care to comment on some of those points.

**Mrs. Collins:** Mr. Speaker, I am so pleased that my colleague brought those points up. As he knows, there is so much in the Budget that one cannot possibly talk about all of the positive things in it in 20 minutes. Hopefully, he will have the opportunity to do so. I am particularly pleased that he raised the points he did.

Regarding the international banking centre in Vancouver, it was groups from Vancouver that originally proposed the idea, as I understand it. We see Vancouver as being the jewel of the Pacific looking toward Asia which has a tremendous trade potential. We have the desire to get involved in China, Japan and Indonesia and the enormous opportunities that exist there. One of the things that could be terribly important would be to have in Vancouver an international financial centre, a centre linked not only to banking. Banking is one component of it but this centre should attract insurance services, shipping services and a whole range of support services that could be based in Vancouver because of its glorious environment. This would have a cumulative effect and would bring the other small industries that we are trying to develop to British Columbia, industries dealing particularly with what we call the adaptive technology area. There are already some examples of joint ventures with our Asian partners in the health field.

We see this international banking centre as the linchpin, the first step in turning Vancouver into what I would call the financial, trade, and institutional centre of the Pacific. With the experience we will get as we are successful in dealing with the East and as Montreal is successful in dealing with Europe, perhaps Toronto, which is now considered the financial centre of Canada, might have an opportunity to expand its bases as well.

**Mr. Cassidy:** Mr. Speaker, I am delighted with the enthusiasm of the Hon. Member and with the fact that she appears to feel that the problems of her riding have been resolved by the Budget. However, I would like to remind her that the unemployment rate in British Columbia is still at about 13 per cent and that in the areas outside of Vancouver it is a good deal higher than that. Since I am a native British Columbian, born in Victoria, I certainly have a concern which many British Columbians must share when I hear the Hon. Member say that everything is okay, while in fact it is not okay for large parts of British Columbia.

Is the Hon. Member satisfied with the fact that between 1984-85 when the Government came to power and 1987-88, the funding for the economic and regional development envelope will decrease from $14.7 billion to $9 billion? Is she satisfied that the means by which the Government can actually act to get economic activity and jobs going in British Columbia is being thrown away by the Government? The Government no longer feels a commitment to those ridings which do not have the privilege of having the Hon. Member for Capilano (Mrs. Collins) to represent them or the wealth of the residents of the riding of Capilano.

**Mrs. Collins:** Mr. Speaker, people have his impression of my riding as being the wealthiest riding in Canada. Yes, the municipality of West Vancouver has the highest income tax returns, but my riding is much more than that. My riding encompasses parts of North Vancouver in which there are many people on social welfare, there are community school programs and a wide variety of social services with which I have worked very closely. In my riding, there is one of the largest Indian reserves in the Lower Mainland area. The unemployment rate in my riding runs at about 10 per cent, so it is higher than the national average but not as high as it is in other parts of British Columbia.

Perhaps my colleague was not aware that we signed a $575-million ERDA agreement this year. That agreement is intact and does not change with this Budget. It is the largest ERDA agreement that has ever been signed for British Columbia. There will be over $300 million for forestry alone—silviculture and reforestation, and then mining, small business, tourism and agriculture. The spinoff effects from that tremendous commitment of the Government to British Columbia will be tremendous.

I am not saying that the problems have been solved. We have some real problems in British Columbia in terms of dealing with our economy. We know that in the areas of

forestry and mining, the bulwarks of the economy, probably not a great many more people will be hired over the years.

**The Acting Speaker (Mr. Paproski):** I regret to inform the Hon. Member that her time has now expired and the time for questions and comments has now expired.

[*Translation*]

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would like to comment on yesterday's Budget, first in French and then in English. It seems to me that the Conservatives are making the same mistakes as in the Budget of May 1985. They impose severe tax increases to ordinary Canadian families while reducing the tax burden of corporations, and now of the wealthy. They are simply maintaining a pattern which existed under the Liberal administration. For our part, we often think that there is very little difference between the Conservative Party now in power and the Liberal Party which used to form the Government.

In May 1985, Mr. Speaker, the Government attacked mostly pensioners, children, families and the Public Service. This time, the Government has decided to hit mostly ordinary taxpayers and, once again, the Public Service, which is of concern to my constituents.

If I may remind the House, since everyone is now aware of them, the major tax measures in the Budget—there is a 3 per cent surtax hitting all taxpayers, not only those with income above $40,000 a year. There is a 1 per cent sales tax increase, and this is the third sales tax increase since the Tories came to power.

Before the 1984 election, the Conservatives loudly criticized the tax increases imposed by the Liberal Government. But the minute they came to power, they readily introduced the one per cent increase that had been proposed by Mr. Lalonde when he was Minister of Finance. And then, in May, there was a second one per cent increase, and now we have this third one per cent increase. This means that within a period of 18 months, the Conservatives have increased by one-third the federal sales tax. Mr. Speaker, all those increases are directly affecting the average family. And the average family has not yet had an opportunity to answer back, to respond to the Budget.

• (1730)

I was just listening to the Hon. Member for Capilano (Mrs. Collins) who suggested that her constituents were satisfied. She quoted from the *Vancouver Province*. Today we heard quotes from the president of the stockbrokers, from people in the Stock Exchange, in the banks, and from other businessmen. All the financial communities were very quick to react. They are in a position to react very fast, because of their control, advertising agencies, etc.



I remember very well, Mr. Speaker, the last Budget brought down by this Minister of Finance (Mr. Wilson). Initially, everything seemed to go very well. But within a few days, pensioners, people over 60 years of age started to react. Their reaction continued until the Minister of Finance was forced by his Prime Minister and the whole of the Government to withdraw those key budgetary measures. So much for bad judgment . . . for he had hit the average people and pensioners in our country. Now he is hitting the average family.

Mr. Speaker, I can quote figures. In the very first Budget, the November 1984 financial statement, tax increases and other charges imposed by the Conservatives on average families totalled $500 a year on average. Then, in May 1984, came another $500 a year increase. And this time, there is an additional increase of $350 a year. All this adds up to $1,350 per average Canadian family. This means that under a Conservative Government, the deficit is fought on the backs of the average Canadian families.

However, Mr. Speaker, if by any chance we look at the Fiscal Plan tabled yesterday by the Minister of Finance, we find that taxes levied on taxpayers are constantly increasing, while big corporations experience practically no tax increases.

In 1984-85, the last year to which the previous Government's tax policy applied, personal income tax went up to $38 billion. Under the former Liberal Minister of Finance, corporations paid $12 billion in corporate income tax.

Personal income tax is increasing from $38 to $44.7 billion in 1985-86 and up to $49.3 billion in 1986-87, and it will go up again, to $54.8 billion in 1987-88. This means that personal income tax will be increased 44 per cent as a result of the tax measures introduced by the Conservatives during their first eighteen months in power.

Mr. Speaker, compare this with the very slight increase in corporate taxes. These taxes will go up by $1.3 billion during the same period, which means 10 per cent, notwithstanding very strong profit increases during the same period as a result of the economic recovery following the recession we had at the beginning of the eighties.

Mr. Speaker, we see that between 1986-87 and 1987-88, there will be a reduction in corporate income tax and of course in the federal Government's revenues from these companies, while tax increases totalling $5.5 billion are being levied on the individual taxpayer. Mr. Speaker, this is not fair at all!

Last year, we on this side of the House criticized the Budget of the Minister of Finance, especially because the Budget was liable to cause the loss of hundreds of thousands of jobs. We do not know exactly what the impact was of that Budget, since most of the tax measures announced in May last year have yet to more an impact since they were not introduced until the beginning of this year.

So what we have are 1985 measures that have just started to have an effect on the economy. At the same time the Budget is

introducing new measures, we have had the beginning of a slowdown in economic expansion in the United States since last year, and now there is growing concern, since we have had four years of expansion in Canada, that the economy will start to slow down. The business cycle is going to hurt the Government's expectations that the unemployment rate is going to drop.

We have a Budget in which the Government's priority is not to create jobs but above all to satisfy the business community on Wall Street, in London, Paris and Bay Street and St. James.

Mr. Speaker, in the last few weeks we had a Gallup poll done for the New Democratic Party to find out what Canadians thought about tax reform. Ninety per cent of those surveyed answered that they really wanted tax reform because they wanted to see a fair tax system. And they believed that the existing system was not equitable. Unfortunately, there is no indication in yesterday's Budget of any changes that will make the system more equitable.

Mr. Speaker, I would simply like to recall some of the recommendations made to the Minister of Finance by our finance critic, the Hon. Member for Kamloops-Shuswap (Mr. Riis), as well as by myself and other Members on our Tax Probe 1986. Mr. Speaker, we recommended the adoption of an annual Budget of tax expenditures which would show annual costs, tax rebates and the nature of tax rulings. This has been ignored.

We recommended the establishment of profitability tests with respect to specific tax measures. We said: The public has the right to know if our major tax expenditures are effective, just as it has the right to know the impact of our direct expenditures. This has been ignored.

Mr. Speaker, we recommended the elimination of some of the existing tax measures, for instance the lifetime $500,000 capital gains tax exemption which costs at least $600 million a year. We advocated doing away with the tax exemption on interest costs related to mergers and take-overs since it will cost in excess of $200 million this year. Those two proposals have been ignored.

We proposed that the recent increases in RRSPs which cost $40 million be eliminated or reduced. This proposal has been ignored. We proposed the elimination of abuses with respect to corporate transfer provisions which will cost more than $1.1 billion. A few timid steps have been taken, but nothing more. We proposed doing away with the current dividend tax credit which now costs about $1.016 billion a year. Mr. Speaker, it has been reduced by one-third, but two-thirds of this benefit still remain. We suggested that the provisions governing the minimum income tax be strengthened. Manuals are currently being published teaching people how to avoid paying the minimum income tax. A better legislation would bring in at least an additional $100 million.

Mr. Speaker, we suggested that the personal income tax system should be made more progressive. The simple re-establishment of the maximum income tax rates in force before 1982 would result in more fairness and in $1.7 billion in additional tax revenues.

Mr. Speaker, we suggested also to simplify our tax system to make easier to understand.

And we suggested to abolish the tax on gas for farming purposes.

Unfortunately, almost all our suggestions have been ignored by the Minister of Finance, although these suggestions which I have just described would have resulted in between $3.2 billion and $4 billion in savings each year.

This would have contributed to a reduction of the deficit which is a priority of the Minister of Finance and his Government, while giving the Government more spending flexibility, doing away with some required savings and giving it the capability to invest to create jobs in all the regions which need them so much. I am referring especially to Quebec, Mr. Speaker. We still have in Quebec a truly regional problem. Even outside the Gaspé area, we come across unemployment levels which exceed 16, 17 or 18 per cent. In the Témiscamingue area, or in the Lac-Saint-Jean area, as well as in some communities of the Eastern Townships, there are extremely high unemployment levels; yet, there is absolutely nothing in the Budget to meet the needs of the people living in these areas.

On the other hand, as the Hon. Member for Capilano (Mrs. Collins) has just remarked, the Government has just cut its spending in regional and economic development by $14 million, nearly $15 million in 1984-85 and up to $9 million in 1987-88. Apparently, the Government is not overconcerned about the unemployment situation, as we can see from the cuts in the Canadian job strategy where the credits allocated went down from $900 million per year to $800 million per year.

• (1740)

[*English*]

I want to speak a bit about the impact more particularly in terms of people in my riding and Ottawa because of the Budget which the Government has brought down. As I said in French, the Budget is unjust and it puts the burden of deficit cutting on the backs of ordinary Canadian families in my riding and across the country. It does nothing particularly to bring down the rate of unemployment from levels which continue to be unacceptable in Ottawa and across the country. It cuts back sharply in terms of regional development funds and it does nothing to restore the fairness in the tax system, which nine out of ten Canadians have told us in the Gallup Poll they are looking for.

I find it totally unacceptable that the Government is tolerating a situation in 1987-88 where personal tax contributions by ordinary Canadians will go up by $5.5 billion over the preced-

ing year and yet in that year corporate tax receipts will actually come down. The Government says it is simplifying and reforming the corporate tax system. The Government forgot that one portion of that tax reform, which is essential and should not be overlooked, is that a fairer revenue from the corporate tax sector should be collected. We should be taking steps now to recover some of those tax revenues from corporations, which revenues have been handed away on a platter, first by the Liberals and now by the Conservatives, over the course of the last eight or ten years.

People in my riding are telling me that they want to see measures to create jobs in this riding, not to destroy them. People in my riding and in the National Capital Region as a whole are extremely uneasy over the most recent announcements that have taken place in the Budget for a further $500 million in cuts in departmental spending, at least a third of which will be felt in Ottawa because that is where the bulk of the Public Service is concentrated. People in my area are concerned over the fact that train services between Ottawa and Toronto and Ottawa and Montreal are now threatened with being cut back or eliminated within a year or two.

They are concerned about training funds decreasing when many people, particularly women, who are coming back into the labour force are still looking for that kind of assistance from Government. In today's economic times with high unemployment, they do not find employers reaching out to provide that kind of training on the job which they might have been able to get a few years ago when unemployment was at more acceptable levels. People in my riding are saying that even if our unemployment rate has come down a bit, what about relatives in New Brunswick where the rate is 14 per cent? What about friends in Newfoundland where the rate is 20 per cent and what about friends in the Province of Quebec where the unemployment rate is 13 per cent? What about my relatives in inland British Columbia from where I originally came where unemployment is running at 16 per cent or 17 per cent? Do we not as a country have some responsibility to those parts of Canada as well ? I think we do, Mr. Speaker. I cannot see how we can have a budgetary policy which is essentially directed at Etobicoke, Capilano, Westmount, Rosedale and a few other prosperous areas—

**Mr. Hicks:** Scarborough.

**Mr. Cassidy:** Scarborough, fine—and at a few areas of the country where the financial leader has been telling the Government to cut the deficit and damn the consequences in terms of ordinary Canadians, but that is what we are getting.

In terms of my own riding, the impact of further cuts on top of the 15,000 job cuts already announced in the Public Service is extremely disquieting. I fear the cuts are now so severe that Public Service managers will have no choice but to make further job cuts on top of the 15,000 they have been ordered to make. That means more people not just being shuffled around from one job to another, but being thrown out on the street. In my community of Ottawa, it will not be an easy place for people seeking to find employment over the next few years. Public Service freezes are likely to be the order of the day, not just for a few months but almost continuously. Contract employment is down. Companies that contract with the federal Government will find that the $500 million in cuts will hit them because departments will cut back on spending on those kinds of dicretionary contracts.

The Government is working in cuckoo land if it believes it can make $500 million in cuts and not touch services to the public or not touch the Public Service. I fear that 10,000 more jobs may go. I challenge the President of the Treasury Board (Mr. de Cotret) to deny that and to assure this house that not a single further Public Service job will be cut as a consequence of those $500 million worth of cuts being imposed next year. I do not think he can do it.

My numbers would indicate that over the next four years there will be a 5 per cent staff cut. We know about that. Pay rates in the Public Service will go up by 13 per cent of 14 per cent. That has already been agreed to according to the pattern of bargaining over the course of the next few days. That leaves a 9 per cent gap. That gap will not be met by cutting out a few pencils and plane tickets and that kind of thing. You cannot at the same time save Public Service jobs and ensure there is no cut in services to Canadian while still make that degree of cut. You cannot have it that way, Mr. Speaker. I will be watching very carefully, but I am very concerned over what is happening in that area.

The numbers the Government has brought forward indicate quite clearly that the Government could have guaranteed jobs security at the same time it reduced the Public Service by attrition. Seven hundred jobs which the Government says will be lost this year amount to three-tenths of a per cent of the Public Service. If the Government can reach in and find $500 million worth of cuts by means of what it is doing with the cuts announced yesterday, it could find the extra $20 million or $30 million needed to pay for the salaries of three-tenths of a per cent of the Public Service.

• (1750)

If the Government had been prepared and able to negotiate job security with the Public Service and guarantee that no one would be unwillingly deprived of a job, then it would have been able to seek co-operation from the Public Service in terms of getting more effective and efficient management of it. No one who works in Government is opposed to that. People understand the need to make any organizataion work effectively and efficiently. I, as a representative of many people working in the Public Service, support the goal of getting an efficient and effective Public Service of which people who work professionally can be proud.

When you are threatened with cuts, not knowing whether your job is the next on the line, and when the reverse order of merit system is applied so arbitrarily that you cannot be sure that your job will not be chosen regardless of how you have done in the past, the incentive to co-operate disappears entirely. If you co-operate, you might help someone else's merit rating to go up while yours falls, relatively speaking, and you

get dumped. If you train someone new on the job, they may keep the job when cuts have to be made—

**The Acting Speaker (Mr. Paproski):** I regret that the Hon. Member's time has expired. Are there questions or comments?

**Mr. Cassidy:** Thank you, Mr. Speaker, for this opportunity to address the Government on its unfair, unjust, and inequitable Budget.

**Ms. Mitchell:** Mr. Speaker, I know that my friend and colleague is very knowledgeable about the Public Service, about jobs, and particularly about some of the proposed cuts. I am, of course, concerned about all cuts, but I am particularly concerned about the disproportionate impact that there will be on women workers within the Public Service through Government policies and also through budget cuts. I was at a women's conference sponsored by the Public Service Alliance of B.C. and the Yukon last week. People there were very concerned, anxious, and intimidated. Of course, women in clerical and service jobs within the Public Service were the most worried. They were also concerned about contracting out. Women with children will not have the protections they need. Privatization is forcing women into voluntary jobs which do not have adequate wages or protections. They are also concerned about deregulation, which is pushing women into part-time jobs. What comment does my colleague have on this from his review of the Budget and Government policies generally? I would specifically like to ask him about cuts that I noticed in the *Budget Papers* in the Department of National Health and Welfare. Over the next four years $4.82 billion will be cut from that Department. I believe this will have a very serious impact on women.

**Mr. Cassidy:** Earlier today when the Estimates were made available and we had a chance to question officials on them, we asked that very question. We asked whether there is any concern within the Government to ensure that, if lay-offs eventually do occur, although I hope they can all be avoided, women will not suffer. Women tend to occupy jobs as clerks and secretaries, and other jobs which may be seen as being easier to cut by Government mandarins than jobs with more professional or technical qualifications. I had expected the Government to have thought that through, but it has not.

In the recent cuts in the Department of Fisheries and Oceans, an above-average number of women were chopped. I think the Government should make a commitment during the budget debate that if cuts have to take place, no higher proportion of women will be cut than the proportion they form of the Public Service of Canada. That is the very least we could get, Mr. Speaker. In fact, I think it should be the other way around because women have been discriminated against in getting decent jobs within the Government. Perhaps some affirmative action in terms of the de-hiring process might take place as well.

I share my hon. friend's concern about the cuts in the Department of Health and Welfare. We do not know exactly what they mean. However, we know that over time the Government is making greater and greater cuts in the area of health and welfare. Many women who have kids, low incomes, or require training, stand to be badly affected.

[*Translation*]

**Mr. Côté (Lac-Saint-Jean):** Mr. Speaker, the more I listen to socialist Members, the more I understand why Canadians do not take them more seriously. First, the Hon. Member for Ottawa Centre (Mr. Cassidy) began by saying that the Minister of Finance (Mr. Wilson) has imposed a surtax of 3 per cent to all income when we know quite well that the surtax does not apply to all income, but only to taxable income, that is to the amount on which individuals or businesses will have to pay taxes. If that is not misleading the public, Mr. Speaker, it certainly shows a deep ignorance of the facts.

Obviously, Mr. Speaker, the words "tax" and "profit" are always bad for the socialists. I am aware of no one in Canada who wants to pay more taxes than is needed. However, if our friends opposite, the socialists, had not been the crutch of the Liberal Party for 20 years, the Canadian people would not be saddled today with an accumulated debt of over $200 billion. Ordinary Canadians, people in the Ottawa Centre constituency, would not see 80 cents on each tax dollar go to pay the interests on this debt. It is obvious, and I have just had another proof of it, that you are only interested in trying to save your jobs. You sound like a broken record when you speak about the interests of ordinary Canadians. You have been saying the same thing for years. Canadians have been listening to you for years. Moreover, ordinary Canadians have not believed you for years.

Fiscal reform. A while ago he referred to the fiscal reform which is nowhere in this Budget and which was nowhere in the previous one, the "fair imposition" Budget as he called it. I do not know, perhaps this is the Government which introduced a minimum income tax for all individuals. Generally, when we speak of "minimum" for everyone, this implies both the rich and the not so rich. Fiscal reform, with a $500,000 capital gain deduction? They always talk about what it costs, never about what it yields. The RRSPs and what they cost, and so forth.

Mr. Speaker, small and medium businesses . . . when he referred to the RRSPs, when he referred to capital gains . . . you know, you referred earlier to the problems in the Province of Quebec, you referred earlier to unemployment problems in areas such as Lac-Saint-Jean, yes, Lac-Saint-Jean.

[*English*]

**The Acting Speaker (Mr. Paproski):** I regret that the Hon. Member's time for comments is just about expired. If he would put a question so that the Hon. Member could have the little remaining time for rebuttal, I would appreciate it.

[*Translation*]

**Mr. Côté (Lac-Saint-Jean):** Go ahead, we are listening!

**Mr. Cassidy:** Mr. Speaker, the Hon. Member is charging me with being ignorant. Perhaps he is not aware that socialism has only become that acceptable in Quebec since the 1984 election. We rose, the NDP rose from 9 per cent to 23 per cent in surveys in Quebec, including his own area of Lac-Saint-Jean.

I would like to indicate that in his own area, people will not accept that corporations pay less while people, the taxpayers, the individuals pay more. And not just a little more, but $1,350 per family, since this Government was elected 18 months ago. This is what people are paying in the Saguenay area because of that new Government. Now, have the people in that are a gained anything? The answer is no. I travel very often to that area, and the answer indeed is no, because the actions taken by this Government are not targetted to the needs of his area but to Montreal, Vancouver, Toronto, Central Canada, rather than to underprivileged areas such as his own.

**The Acting Speaker (Mr. Paproski):** The period for questions and comments has expired.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### CANADA MORTGAGE AND HOUSING CORPORATION—PROPOSED RENTAL INCREASES. (B) REQUEST FOR REFERRAL TO ONTARIO RENT REVIEW BOARD

**Mr. Neil Young (Beaches):** Mr. Speaker, last April I asked the Minister of Labour (Mr. McKnight), who is responsible for Canada Mortgage and Housing Corporation, about the exorbitant rent increases being levied in a CMHC controlled complex in my riding, Main Square. The rent increases put in place in Main Square are over 10 per cent, well above the 4 per cent guidelines set by the Province of Ontario. The Minister replied that the rent increases were set at this high level as a way of recovering from the six and five program imposed by the previous Government. The hypocrisy in that attitude should be noted. The Conservative Party, when it was in Opposition, supported the Liberal Government's legislation to limit salaries and prices to 6 per cent in the first year and 5 per cent in the second. We see now another example of the uneven application of that law when the Government wants to go back and extract the difference from tenants in its housing projects.

The Minister commented in his answer to me that the rents for Main Square were below market rates. So they should be. The reason that market rates are as high as they are is because of the unbridled speculation in the private real estate market. One of the rules of the federal Government's social housing programs is to act as a moderating influence in the market. Unfortunately, this Government is so ideologically blinded that only initiatives which line private pockets are seen as worth-while. The recent flip of the Habitat '67 apartments in Montreal, where a speculator bought the complex from CMHC and then sold it to the tenants, pocketing $1.35 million in the process, is a perfect example of this Government's philosophy. The tenants tried to buy the property directly from CMHC, but the Crown corporation would not negotiate.

With regard to the Main Square increases, the Minister has replied to me that although CMHC projects are not subject to provincial rent guidelines, similar guidelines are applied whenever possible. This increase is huge and nowhere close to Ontario's guidelines. With the provincial Rent Review Board, there is some measure of public accountability. Who is to say in Main Square what are necessary increases to cover costs and what accounting system is to be used to determine costs?

As I said earlier, one of the advantages of social housing is that it should not be subject to the same kinds of cost pressures as housing in the private market. Tenants see the rents being increased regularly, but do not see much in return. Main Square has a long history of problems, not just with this Government, but with the Liberals who preceded it. There are many senior citizens in the buildings and others whose salaries were limited under the six and five legislation. Those people had their salaries held back at that time, and are now being hit a second time.

I have also had complaints about cleanliness and poor quality of the carpets in those buildings. For a long period when the complex was undergoing modifications, the construction noise and dirt were unbearable. Work in the basement brought dust up from the garbage chutes and it was then tracked down the corridor and ground into the carpet. Garbage, piles of dirt and containers, were left as a result of the construction work. Landscaping maintenance has been very crude. Tenants have complained to me about security. The complaints about the building have been numerous and endless. When this is matched by a rent increase of over 10 per cent, the tenants feel angry and insulted. The Minister's explanation is simply not acceptable. It is true that recently there has been some work in the complex, including replacing carpeting and improving inadequate hall lighting. Until the cost of these improvements have been justified, those increases should be rolled back.

In the spirit of the new co-operation that the federal Government keeps talking about between the federal and provincial Governments, the Minister should be prepared to live within the spirit and the law of those provinces where CMHC operates. The Minister should state clearly that rent increases will be within the provincial guidelines. He should order CMHC to roll back those 10 per cent rental increases and force CMHC officials to justify any increase before Ontario's Rent Review Commission. Thank you very much, Mr. Speaker.

*Adjournment Debate*

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I would like to respond further to the matters raised by the Hon. Member on April 16, 1985 concerning proposed rental increases in CMHC-administered department projects, including Main Square in Toronto. As the Hon. Member knows in March, 1985, Canada Mortgage and Housing Corporation notified the tenants of the Main Square project of a 10.4 per cent rent increase. I should point out that all rent increases were $40 per month or less. The increase was instituted after a careful review of the project's financial situation and rent structure. The increase was designed to meet increasing operating costs and required capital improvements, to reduce operating deficits and to bring rents in line with those of other properties.

• (1805)

With respect to the increase, I would like to point out that CMHC has in place the federal graduated rent-to-income scale in the project. If a tenant feels that the rent increase creates financial difficulty, he or she has only to contact CMHC in order to receive assistance, if warranted. Under the scale, rents do not exceed 25 per cent of the family income for those tenants in a hardship situation. Presently, approximately one quarter of the tenants are receiving rent-geared-to-income assistance. At the same time, the project will benefit from the higher rents received from those who can afford to pay them.

Because of the former Government's price restraint policy, CMHC has not been able to increase rents in line with costs or market conditions and rents are substantially below market rates in comparable projects. This has meant increased losses to CMHC and the federal Government, and in hidden subsidies being poorly targetted to tenants in need.

According to provincial statute, CMHC projects, like those of Ontario municipalities and the Ontario Housing Corporation, are not subject to the provincial rent review guidelines. Nevertheless, when considering rent increases, wherever possible, CMHC applies internal guidelines similar to those of the Rent Review Board as though it were a private landlord subject to the Board's review. In this respect, CMHC ensures that the increases could be substantiated before the Board.

[*Translation*]

TRANSPORT—POSSIBLE CLOSING OF MARINE INDUSTRIES RAIL DIVISION—GOVERNMENT POSITION. (B) REQUEST FOR CLARIFICATION OF VIA RAIL REQUIREMENTS

**Hon. André Ouellet (Papineau):** Mr. Speaker, this evening I would like to speak further to a question I put to the Minister of Transport (Mr. Mazankowski) on February 12 of this year, when I reminded him that Marine Industries in Sorel was about to close down its railway car division, which would lead to the loss of about 1,000 jobs, both directly and indirectly, in this area.

At the time, the Minister of Transport answered: "I am sure the Hon. Member has heard the statements made by the Right Hon. Prime Minister (Mr. Mulroney) indicating that the number of jobs that have been created, and indeed in Quebec, is very considerable."

Mr. Speaker, this Government is obviously trying to take the credit for all the jobs created in Canada. Whatever the Government's performance in job creation, one thing is certain. Employees who traditionally have been involved in the manufacturing of locomotives and railway cars in Canada or who built parts for railway equipment, all these employees are suffering as a result of the Canadian Government's lack of direction and responsibility.

• (1810)

In fact, our principal railway companies—I am thinking especially of Canadian National and VIA Rail, two Crown corporations which should be receiving instructions from the Conservative Government to buy their rolling stock in Canada—these companies are now either not buying or buying abroad. I am thinking of one particular case where parts were purchased in Brazil instead of Canada. The situation has already become so alarming that Bombardier has already announced it stopped manufacturing locomotive and railway cars. The CSF Foundry located in Montreal East and Laforge CSW, also in Montreal East, have laid off hundreds of workers because they have no Government contracts, and now we have Marine Industries that is going to close down its railway division owing to a lack of Government contracts. This is an unacceptable situation. That is why I am raising the matter, and I would urge the Government to take action and to buy the rolling stock it needs in Canada.

The Minister has been making great speeches and telling us he wants to protect the rail passenger service. He will soon table a Bill giving VIA Rail more responsibility and specific authority. Well, Mr. Speaker, the fact is that after 18 months the Government has yet to buy something, and neither the CNR nor VIA Rail has received any new equipment. Week after week the Minister keeps repeating that their order is in. Even though the Parliamentary Secretary who will reply will probably tell me that they have placed an order and that Bombardier and an Ontario company are likely to sign a contract before too long, the fact is that the Government, at this point in time, has not yet bought any new railway equipment to meet the needs of the companies, either the CNR or VIA Rail.

In my judgment, the Minister is shirking his responsibilities by failing to establish a buy-at-home policy. I know that later on, in a few weeks, on March 8, the Marine Industries union workers, led by Mr. François Lamoureux, will hold a seminar to discuss the future of the company. I would like the Minister to be there to explain to Tracy and Montreal East workers who are severely affected by the inaction of the Conservative Government why this Government is more anxious to reduce the Canadian deficit than to create well-paying jobs in the railway industry. It would then be possible to keep hundreds of

highly skilled workers who are qualified to build here the railway equipment we need and who want to go on doing that since it has been their job for decades.

I therefore ask the Government to act immediately, to stop beating around the bush and putting everything off, and to place orders right away with Marine Industries, Bombardier, Laforge and the Montreal East foundry so that these railway equipment workers may continue to earn an honest living.

● (1810)

[*English*]

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, the Hon. Member says that the Government is trying to take credit for all the new jobs which have been created in the country. Since the Hon. Member is an experienced politician, he well knows that if there were any losses, the Government would be blamed for them as well. To be honest, the Government will take credit for all those new jobs that were created after the dismal years of the Liberal Government of which he was a Minister.

● (1815)

The Hon. Member for Papineau (Mr. Ouellet) is attempting to make the fallacious argument that this Government is somehow responsible for the equipment problems facing Via Rail. It is important to put this situation into its proper perspective.

When Via Rail was created in 1979, the corporation assumed the aging and inefficient passenger equipment owned by CN and CP. Today, Via's equipment fleet is made up of 977 units. More than 80 per cent of Via's rolling stock was built between 1948 and 1955 and is technically obsolete. During the years the Liberals were in Government, this equipment was not replaced with the new equipment that is now required. Equipment maintenance costs increase as equipment ages. For instance, maintenance costs on a 27-year-old locomotive are more than double those of a comparative locomotive half that age.

As the Hon. Member for Papineau is well aware, between 1980 and 1984, the former Liberal administration had Via embark on a shortsighted and costly policy of equipment overhaul. It did not buy new equipment but overhauled the old. The $400 million spent by Via during that period to maintain and rebuild the corporation's conventional fleet of cars and locomotives would have funded the acquisition of a new long-haul fleet.

We in the present Government have inherited this unacceptable situation as of September 1984. The Minister of Transport (Mr. Mazankowski) is acting quickly and with determination to turn it around. We in the Government are committed to restoring confidence in Canada's rail passenger network.

I should point out that legislation was introduced on February 24. This legislation is a key element in improving the situation with Via's equipment. As the Minister has already indicated to the Hon. Member, 30 locomotives are on order while there was a lack of orders under the previous Liberal Government. As well, negotiations between Via, UTDC and Bombardier for new passenger cars are nearing completion. I want to assure the Hon. Member for Papineau that the Minister has made positive decisions for Via Rail, decisions his predecessors, the former Liberal Government, were incapable of undertaking.

[*Translation*]

PUBLIC SERVICE—SALARY INCREASES—GOVERNMENT POSITION. (B) REQUEST THAT PRIVATIZATION COST BENEFIT STUDIES BE TABLED

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, on January 28 of this year, in a question to the President of the Treasury Board (Mr. de Cotret), I asked him how he could justify salary increases of 3, 5 and 8 per cent for senior executives of Crown corporations, when we all know that we now have 15,000 public servants who are worried and who were told in the last Budget that they would lose their jobs, and when we all know that the Government has admitted it intends to cut public service jobs, supposedly in order to cut Government spending.

I also asked the Minister to give the House some cost-benefit information on the impact of the policies announced by the Government, especially those on privatization. In his answer, the Minister implied that such studies existed. he said, and we can read this at page 10246 of *Hansard*, and I quote:

I think we have been most forthcoming in all the information for which the Hon. Member has asked. I will be more than happy to make available to him any studies which we have bearing on the rate of remuneration and bearing on the cost benefits type of information for which he is asking that we have at our disposal.

Now in my question, Mr. Speaker, I asked the Minister, since I assume that a good manager makes some kind of financial study of the benefits of these policies, especially the privatization of certain Government services: Did he have any studies on the social cost to public servants who lose their jobs because of the policies of the Government?

Mr. Speaker, he answered, and the answer may be found at page 10246 in *Hansard*:

I will be more than happy to make available to him any studies which we have bearing on the rate of remuneration and bearing on the cost-benefits type of information which he is asking that we have at our disposal.

● (1820)

So much for that! On February 5, I wrote to the Minister, because I had not received the information I asked for. I wrote to the Minister, and I asked him to send me the studies as he promised in the House on January 28. Further to my letter, I received a telephone call from one of the Minister's assistants who informed my staff that the only study carried out for the Government was a study on the remuneration of senior executives in the Public Service.

Mr. Speaker, the House will recall that I was not talking about senior executives. I was not talking about studies on the remuneration of these executives. I was talking about jobs held by public servants who had either lost or were about to lose their jobs. And I asked the Minister whether he had made a cost-benefit study. Have you made studies which might show, for instance, the cost benefits of privatization, as advocated by the Government?

So, Mr. Speaker, again on February 11 I wrote to the Minister asking him to confirm, in writing this time, the existence or non-existence of privatization cost benefit studies. In case of a negative reply, I asked the Minister in the letter, and I quote from the third paragraph: "As you will see . . .", and I am quoting my own words, " . . . on page 10246 of the Official Report of the *Debates* my question had to do with the tabling of privatization cost benefit studies."

If there are no such studies, should I conclude that the Minister misled the House? It is a very simple question since the Minister told me: "Everything is available, we are an open Government. The Hon. Member need only ask and he will receive." I asked but did not receive anything, Mr. Speaker.

The Government policy on personnel management is well known. We know that in its Budget last year, in May 1985, the Government had announced its intention of reducing the Public Service by some 15,000 person-years. With that in mind, the Government has announced a 2 per cent reduction in fiscal year 1986-87 and 1 per cent in each of the next four years. We also know that yesterday, in the February 26 Budget, were told that there will be a $500 million cut-back in various programs. We simply do not quite know where and how, but there will be cut-backs of about $500 million in federal agencies and corporations.

Mr. Speaker, it seems that this Government wanted people, at least in the National Capital Region, to believe that jobs have been created, but I can tell you that the Government has not created jobs in this region, especially in Ottawa-Vanier and in the sectors of the capital with which I am familiar. On the contrary, the Government has done away with jobs, it is still doing so and it is putting public servants in a very difficult position.

Mr. Speaker, I know that the budget debate will give me an opportunity to come back to this issue, but, this evening I would like to ask one question to the Parliamentary Secretary: Have studies been made on the privatization of Government services? Have cost-benefit studies been carried out by the Treasury Board which would show the country as a whole that your policies do make sense? Or else, did the Minister not know what he was saying when he told me that we had all received information on this issue! The question is quite simple. Have studies been made or not?

• (1825)

[*English*]

**Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, it is a pity that the Hon. Member has not learned how to ask a question properly in the House. In going over the material recently, I noticed in the Member's questions there are six different queries, and it makes it virtually impossible for a person to respond to them intelligently in the short time allotted. I know a letter was being drafted in response to his most recent inquiry, but he has decided to jump the gun and tried to make political capital out of something which is not.

I read all the questions and they are basically unrelated. Concerning the negotiations on the salaries of public servants since the resumption of Public Service collective bargaining in 1984, the Government and the unions have concluded more than 20 collective agreements providing, on average, annual pay settlements of 3.5 per cent.

On February 23, the Government and the Public Service Alliance of Canada reached an agreement, subject to union ratification which will provide pay increases for another 90,000 public servants in the CR, PM and GL groups. It is anticipated that the contracts of many other groups will be renegotiated during the next few months.

With respect to privatization, the Government has established a ministerial task force to co-ordinate the possible sale of Crown corporations or other equity holdings. A privatization secretariat has been set up in support of the task force. The ministerial task force has developed a systematic process for the review of each individual privatization initiative to ensure that all issues be fully identified in advance and that divestiture proceed in a business-like manner.

In the initial stage, the Minister who is responsible for a particular corporation will present his or her recommendations to the task force on the whole range of issues concerning possible privatization, including the continued public policy role of the corporation, alternate means of delivering the same policy, potential impact on employees, service to the public and preliminary financial considerations. The task force will then decide whether or not to proceed with a further study of the corporation.

The purpose of the next study phase would be the proposal, again by the responsible minister, of resolutions to the outstanding policy issues, including impact on employees and more detailed financial and cost benefit analyses. I would stress that this work will be done by the line department in consultation with the privatization secretariat to enable the responsible minister to formulate recommendations for the task force. Much of this work will contain commercially sensitive information and cannot be released to the public. It is only after this second study has been completed that the task force will decide whether or not to proceed with the sale of the corporation.

In so far as person year reductions are concerned, I would like to emphasize that Treasury Board has had a detailed

policy on work force adjustment whose purpose is to redeploy the maximum number of employees declared surplus and laid off. This policy was revised in 1985 and these revisions were developed through consultation with the Public Service unions and were recommended by the Treasury Board for approval by the national joint council, a consultative body comprised of representatives of the Government and of all Public Service unions.

The work force adjustment policy provides for six months written notice from the date of lay-off, appointment to other positions in the Public Service on a priority basis; retraining for other positions within the Public Service; salary protection and entitlement to severance pay. It is expected that 85 per cent of employees affected will be reassigned to another part of the Public Service as a result of the application of this policy. As well, many of the remaining could be placed if they were willing to relocate at Government expense or if they were willing to accept lower paying jobs.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

# HOUSE OF COMMONS

**Friday, February 28, 1986**

The House met at 11 a.m.

## STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

### THE BUDGET

SOCIAL IMPACT

**Mr. Jean-Claude Malépart (Montreal-Sainte-Marie):** When this Government and particularly this Prime Minister and this Minister of Finance (Mr. Wilson) come up with policies to help the rich, the word is: Good show, they are all right! But when the same Minister of Finance, the Prime Minister and the Conservative Government try to do something for the poor they come up with unfair policies, and the word is zilch! Here is why. Last year this Government decided that $23,500 would be the maximum income under which families would qualify for the child tax credit. This year, in an attempt to dissuade poor families from signing their child tax credit over to discounters, the Government has chosen to prepay part of the child tax credit, but only to families whose income does not exceed $15,000. Mr. Speaker, this Government and this Minister of Finance have just decided that there are two categories of poor families.

**Mr. Speaker:** Order, please.

* * *

[*English*]

### FINANCE

TAXATION OF NORTHERN BENEFITS

**Mr. Rod Murphy (Churchill):** In Wednesday night's Budget the Hon. Minister of Finance (Mr. Wilson) provided a new income tax regime for many northern residents. I had hoped that this tax reduction for northern benefits would help people in remote areas. However, after checking with Revenue Canada officials, I found that what will happen is that many northerners will pay more in taxes.

For example, in the community of Churchill, CMHC is attempting to set the level of a unit up to $1,600 per month, despite the fact that residents in that community and the provincial Government object.

In checking with workers in that community I found that a janitor who works for the federal Government with the Harbours Board could be paid $16,500 a year. A clerk working for the federal Government could earn as little as $15,500 a year. What that means is that under the new regime, people who are going to earn $16,000 or $15,000 in real salaries will be paying—

**Mr. Speaker:** Order, please.

* * *

### CROWN CORPORATIONS

SUPPORT FOR PRIVATIZATION PROPOSALS

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, the Opposition criticizes the Government's initiative of returning federally-owned or controlled corporate entities to the private sector. It turns a blind eye to all of the studies which confirm that public sector enterprises tend toward inefficiency for there is no absolute necessity for them to compete. If things go sour, they just turn to the Government for more money. Those Opposition Members should talk to their Socialist soul mates in France and Spain. Those Governments have realized that state ownership is inefficient and expensive. France has sold more than 100 state-owned subsidiaries and is in the process of selling more. Spain has returned car, truck, and industrial companies to the private sector, with great success.

I believe that Canadians can run their businesses and companies without having to compete with their own Government.

* * *

### THE ECONOMY

REDUCTION OF DEFICIT AND CREATION OF JOBS

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, two days ago the Minister of Finance (Mr. Wilson) introduced a Budget which confirmed to Canadians that we have stayed on the best course for Canada. This Budget places the deficit firmly on a declining trend, from $33.8 billion this year to $29.8 billion next year, and it will decline still further to $22 billion in 1990-91. With this year's reduction the Minister of Finance was right on target. I challenge any Hon. Member of the House to tell us the last time a Minister of Finance was so accurate with a forecast in deficit reduction.

Jobs, not tens of thousands but hundreds of thousands, some 580,000 jobs, have been created over the past 18 months. The facts speak for themselves. By solving the problems of the past, we are creating a future filled with prosperity and promise for all Canadians.

*S.O. 21*

## THE BUDGET

EFFECT ON WAGE EARNERS

**Mr. Sergio Marchi (York West):** Mr. Speaker, once again this Government has described a Budget as tough but fair. That is what it said about the last Budget. It sure as hell is tough but it is certainly far away from fair.

If we consider that because of the last Budget, which was introduced in May, a wage earner earning $15,000 paid an accumulative tax increase of some 36 per cent, we can compare that with the person who earned $200,000 and who faced an accumulative tax increase in the same period of only 2 per cent.

Last May Canadians were asking themselves what kind of fairness that Budget and that tax offered the average working Canadian. This week that problem has simply been compounded with the pressure of a new tax burden on middle-class Canadians.

In a year end poll last Christmas by Decima and *Mcleans's* magazine, a very specific analysis showed that this country is perceived to be between the haves and the have-nots—

**Mr. Speaker:** Order, please.

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## THE BUDGET

PROJECTED LEVELS OF CORPORATE AND PERSONAL INCOMES

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, the Budget is marked by unfairness and incompetence. Let me just deal with the economic projections given on page 26 of the Minister's own document. The Budget will give us huge increases in corporate profits in 1986 and 1987 while both personal incomes and consumer expenditures decline in growth. Talk about unfairness of results.

What is tragic is that this is a slow growth Budget which shows our economic growth rate declining in 1986 and 1987 while the U.S. growth rate is increasing. What an incompetent development strategy. The Minister of Finance (Mr. Wilson) should realize that we cannot take billions of dollars from the pockets of average families and expect dramatic growth. This Budget is a bust. In my economic grading, it deserves an F for failure—

**Mr. Speaker:** Order, please. The Hon. Member's time has expired.

* * *

## EMPLOYMENT

SUPPORT FOR BUDGET MEASURES

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, on Wednesday the Minister of Finance (Mr. Wilson) demonstrated clearly that this Government is spending better and smarter. Canadians will recall that after both the November economic statement and our May Budget, the Leader of the Official Opposition (Mr. Turner) and the Leader of the New Democratic Party (Mr. Broadbent), the merchants of gloom and doom predicted hundreds of thousands of lost jobs and a depressed economy.

The same doom and gloom campaign has already begun as we are hearing today, but the people of Canada will not be fooled by their cheap political rhetoric. Look at our record. There have been 580,000 jobs created in just 18 months, a deficit reduction of $4 billion, and economic growth equalled only by Japan.

I am proud to stand in my place today to offer a hearty congratulation to the Hon. Member for Etobicoke Centre (Mr. Wilson) for bringing sanity, common sense, and good management back to our nation's affairs.

* * *

• (1110)

## INCOME TAX

SUPPORT FOR NEW SYSTEM AFFECTING NORTHERN BENEFITS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, in fulfillment of yet another election promise made by the Prime Minister (Mr. Mulroney), the Budget contained a long-awaited announcement with respect to the taxation of northern benefits. All northerners will be pleased with the replacement of year-to-year remission orders by permanent changes to the Income Tax Act which take cognizance of the much higher costs of living in northern and remote areas.

In contrast to former remission orders, which tended to favour a select segment of the population, the new system, devised as a result of widespread consultations, will be as fair and equitable as possible and extend benefits to pensioners, federal employees, the self-employed, and employees of small business, people who had previously been neglected.

On behalf of all Canadians who live in the far reaches of the country might I congratulate the Minister of Finance (Mr. Wilson) for an extremely well received Budget—

**Mr. Speaker:** Order, please. I regret to inform the Hon. Member that his time has expired.

* * *

[*Translation*]

## THE BUDGET

TOURISM INDUSTRY

**Mr. Fernand Robichaud (Westmorland-Kent):** Once again this week, Mr. Speaker, we have seen that the Government has completely forgotten all about the tourist industry.

Instead, I will comment a little bit on what the Budget did for farmers.

As a western Canadian who grew up working on cattle ranches and farms for a good portion of his life, and recognizing the value of agriculture to our country, I know, as do we all, that the farming community is hard-pressed. In your Province of Alberta, Mr. Speaker, farmers find themselves in a real crisis situation. The last best estimate that I have seen is that about 50,000 farmers across the country today are in a financial crisis situation. They are simply unable to pay off their debts. What has the Government done? Fundamentally, very little. If you are a farmer who happens to be doing business with the Farm Credit Corporation, and the President of the National Farmers Union said this morning that accounts for about 25 per cent of the troubled farmers, there is a possibility of renegotiating your debts. However, if you are part of the other 75 per cent who happen to be dealing with provincial financial institutions or the chartered banks and others, forget it. The Government of Canada has literally turned its back on you. Well, that is not true. The Government said it will help you get out of farming. It will find ways and means of making it easier for people to leave their farms. I am not certain that is the kind of support the farmers of Canada thought they would get from Mr. Mulroney during the election campaign in 1984.

**The Acting Speaker (Mr. Paproski):** Point of order, the Hon. Member for Gatineau (Mrs. Mailly). I know what she is going to say. The Hon. Member will please refer to the Right Hon. Prime Minister (Mr. Mulroney).

**Mr. Riis:** Mr. Speaker, I apologize for my inconsiderate use of the words "Mr. Mulroney". I was referring to the Prime Minister of Canada, obviously, in his previous role as Leader of the Opposition. When he was campaigning he said: "We are concerned about farmers, we are going to do something to them." I think they thought, rather than "to them", he would help farmers and not help them get out of farming. I do not think that was the kind of help people thought the Prime Minister was promising. However, when you look at all these documents, that is what you find. That is what is in the Budget for farmers.

I listened with interest to the Premier of the Province of Alberta this morning on the radio. He was very angry, upset and disturbed. He was saying there is nothing in this Budget for the Province of Alberta. He was very dismayed at that. I know the news media were trying to find Mr. Filmon of Manitoba to get an idea of what he was thinking. Unfortunately they could not find him in order to find out how the Leader of the Conservative Party in Manitoba reacted to the Budget. However, when the Premier of Alberta stands up and says there is nothing in it for Albertans, just you wait. Next I think it will be the Premier of Saskatchewan, not to mention the Premier of British Columbia.

Again, what is there in this Budget for farmers and ranchers? Very little. What is in it for the jobless of Canada?

**Mr. Hnatyshyn:** Are you kidding? Jobs, jobs, jobs.

**Mr. Riis:** No, taxes, taxes, taxes. You have that mixed up.

**Mr. Hnatyshyn:** Five hundred and eighty thousand new jobs.

**Mr. Riis:** We have an initiative, the validity of which some of us question. Nevertheless, let us recognize the initiative by the Government called the Canadian Jobs Strategy. That is the Government's initiative to create jobs, to help business and community and non-profit groups to hire people. But what did this Budget do? It cut it.

• (1410)

**Mr. Hudon:** No.

**Mr. Riis:** Yes. The amount of funding in the Canadian Jobs Strategy this year was $900 million. Next year it is going to be $800 million. Using my simple arithmetic that means it has been cut, not totally, but cut in revenue. This is done at a time when there are 1.25 million unemployed people in Canada. The Government's own statistics tell us that this is not going to change much in the next couple of years. We are told that at the moment we have 9.8 per cent unemployment and with any luck it will get down to 9.6 per cent this year. That is hardly what one would think of as an optimistic forecast.

Why did the Government not set targets for the years ahead? Why did it not say, for example, that within two years it wants to move the unemployment rate down to 3 per cent, and in the next two years by another 3 per cent? Why did it not set some goal to shoot for so it could put in place strategies to accomplish that goal? I gather from reading the Budget documents that the Government is saying it knows we have a little more than one million people out of work, about 10 per cent of the labour force, but that is the way it is, that is the price we pay. I do not think that was the kind of initiative the people of Canada were expecting to find in this Budget. What was in the Budget for the unemployed other than cuts?

Something that troubles me greatly as a Parliamentarian from western Canada is that I notice one of the areas which will experience major cuts in the years ahead will be the Department of Regional Economic Expansion. Which areas of the country does the Department of Regional Economic Expansion help? Does it do much for downtown Toronto or the city of Ottawa? It was by and large put into place to assist the Atlantic provinces and western and northern Canada, provinces like British Columbia. But the Government is making massive cuts in this Department. That sends to me a very clear message. The Government is saying to the regions of the country: "Forget it. We are abandoning you. We know times are tough but we are going to make them tougher. We are going to cut our support systems back and reduce job creation funds". That is what Government is saying.

I would like to speak about young people. I believe that if there is a disgrace in Canada today it is that so many of our young people are out of work and so many of them cannot afford to go to post-secondary institutions. Too many of our young people are collecting unemployment insurance and wel-

fare because there is nothing for them to do. We should declare this a national catastrophe. We should recognize the serious level of youth unemployment as a national crisis. There should have been an extraordinary set of programs put in place to alleviate this situation. But what does one find in the Budget for young people when one pours overe all of these pages? Zilch. There is virtually nothing here which addresses the plight of young people.

I could be asked why I seem to be just concerned about young people. But I am not, I am also concerned about the older workers, those people who have reached the age of 55 years or 58 years who have lost their jobs, particularly in those regions where they are going to have difficulty finding employment. What was in the Budget for them? The Government cut programs which helped older workers. The Government removed actually more than 50 per cent of its support for those older workers.

What was in the Budget to assist single mothers and their children? Nothing. You can bet, Mr. Speaker, that the National Council on the Status of Women and all sorts of other groups which represent the interests of women will analyse this Budget word for word to see what the Government has done to enhance the status of women in the workplace in terms of providing equal pay for work of equal value. They will come up with a blank. I have looked through these Budget documents page by page and there is virtually nothing in there which will be of assistance to women and children.

Who did benefit from the Budget? Surely, when there are hundreds of pages in the Budget someone must have benefited. I will tell you, Mr. Speaker, who it is. It is very clear. The corporate sector and the upper income earners benefited. The corporate sector will be paying less cumulative taxes next year, and I ask Hon. Members to turn to page 99 if they are in doubt. We find that corporate taxes will go down next year while personal taxes will go up to the tune of $5.5 billion, plus sales tax, and plus gasoline taxes on top of that. Selected segments of the corporate sector were the winners.

What about the wealthy in Canada? What about those people whose incomes are $150,000 to $200,000 a year? They will receive a tax break. Their rates do not go up, they go down. Just to clarify this point, in the last Budget the Government placed a surtax on upper income earners by adding 5 per cent to their tax rate. It comes off at the end of this year and it will be replaced with a 3 per cent increase from that base. We can say then that the wealthiest people in Canada will have their marginal tax rates reduced as a result of this Budget and the ordinary Canadian citizen will have his or her taxes increased by 3 per cent. It is perfectly clear who are the beneficiaries and who are the losers.

I would like to ask a question today, Mr. Speaker. I know my hon. friends in the Conservative Party will be speaking shortly to the Budget. I would like to ask them to tell us, in a sense of fairness, why it was that the Government left unchanged the fact that someone making money on a foreign stock exchange, selling land in a foreign country or selling paintings and jewellery in a foreign country, pays no tax at all on those captial gains? People selling their yachts down in Barbados, selling their paintings in Honolulu, and those doing business on the Hong Kong stock exchange do not pay any income tax at all. Their income is tax free.

**An Hon. Member:** How many?

**Mr. Riis:** I do not know how many but the point is that if there is a single person doing that it is unfair, not how many. The principle is unfair. When people make money on the Hong Kong stock exchange and do not pay any income tax at all on that income, I say that is unfair, unjust and absolutely wrong. The Government is absolutely wrong when it says it is fair in its dealings with the people of Canada. I do hope that Hon. Members opposite will stand up and explain why the Government allows people whose income is from capital gains based in a foreign country to pay no income tax either in that country or in this country? I hope those Hon. Members can explain that to the people of Canada?

**Mr. Thacker:** Mr. Speaker, I rise on a point of order. I am sure my friend would want to correct something he said. He seemed to be referring to income tax and I am sure he will agree that those people would pay income tax, but if there were any capital gains they would be free of capital gains tax up to $500,000, after which they would pay capital gains tax.

**The Acting Speaker (Mr. Paproski):** Well, that is debate. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

**Mr. Riis:** I am pleased that my colleague, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), clarified that. Yes, if you obtain capital gains from the transactions which gave you income on the Hong Kong stock exchange, that is what would be tax exempt. On the income gained from the income from capital gains on the Hong Kong stock exchange or from selling yachts in Barbados, or paintings in Honolulu, or dealing in jewellery in the Sudan, you would pay tax, but not on the capital gains.

• (1420)

**The Acting Speaker (Mr. Paproski):** I regret to advise the Hon. Member that his time has expired. If there are no other questions or comments, I will recognize the next speaker.

**Mr. Riis:** I rise on a point of order, Mr. Speaker. Just to clarify the situation, during my presentation a number of my colleagues raised points of order. Does the time which those points of order took to be made come off my time allotment?

**The Acting Speaker (Mr. Paproski):** I gave the Hon. Member at least an additional three or four minutes before we recessed for lunch. I gave him another couple of minutes just now. Thus I have taken note of the situation.

The Hon. Member for Lévis (Mr. Fontaine) on debate.

[*Translation*]

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-99, an Act to

provide borrowing authority. As you know, this year Canadians or rather our public administration will spend $27 billion on servicing the national debt. The cumulative debt is around $230 billion and would be increasing in geometric progression if we had not acted responsibly as a Government and taken radical steps to bring the situation under control. We should realize that during the financial year ending March 31, our national debt increased $34 billion.

This means that during the year starting April 1, 1986, according to the Budget brought down by the Minister of Finance (Mr. Wilson) on Wednesday, we will have to provide for additional monies to pay the interest alone on the additional $34 billion. Every year, this amount would increase even more if we had not been able to propose a number of difficult but sensible measures to Canadians in this Budget. In fact, the national debt would have doubled before the end of our mandate. However, this will not happen, Mr. Speaker, because the team heading this Government is not a bunch of amateurs or a bunch of socialists. Our team knows that Canadians will understand the difficult situation our country is in, and that they are all prepared to make sacrifices so that we can look forward to better days in the not too distant future.

Mr. Speaker, I would like to draw the attention of this House and of all Canadians to the fact that our Minister of Finance had predicted a deficit of 33.8 billion for 1985-86, and that for the first time in twenty years, these predictions were accurate. This is the first time a Minister of Finance, making his own budgetary projections with his own team, has been proved right. This performance is reassuring for all Canadians and for our economy, because now people realize we have a team that is able to make its predictions come true, and because we are firmly resolved to make the decisions that are necessary to attain our objectives and deliver the goods to Canadians, that is, to give them a renewed and expanding economy.

Mr. Speaker, I think it would be useful to give a quick overview of the Budgets of previous Ministers of Finance, to see to what extent they were able to achieve their budgetary goals.

Twenty years ago, in 1966-67 under Mr. Sharp, the Government predicted a Budget surplus of $615 million, and we had a deficit of $188 million, so that Mr. Sharp was out $803 million in his Budget of March 29, 1966.

On June 1 Mr. Mitchell Sharp announced a $288 million deficit for 1967-68, but the real deficit turned out to be $712 million, a difference of $584 million.

On October 22 1968 Mr. Edgar J. Benson forecast a $435 million deficit in his 1968-69 Budget, and it was one of the rare instances when the prediction proved to be just about right.

June 3, 1969, date of the 1969-70 Benson Budget, he called for a $375 million surplus but again fell short by $30 million.

On March 12, 1970 Mr. Benson announced a $250 million surplus on his 1970-71 Budget. Result: a $779 million deficit, a difference of $1.029 billion. The billion-dollar merry-go-round began under the socialist Liberals.

On June 18, 1971 Mr. Benson tabled his 1971-72 Budget, and it was the day he chose to introduce his infamous capital gains tax legislation, the one we amended recently. The Budget deficit was to be $650 million, but in fact it amounted to $1.543 billion—again the billion-dollar merry-go-round under the Liberals.

In 1972 the Hon. John Turner, on May 8, tabled the 1972-73 Budget. Now Leader of the Official Opposition, he then forecast a $450 million deficit, but it turned out to be double, nearly triple that amount: $1.676 billion, a gap of $1.2 billion in the forecast of the present Leader of the Opposition.

Mr. Speaker, it is that Minister of Finance who is now the leader of the few remaining Liberal Members—there are some leaving every day—who is now the Leader of our Official Opposition.

On February 19, 1973, Mr. Turner announced a second Budget for 1973-74. The estimated deficit was to be $975 million. The actual deficit was $2.2 billion, or a difference of 250 per cent. As Leader of the Official Opposition, he is now criticizing us for trifles. At the time, he could not even hit his own targets.

On May 6, 1974, Minister Turner announced his third Budget for 1974-75. The estimated deficit was to be $450 million. The actual deficit was $2.016 billion, a difference or mistake of 400 per cent.

On June 23, 1975, Mr. Turner announced still another Budget for 1975-76 which, fortunately, was to be his last. The estimated deficit was to be $3.175 billion. The actual deficit was $5.749 billion, a difference of $2 billion.

Mr. Turner, as Minister of Finance, disappeared and was replaced by Donald S. Macdonald who, on May 25, 1976, tabled his first Budget for 1976-77. The estimated deficit was to be $5 billion. The actual deficit was $6.3 billion: this skyrocketting increase in the deficit was the result of mismanagement and collective recklessness on the part of Canada's administrators.

The following March 31st, Mr. Macdonald announced the Budget for 1977-78. The estimated deficit was to be $7.160 billion. The actual deficit was $10.445 billion, a difference of $3 billion.

• (1430)

We realize from year to year the carelessness and lack of foresight of the previous Governments. On April 10, 1978, another Minister—and not the least, according to the Liberals—Mr. Jean Chrétien, presented his Budget for 1978-79: estimated deficit: $9.250 billion; real deficit: $12.636 billion.

Indeed, Mr. Speaker, neither of these two Liberal bigwigs should have taken part in their recent party leadership race. The Liberal party membership should have checked the records of their two aspiring leaders who had been unable to reach their own targets. The same team could not complete the 1978-79 Budget. However, the actual deficit was consistent with the estimated one.

On October 28, 1980, Mr. Allan MacEachen announced the Budget for 1980-81; estimated deficit: $11.920 billions; actual deficit: $13,529 billion, a difference of $2.5 billion. On November 12, 1981, Mr. MacEachen brought down the 1981-82 budget with a projected deficit of $13.34 billion. The actual deficit was $14.752 billion. What do all these mistakes show about the competence or the honesty of the team which made up the Government of Canada at the time? On June 28, 1982, Mr. MacEachen announced the budget for 1982-83, with a projected deficit of $19.5 billion. I would like you, Mr. Speaker, as well the Members opposite and all Canadian men and women to listen carefully. Mr. MacEachen had projected in his budget a deficit of $19.5 billion, but 12 months later, he and his team ended up with a $27.689 billion deficit.

**An Hon. Member:** Shame!

**Mr. Hudon:** It is all their fault!

**Mr. Fontaine:** It is shameful, Mr. Speaker! That was the team which led the destinies of Canada, and it made a mistake of $10 billion. Those are the some people who now question our proposals to restore acceptable economic conditions in Canada. Mr. Speaker, these people will certainly be able to continue to sit in isolation on the side of the Opposition for many years.

**Mr. Robichaud:** Not for long!

**Mr. Fontaine:** On April 19, 1983, in the 1983-84 budget announced by Minister Lalonde, the projected deficit for a single year was $31.3 billion; in fact, it amounted to $32.423 billion. On February 15, 1984, Mr. Lalonde announced the 1984-85 budget, fortunately the last budget of the Liberal Government, which was made up of spendthrifts, image salesmen, socialists, unlimited borrowers, out-of-breath legislators and idealists, which budget projected a deficit of $29.6 billion; in fact, the deficit, which was supposed to buy the next elections, amounted to $38.246 billion, Mr. Speaker. The Canadians had enough evidence of this mismanagement. They asked us to reduce the deficit, they asked us to bring back a healthy economy, they sent us here, 211 strong, to put some order in the nation's house.

In the last two years, we have gradually got rid of the previous administration. The Canadian people should understand that, when we give a figure for our deficit in the budget, we are going to deliver and keep to the amount forecast. Our efforts to limit our deficit and promote economic renewal are reflected by a new distribution of the taxation burden. We thought it very important and significant to provide at least partial exemption of the capital gains tax to encourage Canadian businessmen to get started and to expand.

In Wednesday's Budget we repealed a 12.5 per cent tax on dividends earned from small businesses. That tax had been put introduced by Minister MacEachen. It was in the process of strangling our business developers, because it prevented them from accumulating profits, the only incentive in our human society.

Our inroads to reduce the deficit, Mr. Speaker, are conclusive. This year, the deficit will be reduced to below $30 billion. To get that result, 70 per cent will come from savings in Government spendings and the balance from an increase in Government revenues. Canadian men and women will not lose. Deficit reduction in the first place fosters confidence in the economic community; in the second place it results in a decrease in total money demands, two items that will result in a gradual decrease in interest rates. Each and everyone of us will benefit sooner or later from that interest rate reduction. If we look for instance at average family mortgages in the vicinity of $50,000, a mere 3 per cent interest reduction amounts to a $1,500 saving per family, which means that all Canadians will gain financially, economically and socially from the fiscal measures put forward Wednesday by the Hon. Minister of Finance.

And, indeed, I am not alone in commending this Budget. I noted this morning the following in a *Globe and Mail* editorial:

> Let us acknowledge what the Government has achieved in repairing Ottawa's finances less than two years after its election.

This is a most positive editorial in one of the more credible of Canadian dailies. It reflects satisfaction, confidence, recovery. In the editorial page of today's *Le Devoir*, Albert Juneau comments on the Wilson Budget, from which he draws the best of positive conclusions, after brushing a somber picture of the Liberal legacy inherited on September 4, 1984.

Finally, Mr. Speaker, I conclude on a final quote, this time from *Courant* published by the Economic Council of Canada. This is a most credible scientific review, prepared by economists whom the previous administration should have been consulting. They should have consulted not just the review but its members, because they had appointed them, they were paying their salaries. But was it viable to listen to the members of the Economic Council of Canada? Was it consistent with the Laprade Fund wasting public money for purposes of Liberal patronage. In this VI-3 journal for 1986, Mr. Speaker, it is said how important it is to amend our tax system especially with respect to various legal means used to avoid taxation.

**Some Hon. Members:** Oh, oh!

**Mr. Fontaine:** Once again, Mr. Speaker, it would be in the interest of my Liberal colleagues to listen to me instead of making those unintelligible noises that should not be heard in the Parliament of Canada.

The Economic Council of Canada—people hired and paid by the Liberals—mentions that there is considerable confusion at the taxation level. These people are not politicians but experts whom you hired and who have stated that Canadians are too often tempted to invest in fiscally but uneconomically profitable investments. The taxation system of the Liberal Party, and I quote:

—promotes investment in activities providing the highest yields after tax rather than in more productive activities providing the highest yields before tax.

Finance Minister Wilson, with his Budget brought down on Wednesday, has had his first try at improving our taxation system. Mr. Speaker, our economy is in good hands. Only the Opposition is unhappy but for other reasons. During the weekend in Quebec, I hope that they will continue to reflect, while missing some of their former colleagues, on their past mistakes and that they will do so for many decades to come. Thank you, Mr. Speaker, and God bless them!

**The Acting Speaker (Mr. Paproski):** Questions and comments.

• (1440)

[*English*]

**Mr. Riis:** Mr. Speaker, I have a couple of questions for the Hon. Member. How would he explain that since the Budget was introduced the Canadian dollar has been falling on the money exchange? The reason it has not fallen even further than it has is likely because the Government of Canada—

**Mr. Dick:** Likely!

**Mr. Riis:** I will say, then, the reason it has not fallen further is because the Government of Canada through the central bank has been out in the money markets purchasing literally hundreds of millions of dollars of our own currency, to give the impression that people have faith in it.

Does the Hon. Member believe that a person working in a sawmill or an office and receiving $10,000 per year should pay income tax at the rate of 20 per cent, whereas if that same person obtains $10,000 from selling land in Arizona or speculating on the Hong Kong stock exchange he pays no tax as a result of the capital gains tax exemption? Does he think that is fair?

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, in reply to the first question from the Hon. Member for Kamloops-Shuswap (Mr. Riis), I should like to point out that Canadians have favourably reacted to our Budget. The Canadian Federation of Independent Business which is somewhat representative of small businesses, the locomotive of small businesses, as well as the major Canadian dailies, the Counseil du patronat du Québec and other organizations have made some quite constructive comments. The business community speaks very highly of our Budget.

And when you tell us about the effects of some of those taxes in specific cases, I am pleased to reply that you have forgotten to mention that our Budget—and you are giving me the opportunity to do so and I will try to explain it to be understood—which is promoting economic renewal, and giving confidence to the business community, will decrease demand for Government loans and make more funds available to the private sector. More funds being available, interest rates will be reduced. And when money costs less, you and I, and Canadians generally, when we borrow, especially for home mortgages, we are looking at average loans of $50,000, and our mortgage loans will cost us perhaps 3 per cent, perhaps 4 per cent, less a month, and this means $1,500 to $2,000 less, as against the $300 to $400 in taxes that the Budget proposals will perhaps be costing us.

This means each and every Canadian benefits from our Budget proposals. This is what you forgot to figure out. You are always trying to figure out the smaller items you yourselves find objectionable, because of your socialist philosophy. But you can never give the people the actual measure.

This, Mr. Speaker, is my answer.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Kamloops-Shuswap (Mr. Riis) for a supplementary.

[*English*]

**Mr. Riis:** Mr. Speaker, I have a very short supplementary question for the Hon. Member. Perhaps he did not understand my question. Why is the dollar falling so drastically? Why is it requiring central bank intervention? Why should people who make capital gains income from speculating on the Hong Kong stock exchange not pay tax on it?

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, I understood the question perfectly, but I do not suggest the Hon. Member understood my answer well. The Budget message is clear. It is a message of renewed confidence in the Canadian people. It is a message sent to the 750,000 small and medium-sized businesses in Canada. We are telling them: "Hire people, now you can keep a larger part of your profits, you can expand". We are putting back the spirit of entrepreneurship that had been chased away by the Liberals in some cases where you were in bed with them, you people of the socialist parties. Therefore our message is clear. It is a message of renewed confidence, with specific items. We will give business people, those who sign paychecks on Thursday night, an opportunity to hire more people. This is how we are going to solve the unemployment problem in Canada.

They will have confidence, they will be interested in developing businesses, they will be allowed to have dividends from their own businesses without being taxed, as it had been

proposed and implemented in the MacEachen Budget. This they will be able to do, they will be able to accumulate equity and gain up to $500,000 without the negative effects of taxation.

**Mr. Hudon:** Mr. Speaker, first of all, I would like to congratulate my hon. colleague about the refreshing figures he has quoted in the House today. I have a question to ask him. He said earlier that a certain Minister of Finance named MacEachen made a mistake of $10 billion, or 33⅓ per cent, in his budget. I would like to ask this: Is that the same man who is now in the Senate and who, last year, refused to give us our borrowing authority pretexting that our request was not serious? Is it the same man who is now so cautious and who objects to the indexing of family allowances at 89 cents a week? This is a man who made a mistake of 33⅓ per cent. I would not even let him have my family allowance cheque, Mr. Speaker. Is it indeed the same man?

**Mr. Fontaine:** According to my information and in view of the socialist philosophy and partisanship of his recent interventions in the Senate, I think that it might indeed be the same man, especially as I seem to recall that his appointment was rather compatible with the series of appointments made by former Prime Minister Trudeau when he left the Canadian Government.

[*English*]

**The Acting Speaker (Mr. Paproski):** Order, please. I draw to the attention of Hon. Members that they should have respect for the other place. We do not discuss our colleagues who have gone to heaven, to the other place or whatever. We must have respect for the other place in this Chamber.

**Mr. Rodriguez:** Mr. Speaker, I have a couple of very straightforward questions for the Hon. Member. First, could he tell the House to what he attributes the drop in the Canadian dollar on the international markets 48 hours after what he claims to be a very solid Budget was brought in? Second, does he think it is fair that those who earn their money by speculating on condominiums, racehorses and other luxuries should be allowed to get away with paying no tax at all on up to $500,000 of capital gains?

[*Translation*]

**Mr. Fontaine:** I thank my colleague for these two questions. I believe that it would be a good idea for the socialist Members to get used to express their thought in theoretical terms and general principles instead of always making judgments on special cases. Otherwise, in 25, 50 or 75 years, they will find themselves still sitting on the side of the Opposition if they cannot show some intellectual discipline and judge issues on the basis of general concepts rather than special cases.

Second, when you ask questions, do not think about the next one you are going to ask. Think about listening and analysing our reply.

I think that this answer is self-explanatory. The rest of the House understands quite well.

[*English*]

**Mr. Rodriguez:** Mr. Speaker, I am sure all the people watching the House and listening to the Hon. Member's answers will recognize that he did not answer my questions at all. Indeed, socialists are always accused of dealing with theories, not with specifics. I asked him very specific questions and he refused to answer them. The friends of the Tories operate on the money markets—the wealthy and the big money-bag capitalists. They are the ones who are responsible for the buck dropping. They are the Tories' friends. Why are they doing that to the Government, Mr. Speaker?

• (1450)

**Some Hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Paproski):** Order, please. A very short answer to that question and then debate.

[*Translation*]

**Mr. Fontaine:** As I recall, the Hon. Member was here, at least in body, during the question period. The highest authorities at the Department of Finance have already answered this question. The Hon. Member should have listened to the reply. He would now be able to draw his own conclusions and use it to help his constituents.

[*English*]

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. Debate. The Hon. Member for Westmorland-Kent (Mr. Robichaud).

[*Translation*]

**Mr. Fernand Robichaud (Westmorland-Kent):** Mr. Speaker, I welcome this opportunity to rise in the House today and comment on the requested borrowing authority of $22.6 billion.

However, I first have a few comments I would like to make with respect to my hon. colleague, the previous speaker, and I am referring to the Hon. Member for Lévis (Mr. Fontaine). While I was listening to him, Mr. Speaker, and this is no reflection on his performance as a Member of this House, I felt that he was like a round peg in a square hole. Perhaps I may explain that the Hon. Member is a darn good skater, and I really think he missed his vocation when he became a Member. He is a very good skater.

**Mr. Fontaine:** You're not bad yourself!

**Mr. Robichaud:** Thanks!

As I was saying, 22.6 billion is a lot of money, and it is money we cannot afford to lose as a result of bad management. I say bad management, and I am referring to the Budget Speech we heard on Wednesday. A reduction of $4 billion was

announced in the Budget. Very impressive, you say. It may be impressive to those who won't have to pay for it or people who have yet to realize that this reduction is going to cost the average Canadian. And it is Mr. and Mrs. Average Canadian who are going to bear the brunt of paying for this deficit. But there are also a number of important economic sectors that are going to pay as well. I am referring, Mr. Speaker, to the tourist industry which for some strange reason has been affected by this Budget. It is indeed strange and in the case of the Minister of State (Tourism) (Mr. Murta) inexcusable, that this Government keeps hitting, an industry that is regressing from Budget to Budget.

I shall, if I may, go back to November 1984, when the Minister of Finance (Mr. Wilson) gave us his first economic message where we find several measures that were detrimental to the tourist industry. I am thinking for instance of the decision to stop financing of projects for the tourist industry under the Industrial Regional Development Program. This measure resulted in a loss of $26 million in 1984-85. That was only the beginning.

Then the Government slashed the national parks budget and raised entrance fees by 300 per cent, enough indeed to discourage visitors anxious to see our beautiful national parks.

Next came the CN Marine ferry services with a 15 per cent budget restraint which, sure enough, led to a fare increase.

Another transport company, VIA Rail, ended up with a $93 million budget cut-back. As you would expect, Mr. Speaker, remote areas where such services operate in the red had to cope with still fewer services.

Other similar devastating measures were announced in that same economic statement. The airport tax went up 1 per cent, from 8 to 9 per cent, and there was a 1 per cent sales tax increase on products such as alcohol and gasoline.

Mr. Speaker, all those measures were implemented barely two months after the new Government was sworn in, a Government which was supposed to give very special consideration to the tourist sector, or so we were told. Well, we are still waiting.

As you may have guessed, the second attack against the tourist industry came with the first Budget, on May 23, 1985. We would have thought—and industry representatives were hoping—that the Government would lay off the tourist sector. Not only was the industry unable to catch its breath but for the second time it was run out of breath. We might even say that it is being choked, Mr. Speaker.

Three new measures are announced and there simply will not be any changes. The Conservative Government chooses to undermine the tourist sector by slapping a 2 per cent federal excise tax increase on alcohol, beer and wine.

A second measure was aimed once more at spirits and gas through the announcement of a one per cent increase in the sales tax, effective January 1, 1986.

A third measure, not the least, was the excise tax increase of two cents a litre of gas, effective September 3, 1985.

Of course, there was more. In the meantime, on June 21, 1985 the Government decided to remove the ceiling of $30 on the airport federal tax. Therefore, a higher airport tax became payable on all airplane tickets worth more than $333. For instance, on an airplane ticket costing $900, the airport tax is not $30, but $81. So since then, instead of paying his ticket $930, the air traveller pays $981 or $50 more.

• (1500)

And still in the spirit of assistance to the tourism industry, a few days after the removal of the airport tax ceiling was announced and following the uproar caused by the proposed deindexing of old-age security pensions, the Mulroney Government withdrew that proposal and re-established full indexation of pensions, but at the same time, to compensate for those payments, they announced another one-cent hike in the excise tax on gas.

There is therefore no breather for the tourist industry, none whatsoever, Mr. Speaker, and this continues as though the series of tax increases had not been enough, which is a clear proof that tourism is the very least concern of this Conservative Government. Unfortunately, this second Wilson Budget is providing again for tax increases. That is terrible, really terrible!

First of all, there is the immediate 4 per cent federal excise tax on alcoholic beverages and 6 per cent on tobacco. Second, the sales taxe is increasing by 1 per cent from 11 to 12 per cent. As for alcohol, the increase means that the tax on alcohol has now reached the 15 per cent level, Mr. Speaker.

So far, I have said nothing of direct taxes. But let us turn now to the other taxes, including the 3 per cent increase in individual income tax which will directly affect the tourist industry.

This money which Canadians could spend travelling will now be used to pay for the Government's deficit. The Government, therefore, is still working against the tourist industry and, everything considered, the last Wilson Budget is truly an attack on the tourist industry.

Since the Fall of 1984, there have been dramatic tax increases which the industry representatives strongly opposed. As a matter of fact, over the past year and a half of this Conservative administration, the tax on gas has increased by 9 per cent, which means an increase of 4.5 cents a litre or, if you prefer, over 20 cents a gallon.

In the regions, these federal tax increases have a serious impact on consumers, more so than elsewhere, because in outlying areas, like the Maritimes, transportation by car or bus

is a necessity. Distances are long and the CAA estimates that 50 per cent of Canadians need a car to go to work. The 3 per cent surtax on personal income tax will have a direct impact on families in our area, especially the low and medium income families.

Wednesday, in his Budget, Minister Wilson talked about reducing the deficit by $4 billion but, Mr. Speaker, people quickly realized that they will be paying directly for that reduction, it will be done at the expense of ordinary Canadians and of low and medium income families. It is very unfair and really inexplicable to announced good sounding measures when they are, actually, going to cost an arm and a leg to Canadian consumers.

Not only will the Budget and the Estimates be costly for our people but they do not foresee anything encouraging as far as employment is concerned. Even though the Minister of Finance boasted a reduction in the unemployment rate, that reduction has not been felt in New Brunswick.

I wish they could tell me they created jobs in New Brunswick, and I also wish they could tell me where they created those jobs. But it just is not so. Listen to this: The unemployment rate in New Brunswick increased from 15 to 15.3 per cent last January. As far as employment goes, the Government does not have much to brag about. Especially since the Estimates include a reduction of $100 million in the Job Creation Program, compared with last year. One hundred million dollars less. Mr. Speaker, in my riding, the amounts available were already been cut this year. Last year the Canada Works Programs had $3 million and this has now been cut to $1.5 million, and we now have to share the money among three electoral districts. This is terrible!

As far as young people are concerned, components of the Challenge '86 Program were also cut this year. In New Brunswick, under the component "Summer Employment/ Experience Development", we received or we are about to receive $900,000 less. Almost a million dollars! And the Government says it doesn't matter. And in the same breath, it says it is going to create jobs for young people. They say it takes about $2,000 to create one job. Well, $900,000 means 450 summer jobs less next summer for us. And these cuts come after the Katimavik Program was cut and the Minister of State (Youth) (Mrs. Champagne) had told us the money was going to be redeployed in other programs. If that is the way you redeploy this money, if you treat everybody like you treat them in New Brunswick, the young people of this country are not about to resolve their problems.

I am very disappointed that even the Budget failed to mention the very tenuous situation in which young people find themselves today. It contains no proposals for assisting them. There is no reference to them anywhere at all. It is a regrettable oversight that will cost us very dearly in the years to come. The young people, like everybody else in New Brunswick, expected a lot better from this Conservative Government. They hoped that the Government would reconsider its position making early retirees with pensions ineligible for unemployment insurance benefits. Again, the rule change in the case of early retirees has been viewed as a cheap shot. This was and still is indeed a cheap shot. Nowhere in the new Budget is there a mention of this rule change.

I can go on and talk about what the Government has done for Atlantic fishermen. Again, it has done absolutely nothing for them, except increase their cost burden for the next few years. It is even proposing users' fees. For instance, in its estimates, the funds made available to repair wharfs and dig chanels arount them are clearly inadequate. What is even worse is the Government's recommendation that the cost for the services should be paid by fishermen. They can hardly make ends meet and the Government would like them to incur additional costs. It is a shame!

The fishery industry in New Brunswick is very important, just as it is in any other Atlantic province.—I thank you for signaling that I only have two minutes left, Mr. Speaker.—If you allow me to continue, I should like to mention also that the boats subsidy program has been completely eliminated. The Minister used as an excuse that this program had become obsolete. Mr. Speaker, I should like the Minister of Fisheries and Oceans (Mr. Siddon) to come and explain to the fishermen in my riding that this program had entirely lost its usefulness.

As for regional economic development, the Estimates indicate a reduction of 11 per cent this year. A further drop of some 17 per cent is slated for 1987-88. Combined with the 15 per cent reduction we saw in 1985-86, these cumulative cutbacks mean that this department's budget will be cut by 44 per cent. In fact, the departmental estimates will be cut by $160 million in 1986-87 as compared with last year. And they have the audacity to tell us they want to help the regions, that they are concerned about the regions—

Given that loss for the economic development of our regions, the Government has decided to provide funds for a program called "Atlantic Enterprise".

As you know, Mr. Speaker, we have many legends in the Atlantic. There are tales of ghost ships. Each area has its own legend. But here a brand new legend has just been created: a ghost ship for the whole Atlantic region.

Of course, I could not, in the few minutes allocated to me, speak about all the cutbacks provided in these Estimates, about all the ways in which the people of the Atlantic will be affected. But it is clear from all this, Mr. Speaker, that the tax burden is not distributed in an equitable fashion.

• (1510)

[*English*]

**The Acting Speaker (Mr. Paproski):** I regret that the Hon. Member's time has expired. However, there is time for questions and comments.

[*Translation*]

**Mr. Grisé:** Mr. Speaker, since the Hon. Member for Westmorland-Kent (Mr. Robichaud) suggests that our Government's Budget will affect the tourist industry, an industry that he as well as our Government thinks highly of, and since a good many, if not all, Canadians contribute to the Canadian tourist industry, would he not agree that the creation of 600,000 new jobs in Canada has an important and direct impact on the tourist industry?

**Mr. Robichaud:** Mr. Speaker, I find it surprising that although we always hear about that creation of jobs—you mentioned 600,000 jobs—whenever I travel to New Brunswick, people ask me: "Well, what's happening with those jobs? We have not seen them yet".

Now, what impact could that have on the tourist industry? It could have a large impact if only those jobs were to materialize. What you decided to do, however—

**Mr. Grisé:** 600,000.

**Mr. Robichaud:** —and you started in November and went on in May, and you have come up this week with yet another tax increase so that the price of gasoline go up all the time.

**Mr. Grisé:** It went down.

**Mr. Robichaud:** Last fall, people from the tourist industry were invited to come and meet the Minister of State (Tourism) (Mr. Murta) here in Ottawa. The Minister said that it was part of his consultation process, and that he was expecting suggestions from the industry. Now . . . how could that industry be helped?

The first recommendation of that meeting dealt with taxes. And indeed the industry was calling for and is of course more than ever calling for a restructuring of the taxes incurred by that industry. But at no time did anyone listen to them.

They just increased taxes on gasoline and spirits, two items contributing to the perception that Canada is an expensive country to travel to, especially for our southern neighbours. But the industry never got any help, and it is still going to have to survive in spite of the Government.

**Mr. Clinch:** Mr. Speaker, I am pleased to take part in this debate today. The Hon. Member for Westmorland-Kent (Mr. Robichaud) told us about the mismanagement of this Government. The largest item of expenditure is the interest on the public debt which has been fast increasing. The Hon. Member knows about it, and very well too. Interest on the public debt has increased from $3.2 billion in 1974-75 to $22.5 billion in 1984-85. From 1980-81 to 1984-85, interest on the public debt has increased threefold—

**An Hon. Member:** How awful!

**An Hon. Member:** How terrible!

**Mr. Clinch:** —from $6 to $18 billion.

**An Hon. Member:** How shocking!

**Mr. Clinch:** How can this Member talk about mismanagement when we look at the figures of the former Government, Mr. Speaker?

**Mr. Robichaud:** Mr. Speaker, I can talk about mismanagement, because nowhere in the estimates can I find any programs for helping the people in the Atlantic Provinces. When we refer to regional development, that tool used to create jobs and assist industries, we only note that funds earmarked for those programs have been reduced and no other mechanism has been provided.

In the case of fisheries, my colleague from Gloucester (Mr. Clinch) knows quite well that our fisheries need Government assistance, that they are not self-sufficient because they have to cope with rather difficult conditions . . . Now what do we see? We merely see a reduction of all programs meant to give assistance in that sector and he will agree with me that it is one of the most important sectors in our area.

[*English*]

**Mr. Jardine:** Mr. Speaker, I listened with interest to my colleague because we are both from the same province and his riding abutts mine. One of the things we share in New Brunswick is the beautiful Kouchibouguac Park. So I was rather, I will not say disturbed so many as deeply surprised that during his presentation he mentioned at least five times the tax on alcohol. It was as though the big attraction in the picture Province of New Brunswick was cheap booze rather than the natural beauty we share through that particular Kouchibnouguac Park. He also said there was nothing in the Budget to help tourism. Therefore, I would ask him to comment on the Atlantic Enterprise Program which has set aside $1 billion to provide funding to the private sector in our province and others in Atlantic Canada. He did not say one word about that.

[*Translation*]

**Mr. Robichaud:** Mr. Speaker, I wish to thank my colleague from the neighbouring constituency of Northumberland-Miramichi (Mr. Jardine). In the first part of his question, he spoke about the price of alcoholic beverages. Naturally, as I have pointed out, the price of alcohol is one of the factors contributing to the perception of Canada as a costly place to visit. When the Americans come here and want to buy something to drink, they find our liquor extremely expensive.

As for the second part of his question about Atlantic Enterprise, perhaps he was not listening at the time, but I did refer to the program which was announced and which I described as a ghost-ship. I think that the Hon. Member understand quite well what I mean. In view of the limit set to qualify under this program, you would need a loan in excess of $250,000. Loans are only guaranteed up to 85 per cent. We would have needed a much more extensive program because our region is clearly disadvantaged compared with other regions in Canada.

● (1520)

[*English*]

**Mr. Baker:** Mr. Speaker, I have a short comment in order to correct the record. The cost of servicing the debt in the past 17 months has gone from $19 billion up to $26 billion under the Government. The total national debt, which is the accumulation of debt since Confederation, has jumped from $180 billion 17 months ago when the Government took over to $225 billion. Twenty-three per cent of the total national debt was accumulated by the Government in the last 17 months.

**The Acting Speaker (Mr. Paproski):** I regret to say that questions and comments have now terminated. Debate.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I was not going to comment on this Bill but Bill C-99 seems to have occurred at a very appropriate time. As the Hon. Member for Kamloops-Shuswap (Mr. Riis) said, it is appropriate that the borrowing Bill is introduced at the same time that the Budget is brought in. This enables us to get the whole picture.

After the Budget came down last Wednesday, I took the Budget home to bed. It was like reading a bedtime Tory. The Budget reads like a fairy story, with its only real substance being the taxes. I wondered what was the ambiance or the environment within which this Budget came down.

The Government consulted for months before the Budget was brought down. It is appropriate that the chairman of the board, a man who knows all about closing corporations, and his right-hand chief accountant are the two chief nabobs in the Government. One was president of a company that is noted for laying off workers, the Iron Ore Company of Canada in Schefferville and the other is a tax accountant. Who did they consult? They heard from Mr. Frazee, who I believe is President of the Royal Bank of Canada. They heard from John Bulloch of the Canadian Federation of Independent Business, from Roger Hamel of the National Chamber of Commerce, Thomas D'Aquino of BCNI and from Mr. Mulholland of the Bank of Montreal. They are the ones whom the Government was consulting and they were all friends of the Tories. They all said in one chorus: "You have got to cut the deficit. You have got to bring the deficit down".

**Some Hon. Members:** Hear, hear!

**Mr. Rodriguez:** Their advice was to target the deficit and bring it down. David Lewis of the New Democratic Party wrote a book entitled, *The Louder Voices*. Theirs were the louder voices and the ones to which the Government was listening.

Did the Government target unemployment? The issue of unemployment appears in the last sentence before the conclusion of the Budget. What does the Government say about unemployment?

**Mrs. Mailly:** Six hundred thousand jobs.

**Mr. Rodriguez:** The Government targets it to go from 9.6 per cent to 9 per cent over two years. There will still be well over one million people unemployed in this country when one considers the increase in the workforce. I do not know if those Tories opposite saw *The Journal* last night.

**An Hon. Member:** And here.

**Mr. Rodriguez:** Yes, and to my left. I cannot imagine a Tory to my left, but there they are. If they saw *The Journal* last night they would have seen a soul wrenching and shocking documentary. I wonder if the Minister of State for Finance (Mrs. McDougall), the Minister of Finance (Mr. Wilson) or the Prime Minister (Mr. Mulroney) were able to push away their sirloin steaks and champagne to watch that program last night.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** They are the only ones who can afford those things these days. If they had watched they would have seen people who in other years would have had no problem finding and holding a job in this country. If they understood the moral sin of unemployment they would have turned their guns on unemployment. Yet they are openly telling Canadians that unemployment will remain at 9 per cent until the end of 1987. Talk about a heritage for our children; 9 per cent unemployment means that there will be well over a million people unemployed.

One can imagine the draw on social programs as a result of that unemployment, the lost productivity and more important, the lost human lives.

Last night on *The Journal*, one woman who was well qualified but unemployed said that she would rather go to prostitution than go on welfare. We are not talking about a Third World country or the Philippines or Mexico. We are talking about Canada where the Conservative Government brings in a Budget that reaches into the pockets of working men and women and removes billions of dollars and cuts back services without holding any hope or targeting the sin and scurge on the Canadian economic scene.

**Mrs. Mailly:** We went beyond the target you suggested last time.

**Mr. Rodriguez:** I hear voices over there, but you will get your chance to make a speech.

I suggest to Hon. Members opposite that words are not enough, that action must be taken. We have heard about all

the blue-blooded Tories who have given them advice. Having taken this advice, the Government takes a meat hook and makes it appear that it is cutting the deficit. The Government believes in a rainbow with a pot of $29.8 billion at the end.

Where are the Government's friends who advised it to cut the deficit below $30 billion? Where are they today? Why are the money markets not responding? It has been 48 hours. The most cynical comment I heard today is what the Minister of Finance said at the breakfast meeting. He said: "We have a strategy to remove the surtax before the next federal election". That is the height of cynicism.

• (1530)

I want to get into some detail now. I said that this Government has reached into the pockets of ordinary working people and removed a large amount of money from them. This is the third 1 per cent increase in federal sales tax and the Government has only been in office for 18 months. We had the Economic Statement in November, the Budget of May 1985 and now we have a third Budget which increases the federal sales tax. I am not talking about the extension of the sales tax. I hope the Government does not bring down another Budget in a hurry because the average Canadian family cannot afford it.

Perhaps the Government has come to a parting of the ways with its friends because every time the Government takes money from the pockets of ordinary Canadians, it reduces the surplus of large corporations. I would like to refer to page 42 of *The Fiscal Plan*. The Minister of Finance said we should refer to page 42, and when we do so, we find that in fact the Government in 1986-87, with a combination of a surtax and federal sales tax, will be taking $1.1 billion from ordinary taxpayers, but they are only taking $380 million from the corporations. They are taking four times as much from ordinary Canadians. We can now begin to understand the close relationship between Mr. Frazee and Mr. Mulholland and the whole gang of them. They are all birds of a feather. The Conservatives look after their friends. They are not interested in bringing down unemployment.

**Mr. Stewart:** How about Stephen Lewis?

**Mr. Rodriguez:** The Government has projected those figures to 1990-91. We see that the gap grows. In fact, the amount of money taken from individuals, and that is the cumulative effect as well, is $2.9 billion. From the corporations it goes down to $295 million. Ten times as much is being taken from working men and women as is being taken from the corporations and, God knows, the corporations are so heavily taxed already. It is a scandal. This Government is a Government of the rich and we saw that in the last Budget. It gave a $500,000 capital gains tax exemption to the rich.

**Mrs. Mailly:** We gave it to the farmers.

**Mr. Rodriguez:** The Hon. Member says they gave it to the farmers. Surely, farmers are not in the same category as those who are purchasing race horses in Kentucky, paintings in Europe and speculating on land.

**Mrs. Mailly:** Come off it, then.

**Mr. Rodriguez:** Surely, the Government could have closed those loopholes and collected millions of dollars. Last August the Department of Finance tabled a document which showed all of the tax expenditures and tax opportunities which the Government did not collect, and that means billions upon billions of dollars.

Let us go now to the *National Accounts*, page 99. The Government is bare-faced about what it put into the document. For 1987-88 revenues from individuals will amount to $5.5 billion more than in 1986-87. But for the corporations it goes down. It is $75 million less on a National Accounts basis. On a percentage basis, in 1987-88, they will take 11.2 per cent more from individuals while they will take .6 per cent from corporations. What kind of system is this?

**Mrs. Mailly:** Where do you want all those people to work?

**Mr. Rodriguez:** In a democratic system if the Government is going to maintain the loyalty of citizens, the laws which govern them must be fair and they have to accept the fairness of those particular laws.

**Mrs. McDougall:** Don't shout.

**Mr. Rodriguez:** The Minister of State for Finance says not to shout. I know the banks which got bailed out did not have to shout. They needed only to whisper.

**Mrs. Mailly:** It wasn't the banks that were bailed out, it was the depositors, and you know it.

**Mr. Rodriguez:** Those Hon. Members opposite do not like the message.

**Mrs. Mailly:** We don't like lies.

**Mr. Rodriguez:** The Hon. Member is absolutely correct, Mr. Speaker. We don't like it.

**Mrs. Mailly:** We don't like lies.

**Mr. Rodriguez:** I see you have some grey on the top there, Mr. Speaker, and I am sure you remember that Tory times are tough times.

**Mr. Gauthier:** Right on.

**Mr. Rodriguez:** I had a call from one of my constituents who told me he has already gotten out the Bennett buggy. We have a Government which has brought in a Budget which is the height of unfairness. It does not treat the two major groups who pay taxes equally and fairly. It seems to me that when the Government ran for office in 1984, it talked "jobs, jobs, jobs".

**Mrs. Mailly:** And we created them, and you know it. That is what's bothering you.

**Mr. Rodriguez:** But all the Government has done is "taxed, taxed, taxed". Judith Maxwell, of the Economic Council of Canada, who appeared before the Committee on Finance,

stated clearly in the Minutes that for every 1 per cent that unemployment drops, the deficit comes down $2 billion.

**Mr. Gauthier:** That is the bank bail-outs.

**Mr. Rodriguez:** The Hon. Member says that that is one bank bail-out—or two banks, but what is $1 billion for a bank these days? This Government did not attack the unemployment problem. It should have targeted unemployment and set up a goal that by 1990 unemployment will be down to 4 per cent. If it had done that and then had worked on the economy, it could have in fact lowered the deficit. No one here blames the Conservatives for causing the deficit. In 1981, the Liberals projected a deficit of some $10.5 billion, but there was a deliberately engineered recession which blew the deficit right up to $24 billion. That was deliberate and we have all the quotes of the former Prime Minister, Mr. Trudeau, who said: "If you think 6 per cent unemployment is high, just watch me". He said: "It's still possible to scare the hell out of people in this country with higher unemployment rates".

**Mr. Dick:** He did not say that.

**Mr. Rodriguez:** We know it was deliberately engineered to fight inflation and whatever else, but having aggravated the deficit, the Government of the day also aggravated unemployment. I would expect that Conservative Members coming in with a new view would surely recognize that the real problem in society, the human problem, is unemployment and that they would have attacked unemployment levels. However, not only did they attack ordinary taxpayers, they proceeded to cut back expenditures in areas which are very important to certain regions of the country. They cut back expenditures in the Department of Regional Industrial Expansion, which affects areas such as northern Ontario, Atlantic Canada, northern British Columbia and parts of Quebec. Those areas of the country depend on the programs of that particular Department to diversify their economic bases. I know that because my region is involved in that type of process. The cut-backs in health and welfare programs and in transfer payments to the provinces will exacerbate the problems with medicare in our provinces. That means the provinces will have to go to their taxpayers for help, and they are the same taxpayers to which the federal Government goes when it needs help. It seems to me that this double-whammy with which ordinary Canadians are being hit in terms of tax increases and cut-backs in services is not the way to go about the process.

● (1540)

We have tried to give the Government advice, but it has not listened to us. Members of the Government did not attend the Dialogue 86 conference of the CLC at which they could have had some input. They did not ask for input from the working class people, not did they ask for input from members of the NDP. They have not listened to us when we have told them that unemployment has to be brought down and that that should be the focus of the Budget.

We have also told the Government that the tax system has to be overhauled. That is why we set up our Tax Probe 86 and sent an open letter to the Minister of Finance. In that letter we outlined some immediate steps which he could have taken which would have brought him a harvest of money with which to attack his deficit. However, the Government did not listen to us. It did not listen to the working class people. It listened to its friends in the boardrooms of the nation. This is a corporate Government and so it brings down a corporate Budget.

Yesterday, we saw the chickens departing the roost from the world money markets and from the stock exchanges. The monied friends of Government are deserting it. Perhaps we do not know what will happen next; but we do know that they still have to borrow money, which can only exacerbate the deficit.

In the one-half minute I have remaining I would like to say that the Budget as I read it that evening, this fairy-tale which I read, is based on some rather flimsy premises. One is that we will have average interest rates of 9.5 per cent in 1986. Another is that the price of oil will be $22 a barrel. The chances of that happening at this point in time are very slim.

**Mrs. Mailly:** Remember the last time when you were wrong?

**Mr. Rodriguez:** I said that the chances are very slim. The type of smoke and mirrors which we see in this Budget could very well disappear with the morning dew.

**The Acting Speaker (Mr. Paproski):** Are there questions or comments? The Hon. Member for Gatineau (Mrs. Mailly).

**Mrs. Mailly:** Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) is always good for entertainment. We can always laugh and enjoy ourselves when he speaks. However, if people were to pay attention to the half truths, exaggerations and hyperbole which he uses in his speeches then there would be tragic results.

The Hon. Member makes a comparison between how much money is brought into the Treasury as a result of taxes paid by individuals versus taxes paid by corporations. He comes to the conclusion that, because the figure is higher for individuals as opposed to corporations, that is a result of some sort of heartlessness on the part of the Government. He knows very well that if there were no companies there would be no jobs. If there are no jobs then people would not have any money with which to buy food. They would not have any money for housing or for anything else. Why does he keep throwing around this simplistic socialist garbage which says that companies are bad and people are good when it does not work at all that way and he knows it? He is too intelligent a person to keep throwing out this stuff time after time after time.

He also knows full well that when we announced our last Budget his Party was talking in terms of targeting unemployment. In terms of job creation we went well beyond any targets suggested by members of the New Democratic Party. We have created 580,000 jobs since September, 1984. The target with which members of his Party came up was something in the

order of 150,000. Why did members of his Party charge the Minister of Finance (Mr. Wilson) with a target of 150,000 jobs when we have created 580,000 jobs? We did it by giving a break to small business. That is where jobs are created. In fact, 80 per cent of all jobs are created by small business, not by the guys who have horses in Miami and yachts. Jobs are created by hard working people, families, men and women who run small businesses.

As a parting shot, I would like to ask the Hon. Member what his comment is with respect to the fact that under the National Energy Program, which was brought in by the Liberals and which was supported by his Party, any savings as a result of falling oil prices were not passed on to the consumer, while a result of the new energy agreement brought in by our Minister of Energy, Mines and Resources (Miss Carney) is that the consumer can take advantage of falling oil prices. Can the Hon. Member tell the House how he can put us in with that bunch which sits to his right? They are the ones who put us in the mess which we are now trying to clear up.

**Mr. Rodriguez:** Mr. Speaker, first, I wish to address the Hon. Member's comment about entertainment. For entertainment I normally read about her relationship with her riding association. That is good entertainment.

[*Translation*]

**Mrs. Mailly:** A point of order, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

**Mrs. Mailly:** Mr. Speaker, I believe the House has a Standing Order to the effect that the debate must be relevant. I now have a good riding association, but this gentleman cannot answer my questions and that is why he resorts to this approach, which is quite vulgar.

[*English*]

**The Acting Speaker (Mr. Paproski):** I have been here for 18 years and it is sometimes difficult to find anything relevant in some debates.

I am worried that the Hon. Member for Nickel Belt (Mr. Rodriguez) may need some protection before four o'clock. I must help him along a bit so I would like to recognize him again. The Hon. Member for Nickel Belt.

**Mr. Rodriguez:** Mr. Speaker, the Hon. Member can hand it out but she cannot take it. If she can't take the heat then she should get out of the kitchen. She's good at handing it out but she can't take it.

**Mrs. Mailly:** Very cheap shot, John.

**Mr. Rodriguez:** We in this Party are not talking about taxing corporations out of existence. In 1982 the Royal Bank made hundreds of millions of dollars and did not pay a cent in income tax. Tellers at the Royal Bank paid more tax than did the bank. At the Bank of Montreal it was the same thing. Bill James, the President of Falconbridge, said to me: "I want to tell you something, John. Falconbridge has not paid a penny of corporate income tax since I became president three years ago. And I don't intend to pay any either". He said to me yesterday: "What good is a surtax to me? A surtax is no good if you don't pay any tax at all".

John Bulloch said that the effective tax rate for large corporations in the country is 16 per cent while it is 19 per cent for small businesses. I wonder what the effective tax rate is for the average working man and woman. We are not talking about squeezing corporations. All we are asking them to do is to pay their fair share of taxes in order to support this fantastic country in which they make all their wealth. That is all we ask of this Government. We asked the same of the Liberals. But because Members opposite belong to the same fat cat clubs, they refuse to do it.

To answer the other question of the Hon. Member, we have not supported any Liberal Budget which was brought in over the last four years. We did not support the National Energy Program. I have just been informed by my colleagues that we did not.

The Hon. Member asks me how I can lump her in with the Liberals over here. I can do so because members of her Party are cut from the same cloth. The two Parties are the Bobbsey Twins of Bay Street, that is what they are.

• (1550)

**The Acting Speaker (Mr. Paproski):** Order, please. At this point, I think questions and comments are now terminated.

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker—

**Mr. Jourdenais:** Put some cool in it.

**Mr. Lesick:** I will have to put some cool into this debate and put some sense into the words that have been spoken previously. It is a pleasure for me to speak on Bill C-99, an Act to provide borrowing authority of only $22,600 million since we have done so well this past year.

I cannot help but comment on the speech of the Hon. Member for Nickel Belt (Mr. Rodriguez). The Conservatives formed a very good Government that lasted only nine months and it was brought down by the combined efforts of the Liberals and the NDP who went to bed with the Liberals. At that time, the net debt was $84 billion, and after the NDP and Liberals finished with us and the people of Canada, the debt had risen to $191,448 million. That is what our friends in the NDP helped to cause.

It is a pleasure for me to speak, particularly when you are in the chair, Mr. Speaker. We both come from the same fine city and I feel the warmth that emanates from you to every Member in the House including me.

**Some Hon. Members:** Hear, hear!

**Mr. Lesick:** The Minister of Finance (Mr. Wilson) has responded to the commitments we made to the Canadian

people in 1984. Quite frankly, I am deeply saddened by what I have been hearing from the Liberals as well as the NDP. Let us deal with the Liberals. It is important that we should know what happened before. We should know our history and learn from it so that we are wiser today. Our friends in the Opposition never seem to have learned enough.

I am saddened to see the great weakness of the Liberal Party and particularly the recent loss of one Member. If Liberal Members had an ounce of conscience or indeed courage, they would be rising in their places to cheer the Conservatives for taking strong action on the deficit, something which the Liberals have ignored and denied for a decade. It is interesting to see Liberals disregard the growing debt. Frankly, I am not surprised by this. Why should Liberals talk about a debt which they were primarily responsible for creating?

When Mr. Trudeau became Prime Minister in 1968, the debt was $18 billion. When he left us 15 years later, the debt was $190 billion, a fantastic sum of money. That is responsibility? That is governing? That is meant to help the Canadian people? That is meant to provide jobs? Our country went down the tubes, and we are here to rescue the Canadian people.

To understand the present, I suggest again that we must know and understand the past. The Government recognized at the very beginning of its mandate that the financial mess had to be cleaned up. While the Prime Minister (Mr. Mulroney) campaigned across Canada and I was campaigning in Edmonton East, there was a recognition that the Government had to clean up its act, and we did.

What do Canadians want? First and foremost, Canadians wanted a Government to implement policies which contribute to the creation of a sound environment for a stable and secure future. Why not? Every country want that and we have offered that. That meant putting our financial house in order. In the 17 and a half months we have been in power, that is exactly what we have done. It also meant creating jobs. We recall the Prime Minister, on the hustings, saying that we are going to give Canadian people jobs, jobs, jobs, up to 580,000 jobs. We did it. It also meant lower interest rates, and they dipped. Interest rates rose a little but they will be dropping again. It also meant lower inflation rates and lower and stable prices. We have been instrumental in doing that. We have restored the confidence of not only the Canadian business and labour representatives but as well of the people of all of Canada in how effectively and caringly we can govern.

There has been renewed federalism. We have not pointed our middle finger up in the air and said: "West, goodbye; East, we do not hear you". The Prime Minister said that the most important thing is reconciliation and he went across the country, talked to all the Premiers and asked them to come to Regina, a beautiful, warm city in the summertime. There is peace and harmony in our country, the better to govern, to understand and to get along.

Above all, the Government has reversed the catastrophic fiscal policies of the past. Let us remember past history. What have Liberal Members been talking about for the last year and a half since we have been in power and what did they do previously? Let me remind the House.

When the Economic Statement of November 1984 was presented, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said that this would mean a loss of up to 200,000 jobs. How wrong he was. During the same time, we created 480,000 jobs. That is a difference of 680,000 jobs, and he was a Minister. If he was wrong about that, was he wrong when he was a Minister? We have to question that. How effective was he?

The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) said that the May Budget would fuel and spur inflation, but inflation went down. He too was a Minister and he made those comments. He said that our Budgets are of no value. He was wrong again. If he was wrong about that, how right was he when he was a Minister? When he and the Hon. Member for Winnipeg-Fort Garry were Ministers, our country went down the drain with them. This obviously shows the bad and inefficient management there must have been.

There is now a stable inflation rate of 4.4 per cent. What did the Hon. Member for Kamloops-Shuswap (Mr. Riis) have to say? He said that there would be a loss of between 50,000 and 100,000 jobs. He is the financial critic for the NDP.

**Mr. Riis:** What about Alberta? Look at Alberta. You know Alberta.

**Mr. Lesick:** He said that that would happen but the opposite happened. We could ask how credible are the NDP.

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

**Mr. Andre:** That's not fair.

**Mr. Riis:** No, it was quite an appropriate and fair comment. I do not think that the Hon. Member was intentionally trying to mislead the House. In fact, being an honourable colleague, I am sure he was not. However, he talked about jobs loss, and there was significant job loss in Alberta, British Columbia and other provinces in the intervening months. There was significant job loss in his province as well as my own—

**The Acting Speaker (Mr. Paproski):** I appreciate what the Hon. Member is saying but that is debate. The Hon. Member for Edmonton East (Mr. Lesick) has the floor.

**Mr. Lesick:** Mr. Speaker, I stand behind what I have just said.

The former NDP leader in Ontario, the Hon. Member for Ottawa Centre (Mr. Cassidy), said that in Quebec there would be a loss of 40,000 jobs. How right was he, a former Leader and now prominent back-bencher for the NDP? He was out by 220,000 jobs. How credible is the Opposition?

The Right Hon. Leader of the Opposition (Mr. Turner) said that there would be significant loss of jobs in Quebec, the Atlantic provinces and certain regions of western Canada. What happened was the opposite of that. He is a former Minister and a former Prime Minister and he was wrong.

I believe that when the people of Canada listen to opposition Members, they have to realize that there is a credibility gap between what they say and believe and what actually happens.

• (1600)

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

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## PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

### CONSTITUTION ACT, 1867

AMENDMENT TO INCLUDE HULL IN NATIONAL CAPITAL REGION

The House resumed from Tuesday, January 29, 1985, consideration of the motion of Mr. Isabelle that Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada), be now read the second time and referred to the Standing Committee on Justice and Legal Affairs; and the amendment of Mr. Gauthier (p. 1801).

**Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, I am pleased to enter the debate on Bill C-207, aimed at changing the boundaries of the national capital of our country to conform with the limits of the National Capital Region. Such a step would clearly extend the boundaries beyond the geographic limits of the City of Ottawa to embrace the City of Hull and other cities, town and municipalities in the area immediately surrounding Parliament Hill. While this is a substantial area, it is not unreasonable in a country the size of Canada, and it would include parts of two provinces which in turn reflect the bilingual and bicultural nature of the country.

It is not entirely clear in the Bill just how the area surrounding the Cities of Ottawa and Hull would be defined. However, the present limits of the National Capital Region are specified in the schedule to the National Capital Act, 1958. It is assumed that this area of 1,800 squares miles, or some 4,600 square kilometres more or less, is intended as the basis until such time as Parliament may decide otherwise.

The question of the boundaries of the capital city of Canada has never been in doubt to the extent that Ottawa has been legislated as the national capital since the British North America Act became the constitutional foundation of the country in 1867. However, there has been an ongoing discussion of possible change since 1969, when the Constitutional Conference of Canadian First Ministers, in its conclusions concerning the reform of institutions linked with federalism, agreed to the following:

> The cities of Ottawa and Hull and their surrounding areas shall be the Canadian capital area.



It continued:

> Steps must be taken so that the two official languages and the cultural values common to all Canadians are recognized by all Governments concerned in these two cities and in the capital region in general, so that all Canadians may have a feeling of pride and participation in, and attachment to, their capital.

There have been a number of statements over the years dealing with the emphasis on the national significance of the National Capital Region as a symbol of identity for all Canadians. The more clearly the nature and character of the seat of the Government of Canada is established, the clearer it will be to establish its national significance for Canadians and for those looking at Canada from elsewhere in the world. Many attempts have been made to find inspiring words to describe the national significance of the capital. Jacques Greber, for example, had the following comment in his 1950 report:

> A capital is also a legislative and administrative meeting place for legislators from every constituency in the country. It is important that a capital offer a satisfactory working environment within which the business of Government may be conducted; to the extent that it does not, the results will be a loss of efficiency and morale.

In 1972, the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada made the following statement in its final report:

> A country's capital is an essential instrument of national pride. In a federal, bilingual and multicultural country, it must also be an essential instrument of national unity. It must reflect equitably all aspects of the country's character, and each citizen should have a true sense of ownership in the capital of his country regardless of the distance which separates him from the seat of Government.

Statements such as these on the nature and character of Canada's capital, and other similar commentaries, reflect generally on and elaborate further upon the essential functions or building blocks of the capital. The status of our capital is of vital importance to all of us as Canadians, and it is most appropriate to consider for a few minutes its role as a symbol of identity and unity and as a source of pride and inspiration for all Canadians.

A capital is the reflection, the symbol of the whole nation. The capital of Canada, as in all federal states, has special importance—it is the city which, to every Canadian and to all foreigners, must be representative of all 10 confederated provinces without, however, prejudicing the attributes and prerogatives of their respective capitals.

In 1965, in his landmark judgment on the Munro case which confirmed that the federal Government had the power to plan for the national capital region and to expropriate land for its purposes, Mr. Justice Gibson of the Exchequer Court quoted Greber and concluded as follows:

> In the result, therefore, I am of the opinion that the words "national significance" are meaningful and are apt in describing the goal sought to be attained for the nature and character of the seat of the Government of Canada.

In 1966, in upholding the decision of the Exchequer Court, Mr. Justice Cartwright of the Supreme Court of Canada made the following statement:

> I find it difficult to suggest a subject matter of legislation which more clearly goes beyond local or provincial interests and is the concern of Canada as a whole than the development, conservation and improvement of the national capital

region in accordance with a coherent plan in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance. Adopting the words of the learned trial judge, it is my view that the Act deals with a single matter of national concern.

The Royal Commission on Bilingualism and Biculturalism in its report on the federal capital recommended that the federal Government should assume a direct role in promoting equal partnership between French-speaking and English-speaking Canadians in the capital. The commission also made the following general statement about the significance of capital cities:

A capital is a symbol of the country as a whole. It should express, in the best way possible, the values of the country as a whole, its way of life, its cultural richness and diversity, its social outlook, its aspirations for the future. This symbolism has both an internal and an external dimension. Citizens from across the country who visit their capital should find in it a fuller understanding of their country's traditions and a pride in personal identification with it. Similarly, visitors from other countries should be able just as readily to find tangible expression of the values of a country with which they may be unfamiliar.

The question of a change in boundaries for the national capital raised in the Bill emphasizes that the capital of any country is more than a location for the seat of Government and its primary institutions. It probes the depths of a nation's conscience and provides a national focus for institutional and cultural values and aspirations for the future. It calls into question the best means of enhancing those national institutions and associated symbolic and ceremonial functions, activities and events which are unique to a national seat of Government in its widest sense.

The specific proposal to expand the limits of Canada's capital as recognized in a constitutional sense is a sound one. It expands the narrow geographic boundaries which were quite adequate in 1967 but may not necessarily represent the situation which exists today. It is most appropriate to recognize territory in both Ontario and Quebec within the boundaries of the national capital which in turn recognize the lands of the two founding cultures. To go beyond the city limits of Ottawa and Hull raises questions concerning just how much of the surrounding area should also be included. For this reason, the limits of the National Capital Region, as expressed by Parliament since 1958 through the National Capital Act, are most appropriate if we are to move in this direction.

In making reference to the National Capital Act, I should like to refer to the legislative mandate of the National Capital Commission which operates under the authority of the Act and is required "to prepare plans for and assist in the development, conservation and improvement of the National Capital Region in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance". The work of the National Capital Commission is recognized and well known to all of us who live in the local area.

● (1610)

It works hard to contribute to and enhance the capital as a national focus for Canada and to provide a truly national dimension to its planning and development. It works to create an inspiring urban and regional setting to instil a sense of pride and attachment, particularly for visiting Canadians. Also, it works to maintain and improve the economic health and urban and rural vitality of the community.

I would like to take this opportunity, Mr. Speaker, to commend the National Capital Commission for its work on behalf of the people of Canada and, in particular, my friend, the vivacious, idea-oriented and hard working chairlady, Jean Pigott. The National Capital Commission is to be commended for its efforts in enhancing the quality of life and services to visitors within both the urban and rural areas of the National Capital Region. It is only the planning authority that carries out urban and regional planning and development from a federal perspective rather than considering primarily provincial and municipal interests. It is worth reminding the House that the commission is our agent in the planning, development and improvement of what we may call our national capital.

In the final analysis, the question facing the House is whether or not there is a need for a change at this time. I am sure many are in favour of a change to expand the boundaries, while many are opposed. It is an important question for all of us here and for all Canadians, and I am sure it will be resolved.

**Mr. Pierre H. Cadieux (Vaudreuil):** Mr. Speaker, it is always a pleasure to rise on a Friday afternoon at this hour before a nearly full House and in particular, Sir, when you are in the Chair, as my colleague, the Hon. Member for Edmonton East (Mr. Lesick) said a few minutes ago.

[*Translation*]

Mr. Speaker, in my contribution to the debate on the Bill before the House today, I intend to concentrate on two things: first of all, I would like to put the objective pursued by Bill C-207 into a realistic perspective and I would also like to shed some light on the tremendous and almost insurmountable problems that would result from the premature creation of a National Capital district. The reasoning underlying the Bill certainly contains a number of elements that are not entirely without merit, and these elements may in turn help us produce some valid concepts for developing and expanding a national capital that would be a genuine and proud symbol of this country beyond the year 2000.

That being said, Mr. Speaker, the fact remains that Bill C-207 faces a number of geopolitical and especially historical givens we cannot possibly ignore in the circumstances. I think it would be useful to go back in time so as to understand the constitutional ramifications of this matter.

At the time of Confederation, Mr. Speaker, in 1867, the tensions between Upper and Lower Canada had hardly subsided when Queen Victoria had to designate a city as the capital of her new Dominion. At the time, she had a choice between Montreal, Quebec City of course, Kingston in Ontario—I am very sorry for my colleague from Beauharnois-Salaberry (Mr. Hudon) but Valleyfield was not in the running—and the third option was a town that looked much like a construction site at

the time, located amid considerable scenic splendours and with a very bright future, and which was called Bytown at the time. Anxious to avoid any rivalry between Kingston and Montreal and between the two language groups, Her Majesty decided to opt for the scenic splendours of the small town with the bright future, and that is how Bytown became Ottawa, the capital of Canada. However wise, the great Queen, Mr. Speaker, did not have a clear, sharp and exact idea of the implications of such a choice. The new capital was on the Ontario side of the Ottawa River, at a stone's throw.

**An Hon. Member:** Lapierre.

**Mr. Cadieux:** Not Mr. Lapierre, no. At a stone's throw, Mr. Speaker, facing that other entity, Quebec. For close to a century, Ottawa grew, mainly English-speaking and unilingual. The nation's capital took form and was embellished constantly over the years, but on the other side of the river, Hull and its neighbouring communities derived little benefit from their immediate proximity to the country's core. To all intents and purposes, that part of the Province of Quebec was but a poor relative to its big sister across the river.

If I emphasize those historical data, Mr. Speaker, it is because they are the background of the relationship between the two founding peoples, up to the fifties. I hasten to add, however, and thank God for that, that a marvelous change has occurred since. Canadians of both languages initiated 25 years ago a huge effort of mutual understanding and equal sharing of the national heritage.

This is how, by mutual consent, we came to agree that the Canadian Capital should reflect this country's duality, and that in a nation whose two senior components were Quebec and Ontario, it was normal that Quebec be included in the concept of a National Capital. This is why, as early as 1969, a conference of Canadian Premiers held in Toronto agreed to the concept of a National Capital Region that included all of the Ottawa-Hull area. For that reason also, large-sized federal buildings have sprung up in Hull for some 15 years now and a number of developments made on the Quebec side by the federal Government.

All this is very well, and the present Government has the firm intention of maintaining and even enhancing the capital's development. We intend to respect fully the mandate given the NCC by the National Capital Act, passed in 1958, being, and I quote, Mr. Speaker: to prepare plans for and assist in the development, conservation and improvement of the National Capital Region in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance.

But that mandate, Mr. Speaker, which we have seen fulfilled over the years and by the various administrations, is subject to the unescapable constitutional reality. We know what constitutional problems are. Three different Governments are involved: the Government of Canada, of course, the Government of Ontario, and, obviously, the Government of Quebec. And not only must constitutional authority and jurisdiction be preserved, but in the fulfilling of its mandate, the National Capital Commission has no absolute authority over the area as such. It must compromise with the rights, prerogatives, privileges and legitimate aspirations of the two regional Governments and 27 municipalities which also exercise their jurisdictions within the area of the National Capital.

It is in this multiple and varied context that we must approach Bill C-207. How could the House dictate its will to so many other authorities without jeopardizing the constitutional make-up, creating new tensions or provoking new confrontations at every level? No, Canadians have witnessed too many differences and confrontations between Ottawa and the provinces over the past two decades without our risking new frictions which could imperil the reconciliation efforts made over the past 16 months! Let us not give up what we have for some fanciful alernative. First, let us consolidate our strength and help our economy recover. After that, Mr. Speaker, we could address the issue of territorial authority over our National Capital. Let us have our priorities straight!

The amendment we are considering today is an old tune close to the heart of the Hon. Member for Hull-Aylmer (Mr. Isabelle) who serves it to us regularly each year, regular as Old Faithful, together with his project of a federal district more or less copied on the American federal district of Columbia. A similar formula has existed for quite a long time elsewhere, Mr. Speaker. After the United States, there has been the federal Canberra district in Australia. But has the Hon. Member for Hull-Aylmer (Mr. Isabelle) ever wondered whether the creation of such federal districts in these two countries had raised linguistic and cultural problems? Unfortunately, Mr. Speaker, the Hon. Member is not here to answer this question. But has he ever pondered the problems which the creation a federal district would create here in the areas of education, social affairs, justice and urban Government, with 27 municipalities, two regional Governments, and three major Governments, including Ottawa, Ontario, and Quebec?

• (1620)

Mr. Speaker, it is an undeniable fact that, if only on the basis of our linguistic and cultural duality and of the jurisdictions guaranteed to the provinces by the Constitution, Bill C-207 reflects an utopia and even an aberration in this day and age. It would be unthinkable to start such a costly and riskly adventure and one which is even contrary to the characteristics of each of the entities involved in this issue.

Who would give up what and for whose benefit, Mr. Speaker? We are all well aware that, human nature being what it is, each party involved would want to hang on to his vested interests and to protect his own advantage, because, as the saying goes, charity begins at home. Is it logical to expect an authority at whatever level to jeopardize its own identity when,

in relation with the free trade talks with the United States, concerns are being expressed on all sides about the loss of identity or the loss of such or such a market?

Mr. Speaker, I do not believe in dreaming or in improvising, especially when major national decisions are involved, and in this case, I think that we are discussing a project which does not seem to have produced any consensus.

Mr. Speaker, this consensus does not exist among the many parties involved nor among the Canadian population as a whole.

Mr. Speaker, the entire issue of what is and what is not part of the National Capital raises the problem of national symbols. This is therefore a very sensitive issue.

While it is a fact that, in the last 25 years, Canada has acquired symbols to establish its own identity, it should also be noted that these changes did not come by easily. A gesture can acquire a symbolic value only to the extent that those to whom it is addressed view it as legitimate. A symbol is essentially the result of a consensus, Mr. Speaker.

In this context, who could state today that the proposal to amend Section 16 of the Constitutional Act of 1867 finds such a consensus among the population? On the contrary, an overview of possible reactions at the local, provincial and national levels seems to indicate that there are good reasons to justify strong resistance.

On the local level, we are aware of the neighbourly relationships between Hull and Gatineau trying to decide which is the metropolitan centre of Western Quebec.

**Mrs. Mailly:** Gatineau.

**Mr. Cadieux:** I did not expect anything else from my colleague, Mr. Speaker, and I would probably agree to some extent. However, Mr. Speaker, this is not what we are discussing today and I do not wish to get involved in regional hassles that might develop between those two cities.

But that is just one example of the problem that would probably crop up.

Mr. Speaker, can you imagine in that context what the debate on the question of the National Capital might look like here in the House, with my colleague possibly putting forward her specific interests, and I could not blame her for doing so!

At the provincial level, who knows how the province of Quebec would react, Mr. Speaker? In the late sixties, when the federal Government kept buying lots here and there, the Quebec Government set up the Dorion Commission to review the whole issue of territorial integrity. There is no indication that the Quebec Government has changed its mind, Mr. Speaker. For all we know, the *Communauté régionale de l'Outaouais,* which was created following the recommandations of that Commission, is still in existence. Would Ontario itself be willing to give up the whole area of Ottawa, Vanier and Kanata and neighbouring rural areas for the sake of creating a federal district? I have very strong doubts about that. I am sure in fact that Quebec and Ontario would never be willing to give up a fragment of their municipalities. And supposing they did, what would be the tax status of the people living in that new federal district?

Would the federal Government have to compensate provincial governments for the loss of existing infrastructure? Can you imagine, Mr. Speaker, trying to assess the present cost of that infrastructure? and the per capita debt that this new federal district would incur from the provinces and municipalities involved? At the national level, Mr. Speaker, did we consult with all the people and provincial governments of Canada? Do we know how they view such an amendment? I do not believe that we can assess, or even assume that it would be accepted; quite the contrary!

Mr. Speaker, I wish to stress that building a national capital is one thing, but forcing in a premature way a complex patriotic chore and a difficult constitutional challenge upon the people of Canada is another. Canada has just begun recovering from the constitutional upheaval brought about by the previous Government. For goodness sake, let us give it a break.

Victor Hugo wrote that you cannot decree peace more than you can decree sunrise. In a small way, Mr. Speaker, this is a bit of wisdom which could be applied to this debate. History has its own way of doing things, it proceeds with great slowness and man should not force issues, even though he sometimes does by resorting to brutal and useless wars. Everything should be left to happen in its own sweet time.

I believe, Mr. Speaker, that we will have to study carefully and seriously the tremendous political and economical difficulties that such a project could bring to bear on Canadians. Thus, I feel that it would be reasonable that such a bill—

[*English*]

—be looked at a lot more because, as I just said in the other official language, I do not think this is the time, nor are we in circumstances right now which permit us to enter into such a debate. We have economic concerns which must be dealt with right away. As a matter of fact, the budget debate is presently taking place. After what we heard today and yesterday we know that Canada must be put back on track economically.

I do not think we ought to spend too much time trying to recreate a constitutional debate which has already taken too much time in the House and perhaps contributed to the huge deficit which we inherited because the Government at that time did not ensure that the economy was going well and that jobs were being created. Right now our role is to work on the economy and to create the jobs which Canadians need so badly. Although the Constitution is an interesting topic, we must now put this motion aside because the time is not right for it, notwithstanding the repeated efforts of the Member for Hull-Aylmer (Mr. Isabelle) to bring this subject forward. It might be a very good idea in theory, but when you put theory

into practice you have to live with the consequences. Do we know what kind of consequences we will have economically given the various parties directly interested in this project? As I said before, there are 27 municipalities, two regional Governments and three major Governments involved.

• (1630)

[*Translation*]

To sum up, Mr. Speaker, I think, as I already said, that this problem should really be studied and, consequently, I propose that the Bill be withdrawn and the subject matter referred to the Justice and Solicitor General Committee.

[*English*]

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I appreciate the opportunity to participate in this debate. As you may know, I am the only Member on the Government side whose riding is located entirely within the boundaries of the City of Ottawa, so I feel obliged to rise in defence of this great city once more. As you may recall, I spoke in debate when this issue was raised the first time, I believe just over a year ago. I do not wish to repeat what I said then but I do want to take a few minutes to outline some of my concerns once more. I trust that you, Mr. Speaker, as a resident of the City of Ottawa since first being elected in 1968, and as a person wise and fortunate enough to marry a girl from a distinguished Ottawa family, will have some interest in what I have to say.

I would first congratulate both my colleagues on their speeches and say that I agree entirely with their remarks. As the Hon. Member for Vaudreuil (Mr. Cadieux) stated, Ottawa was chosen by Queen Victoria because it offered many advantages, which it continues to offer today. Its people and its culture were a hybrid of our two founding peoples. It was located on the border of Upper and Lower Canada. It had and still has great natural beauty.

**The Acting Speaker (Mr. Paproski):** Order, please. I appreciate the very kind words from the Hon. Member, but I must tell him that he did speak on the amendment and therefore it is very difficult for me to recognize him again.

**Mr. Daubney:** I stand to be corrected, but I believe I spoke on the main motion and not the amendment. I will take your direction in that regard.

**The Acting Speaker (Mr. Paproski):** I regret to inform the Hon. Member that I have *Hansard* here of Tuesday, January 29, and he spoke on the amendment to Bill C-207. I was looking forward to a great speech and I want to thank the Hon. Member for his very kind words, but I must recognize the Hon. Member for Northumberland-Miramichi (Mr. Jardine).

**Mr. W. R. Bud Jardine (Northumberland-Miramichi):** Mr. Speaker, I am pleased to carry on from where my hon. friend left off. This Bill addresses the desirability of changing the boundaries of the national capital of Canada to include the City of Hull and any additional area which the Canadian Parliament might designate in future. More specifically, this proposed amendment would authorize Parliament to make the boundary of the nation's capital identical with that of the boundary of the National Capital Region as currently defined in the National Capital Act. I would like to take this opportunity to highlight for my colleagues several thoughts on this matter. I would like to consider an historical perspective to this question which will provide my friends here with a better appreciation of the issue. I trust this will enable us to move forward into the future with a greater understanding of the ramifications of this proposed legislation.

We are all aware of the extraordinary beauty of our capital, both as a city and in its regional environmental context. Herbert Holt, who chaired the 1915 Federal Plan Commission studying the future prospects for the capital, noted the following in his report:

> In some respects Ottawa was happily chosen for its role. It lies on the banks of a great and beautiful river, the Ottawa, and has direct communication by water with the mighty St. Lawrence, which discharges the waters of the Great Lakes. Two subsidiary rivers flow into the Ottawa near the site of the capital; the Gatineau, which comes through a picturesque valley from the North, and the Rideau which reaches the Ottawa from the South. Two striking waterfalls, the Chaudiere and the Rideau lie within the borders of Ottawa.
>
> A canal of the dimensions of a river passes through the heart of the city, and is available not merely for commerce but for recreation. Parliament Hill is a high bluff rising 150 feet from the Ottawa River. Looking northward across this river, the observer has in view the Laurentian Mountains stretching away into the distance and still covered, in part, by the primeval forest. London, Paris, and Washington are all great capitals, each of them situated on the banks of a river, but none of them has the natural beauty of Ottawa. Nature, indeed, offers a direct invitation to make this northern capital one of the most beautiful in the world.

Holt goes on to demonstrate a clear concern for the future growth of the capital and the regional context:

> —looking to the future growth and development of the city of Ottawa and the city of Hull, and their environs, and particularly providing, for the location, laying out and beautification of parks and connecting boulevards, the location and architectural character of public buildings and adequate and convenient arrangements for traffic and transportation within the area in question.

The person who left the most enduring legacy in the creation of our capital is, of course, Jacques Greber. This noted French architect was called on by Prime Minister Mackenzie King to develop the plan which, by and large, has laid the foundation for our capital and the development of the National Capital Region to date. Greber was very conscious of the mission of a capital city and, as he noted, the capital is a very special place, of special importance. it reflects and must respond to a unique mission which is at once constitutional, national and international. He said:

> A capital is the reflection, the symbol of the whole nation.

With this observation he encapsulated the ideas of heritage and the expression of the capital as a manifestation and symbolic representation of the original frontiers of the country; the initial link between the two major cultures which settled our country, and the thought that the capital is the unique representative of the confederated provinces and forms the heart of the nation.

Today, times have changed. The people and Government of Canada have evolved. However, these messages from the past

still ring true. When one thinks of a national capital, the image goes far beyond that of any other well-designed functioning urban settlement. The words "seat of Government", and "national repository of arts", and "centre of national culture" begin to express these ideas. The capital of any nation is a very special city which symbolizes in one entity the expression of that nation and its people as a whole. Ideally, this is accomplished through its special functions as well as its physical form and make-up which serve as a reflection of the social and cultural diversity and characteristics of the inhabitants of the nation. The capital city is a place to experience many facets of the nation at firsthand, to learn of its history and its future potential. The capital is the place to become truly one with the nation, its Government, people, culture, heritage and, perhaps most important, its future.

In this context my colleagues may recall that in the very recent past we took significant steps to recognize the bilingual and multicultural nature not only of the capital itself but of the region as well. We have witnessed throughout the capital area, for example, the strengthening of the nature and beauty of the capital through physical development of parks, parkways and governmental accommodation. We are witnessing the evolution of a series of cultural activities, ranging from the Canada Day celebrations to heritage festivals and, of course, our special winter festival, focused in the heart of the capital, Winterlude.

• (1640)

All of these efforts which derive from the ideas of the past are bringing together today the foundation on which the capital can securely build its evolution into the years to come.

What of this future? What provides the impetus to move our capital forward into the years to come? I would propose to you that this impetus is found in the definition of an image for the national capital which represents the multitude of beliefs, values, ideologies and aspirations of all the peoples of Canada. At the same time it is consistent with and supportive of the national capital functions, both as a capital and as a thriving urban community. As well as being a reflection of the heritage of the Canadian nation, it must also be an image looking to the short and long term future as an inspiration to all the world to take note of the capital of Canada.

In this context, we must recognize our assets of multiculturalism, our bilingual nature and the constantly evolving nature of the organization and functioning of the nation's capital, and build on these assets over the years to come.

Earlier I mentioned the natural beauty of the capital and noted the impact it has had on the thoughts of those people of the time who helped shape our present environment. This natural asset was recognized as having very much a regional as well as local aspect. The rivers, Gatineau and the Ottawa, formed a natural crossroads for trade and commerce, linking into the St. Lawrence system. From the high bluffs overlooking this crossroads, one could survey the whole of the Gatineau Hills for great distances both east and west along the Ottawa River. In its time, the crossroads developed into a centre for the lumbering industry due to the rich forestry resources in the region, the availability of rivers for transport and the growing population developing around the communications node. The river, while physically separating the original Upper and Lower Canada, acted at the same time as a linking element, being the common means of travel and centre of the working environment.

This nucleus of original settlers, traders and lumbermen has now grown to fill some 13 municipalities and 2 provincial regions in the area. While the numbers of people have greatly increased and, with time, the complexity of all aspects of the area has increased, the heritage remains. It is a heritage which will always speak out for the recognition of a multicultural bilingual people in an area of the country of very great natural beauty and drama.

If the cultural and environmental elements which make up our capital region today have not changed that greatly over the years, the complexities of society and government have. We live in an era where the strength and expression of the national capital and Government have grown considerably. To house the functions of Government and to provide for the maintenance and efficient working of this region, a complex system of multi-governmental infrastructures has evolved to supply services to the residents of, and visitors to, the nation's capital. With this growth in the complexity of Government and regional infrastructure, the problems of conveying the common identity and heritage of the capital to the public beyond its limits becomes very cumbersome. The problem becomes one of expressing within the context of past and present the ideas, symbols and aspirations of the very diverse elements which make up the various provinces in the federation—that multitude of elements which binds the provinces together into one unified nation.

As alluded to earlier, we are living in a time of communication and the use of multicultural activities to create a sense of belonging together within the framework of the nation. This direction, or pulling together, is currently manifested in some of our more sophisticated advertising campaigns bringing to the people of Canada a new focus on the heritage and cultural aspects of the capital.

In and around the capital area we are seeing a strong direction being taken to highlight the bilingual and multicultural nature, not just of the immediate region, but of the nation as a whole. Examples of this phenomenon are numerous but several of particular interest come to mind. Clearly, Canada Day is a day for celebrating our common roots and cultural assets. We have seen this celebration expand from Parliament Hill and throughout the National Capital Region to the nation as a whole, all being linked together through an advanced telecommunications network.

In a like manner, we have witnessed the Winterlude Festival grow from an insignificant local effort to one of national and international importance. This project has probably contributed more to the perceived cultural and recreational consolidation of the region and nation than anything, excepting our Canada Day celebrations. It is these types of publicly oriented

programs which contribute tremendously to the national and international image of our nation and capital. At the same time they also act on a more local level to bring together the varied regional populations in a consolidated recognition of the role and importance which they play in the ongoing evolution of this capital called Ottawa.

We are left today, with a greater sensitivity to reaching out to the nation and the world to identify the capital of Canada as a special and unique place. We stand at a point in time where this great nation has opened before it a future of much potential, nationally, internationally and locally within the capital region.

The Canadarm is an expression of great national effort. My colleagues are no doubt aware of the growing national and international recognition of this area as a source of high technology research and advancement. If one thinks back to my introductory note that this era began as a communication node at the confluence of the major regional rivers, one might easily foresee that this growing region which cradles the capital will become a new communication centre: one focused on the electronic age of information handling, research and development.

This perspective becomes particularly interesting when one considers that the capital, as the seat of Government, houses our cultural institutions and is generally acknowledged as the centre of diplomatic and related international functions. As the heart of the nation, it is generally felt to be the repository of the nation's history, the place where one goes on pilgrimages to absorb the nation's past and see its evolution into the present. It is also, perhaps most important in Canada's case, the vantage point from which one might hope to catch a glimpse of the elusive construct called the future, a demonstration of testing ground of future ideas and development.

It is only fitting, in the context of these thoughts concerning the evolving nature of the capital, that we turn to the question of the physical boundary of the capital. I have noted that we are now living in a period of complex intergovernmental jurisdictions. These structures are attempting to provide a physical context and service infrastructure for our national capital to highlight its importance as a focus for the Canadian people from coast to coast. As the capital continues to grow and expand in complexity, one must surely bring into question the appropriateness of the originally defined boundary unique to this City of Ottawa. Culturally speaking, one has but to consider the evolution of public activities throughout the region originating in both the Provinces of Quebec and Ontario to understand that the cultural interface is becoming even more interconnected.

● (1650)

In closing these remarks, I will say that these facts provide a very clear indication that this question is not only timely but also important to consider for the future of Canada's capital, our City of Ottawa.

[*Translation*]

**Mrs. Claudy Mailly (Gatineau):** Mr. Speaker, before commenting on this Bill—I already spoke on the main motion, but not on this amendment—I would like to point out that during the whole debate, we have seen in the House neither the mover of the motion, the Hon. Member for Hull-Aylmer (Mr. Isabelle), nor the seconder of the motion, the Hon. Member for Trinity (Miss Nicholson).

**Mr. Gauthier:** Order!

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

**Mr. Gauthier:** Mr. Speaker, I would remind the Hon. Member for Gatineau (Mrs. Mailly) that television has long since been invented, that viewers can hear her comments and see Members in the House, but she should know—and she often does this—that comments on the presence or absence of Members are out of order.

[*English*]

**The Acting Speaker (Mr. Paproski):** I did not quite hear the Hon. Member but she knows, as an Hon. Member who has been here for the past year or so, that she should not reflect on the presence or absence of Hon. Members in this Chamber. I am sure she realizes that.

**Mr. Gauthier:** Of course, she does.

[*Translation*]

**Mrs. Mailly:** I was getting bored, Mr. Speaker. I am glad to see that my colleague from Ottawa-Vanier came into the House instead of hanging around in the lobby and watching television.

Now then, this Bill is very important. Unfortunately it still contains the shortcomings which were pointed out by my colleagues today and on earlier occasions when it came up for debate.

It does not seem to take into consideration the evolution of the National Capital territory. For instance, it has been suggested that what is considered to be the heart of the capital should be expanded to cover Hull and that perhaps others sectors might be added in the future.

Mr. Speaker, I represent a riding whose main municipality is called Gatineau. It now has 20,000 more residents than the City of Hull, yet apparently it might be included only in what I would call a rather distant future.

Mr. Speaker, it goes to show that the Bill was drafted to focus attention on the riding of the Member for Hull-Aylmer. It is not likely to change our capital into a centre properly reflecting the bonds which unite all Canadians, as might be expected in a Bill on the matter under consideration today.

As you know, Mr. Speaker, all the funds allocated to the national capital area and all the efforts of the federal govern-

ment are being contributed by all Canadian taxpayers. Therefore, Mr. Speaker, we have a responsibility to adequately reflect the feeling of pride and belonging, the vision and wishes of all our countrymen.

Thus, if we were to promote this vision which seems to me to be quite narrow, and simply include the City of Hull in the National Capital which is Ottawa, without its outskirts where the actual population really feels that it is already part of the national capital—

If we fail to enlarge our vision, then we would not fulfill the expectations of the Canadian people. I therefore believe that as the National Capital Commission which is responsible for enhancing the buildings, the parks and the life of our national capital, under the Department of Public Works, is currently very seriously addressing the issue, we are in fact considering projects which could truly reflect a true vision of our national capital, we should go beyond this Bill.

Not only that but this plan of Mrs. Jean Pigott, the present chairman of the National Capital Commission, and of the Department of Public Works, whose Minister is Mr. Roch La Salle tells us for instance about administrative sectors of the Government which would be scattered throughout the Capital area, a much larger area which reflects at last what has happened to the National Capital in the last ten years. For instance, in my constituency, there are 17,000 civil servants who work either in Hull or in Ottawa, the main city; in the constituency of my colleague, the Hon. Member for Ottawa West (Mr. Daubney), there are also many civil servants who work in the heart of the capital, some of them may even have the chance to work a little closer to home, in federal Government facilities. We see that this need for administrative sectors to be scattered throughout the National Capital area is really, in its wide vision, an objective to be pursued now. When we consider the legislation introduced by Dr Isabelle, the Hon. Member for Hull-Aylmer, we see that it may not have been brought up to date for . . . I think it is the sixth year he has brought back this Bill; if he had a look at that enlarged vision of a National Capital which should reflect the aspirations of all the population of that area, I might say of the region defined as the area of the National Capital Commission, which extends to Buckingham—

**Mr. Gauthier:** Mr. Speaker, on a point of Order.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Ottawa-Vanier has the floor.

**Mr. Gauthier:** Mr. Speaker, the Hon. Member for Gatineau (Mrs. Mailly) is repeating the speech she made on last December 7. She rose on the main motion and now she is speaking on the amendment, that is the motion I moved to refer the whole matter to a committee for consideration. The Hon. Member for Gatineau should know that a speech is made only once in the House, not twice. The one she is making now is a repetition of the one she made on December 7.

[*English*]

**The Acting Speaker (Mr. Paproski):** In my comprehension of the Hon. Member's speech, I find there is a difference. I went through it with the Table Officers, I read the Hon. Member's speech, and I find it to have been relevant, as were her remarks today. They were not quite the same. I think I will allow the Hon. Member to carry on.

[*Translation*]

**Mrs. Mailly:** Thank you, Mr. Speaker. My colleague objects and says I am repeating the same speech, but it is not the same speech at all, because we have things to say now we did not have the last time we discussed the matter, in December 1985, I think. Mrs. Pigott now has devised an overall plan for the National Capital territory. So I fail to see why we should refer such a narrow issue that is not relevant to the present situation, which represents a narrow point of view and does not convey a sense of fairness to a committee. When we have—

**The Acting Speaker (Mr. Paproski):** Order, please. The hour provided for the consideration of Private Members' Business has now expired.

It being five o'clock, the House stands adjourned until next Monday, at 11 o'clock, pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.